

# NGS SUPER CEO UPDATE (incorporating Board Meeting Outcomes)

28 and 29 September 2009

## CEO operational update

The last three months have seen significant activity in the Trustee Office, centring on two major initiatives:

### 1. Transition from Precision Administrative Services to Mercer

The Board hired Mercer to provide back-office administration services in April, and since then, detailed planning has occurred to make this transition happen as easily and cost-effectively as possible.

The Management team are confident that this will be a well-executed exercise and that members and employers will derive long term benefit from the decision.

**As we have received questions from members on the issue, it is timely to clarify the terminology that has been used with this transition:** in 'appointing a new administrator', NGS Super has continued its previous practice of outsourcing certain back-office (administration) functions, but moved service providers from Precision to Mercer, as a result of a detailed tender process.

**NGS Super's governance structure and operations environment is unchanged.**

**Members are directed to the Fund's Annual report, to be found on the website [www.ngssuper.com.au/forms-and-publications/](http://www.ngssuper.com.au/forms-and-publications/), for an update on NGS' operations generally, and its financial condition specifically.**

### 2. Rollout of Financial Planning Services

NGS Financial Planning was launched in early August, and the Financial Planners are very busy in face to face meetings with members, as well as supporting the Fund's education and seminar programme.

Members are encouraged to ring NGS Super on 1300 133 177 should they wish to meet with a Planner.

### 3. September Board Meeting

The Investment Committee met on Tuesday, 22 September and the Board and three Committees of the Board:

■ CLAIMS REVIEW AND INSURANCE ■ MARKETING ■ RISK, AUDIT, FINANCE AND COMPLIANCE

met on Monday 28 and Tuesday 29 September to review and progress a number of issues. Major topics discussed at these meetings included:

#### 3.1 Investment Committee: Investment environment and results

The Investment Committee and Board comprehensively reviewed investment returns by investment option, asset sector and investment manager for the period to 31 August. The Board noted that markets continued to perform strongly in July and August, and that the year to date return for August for the Diversified Option in the Accumulation Division was 6.92%. The Diversified Option continued to be placed in the top quartile of results across all periods (One year to five years) in the SuperRatings August 2009 survey.\*

The Committee (and Board) also discussed the following:

- The Custodian's 'Rolling Manager Returns' by Asset Class, and asset allocation reports for August 2009;
- A paper prepared by JANA (asset consultants) on the use of the FTSE after tax benchmark for the Australian Equities portfolio, which use was endorsed by the Board;
- A further paper on the Fund's Strategic Asset Allocation;
- The revised Investment Policy Statement.

The Board resolved to approve:

- A change to the Strategic Asset Allocation split between 'Growth' and 'Defensive' assets in the Diversified Option, moving from a 74/26 Growth/Defensive split to a 70/30 split;
- An allocation of 5% to 'Defensive Alternatives' in the 'Defensive' category;
- The revised and updated Investment Policy Statement.

### 3.2 Risk, Audit, Finance and Compliance Committee (RAFC Committee)

The RAFC Committee, and subsequently the Board, reviewed, discussed, and where appropriate, approved:

- The financial operating results for both the Fund and the Trustee for the period ended 31 August 2009 and noted that expenses were being well contained against budget;
- The draft audited Financial Statements for the Fund for the year, which were approved for signature;
- A report from the Auditor on the financial statements and year end process, noting that there were no major issues of concern;
- A suite of Compliance and Risk management reports pertinent to the year end;
- The 'Financial Condition Report' that had been prepared by Mercer Actuarial the purpose of which was to pull all the strands of risk management and internal control in the Fund together, review and test them in a holistic way to ensure that the Trustee has 'best practice' governance in place, and that the organisation is robust and 'in good financial condition'. It was noted that while the certification received from Mercer could be used for the Annual Report, Mercer were in the process of detailing their specific findings, and these would be tabled at the next Committee meeting;
- The revised and updated Risk Management Plan and Risk Management Strategy, requesting the Risk Manager to review it again, and consolidate the two documents into one;
- The current Authorities and delegations summary.

## 4. Marketing Committee

The Marketing Committee and Board reviewed reports outlining marketing and communications activities undertaken since the last Board meeting. It was noted that:

- Recent research had been conducted into members' and employers' attitudes towards and perceptions of the Fund's products and services. This would be used by management to refine, develop and tailor offerings going forward;
- After closely scrutinising over 300 of Australia's leading super funds, SuperRatings has named NGS Super as one of the top ten super funds in the country as measured across four hundred different criteria including investments, fees, insurance delivery, member education, financial planning facilities, employer support and fund governance
- In addition, SuperRatings has nominated NGS Super as a contender for its 'Fund of the Year' Award to be announced in October.

## 5. General matters

The Board noted that the Australian Institute of Superannuation Trustees had commenced its comprehensive Board Assessment process, and was on track to report the findings of the review to the December Board meeting.

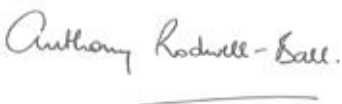
The Board noted that planning for the November transition to the new administrator was now far advanced and on track, with detailed meetings continuing to be held with all interested parties.

## Next meeting

It was noted that the next full meeting of the Board will be held on 1 December 2009, with the Investment Committee next meeting on Friday, 30 October.



Anthony Rodwell-Ball  
Chief Executive Officer  
NGS SUPER



\*SuperRatings survey of SR50 Balanced funds

### NEXT BOARD MEETING DATE

Tuesday, 1 December 2009

### Employer-representative directors

Stephen Mathwin

Appointed by the AIS SA

David Buley, Ray Whitfield

Appointed by the AIS NSW

Heather Walsh

Appointed by the AIS NSW representing ACT

Peter Fogarty (Chair)

Appointed by the Catholic Hierarchy NSW

Daniel Watson

Appointed by the SA Commission for  
Catholic Schools

### Member-representative directors

Kevin Phillips, John Quessy, Gloria Taylor

Appointed by the IEU NSW

Margaret Sansom, Glen Seidel (Deputy Chair)

Appointed by the IEU SA

Cathryn Hickey

Appointed by the VIEU

### REMAINING 2009 BOARD MEETING DATE

- Tuesday, 1 December