

# BOARD MEETING OUTCOMES

10 February 2009

The Board and four Committees of the Board:

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

met on Monday 9 and Tuesday 10 February 2009 and noted that since the date of the last Board meeting in November, an additional meeting of the Investment Committee had been held on 15 January to review market performance, asset allocations and the fund's liquidity position. Major issues discussed at these meetings include:

## 1. Investment Committee: Investment environment

The Investment Committee and Board comprehensively reviewed investment returns by investment option, asset sector and investment manager for the period to 31 December. While ongoing market volatility in the second half of the year has continued to negatively impact returns, the **SuperRatings** Indices\* as at 31 December indicated that the NGS Diversified Option (the default) outperformed most equivalent investment options for the December quarter and over one year, and was in the top 25% for performance over three years.

The Board also discussed the following:

- The preliminary planning that was going into a full and comprehensive review of investment strategy, the portfolio of assets and Strategic and Medium Term Asset Allocation settings that was to be undertaken by the Investment Committee in March;
- The successful completion of the International Equities sector manager transition, and the improved contribution that the new managers were making to the international equities portfolio;
- A December quarterly report from the Asset Consultants (JANA Investment Advisers) providing a comprehensive commentary on all aspects of the Fund's investment performance for the period;
- A paper prepared by the Asset Consultants presenting views and recommendations made by JANA relating to the asset allocation of the fund;
- A discussion paper relating to the treatment of the fund's Deferred Tax Asset.

## 2. Risk, Audit, Finance and Compliance Committee (RAFC Committee)

The RAFC Committee, and subsequently the Board, reviewed the letter that had been sent from APRA (Australian Prudential Regulatory Authority) detailing the matters that it had covered in the prudential review of the fund conducted in November. The Committee (and subsequently the Board) also reviewed management's response to the letter and the actions that had been agreed to further refine and improve the fund's governance framework.

In addition, the Committee, and subsequently the Board, reviewed:

- And adopted the financial operating results for both the Fund and the Trustee for the period ended 31 December 2008 and noted that the operation was continuing to run within budget for the period in question;
- A report from the taxation advisers summarising the outcomes of a review of Unit Pricing practices, methodology and controls that had been completed in late December;
- The Trustee Compliance checklist and Incident and Breach Reports for the period to 31 December 2008.

### 3. Marketing Committee

The Marketing Committee and Board received a presentation on the new website. It was noted that it was much more member and employer focussed and interactive, and easier to use and navigate around. Significant effort had been put into reflecting and responding to members' interests and concerns, and while there had been a minor delay to the rollout schedule over the festive season, plans were well in hand for a February launch.

The Board also reviewed in detail management's plans to raise the level of engagement with members and employers, and in particular to address the lessons gleaned from the member survey conducted in late 2008.

The Board also noted that the fund had won the **Money Magazine** 'Best value insurance in Super' **Best of the Best Award** in December in recognition of the outstanding value contained in the fund's insurance offering.

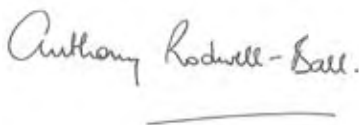
### 4. Administration matters

The Board noted that the 31 December Statement mailout was progressing to plan, with statements due to be mailed out from 23 February onwards.

The internal review of the fund's administration requirements was also progressing well, with discussions being held with a number of leading providers of administration services. A Board sub-committee had been formed to oversee this process, and recommendations would be made to the Board as a whole in due course.



Anthony Rodwell-Ball  
Chief Executive Officer  
NGS SUPER



\* SuperRatings survey of SR50 Balanced funds

#### NEXT BOARD MEETING DATE

Mid-March 2009

It was noted that the **next full meeting of the Board will be held in mid March**, and consist both of a strategic review of investments, as well as an annual strategy and business planning session.

#### Employer-representative directors

Stephen Mathwin  
Appointed by the AIS SA  
David Buley, Ray Whitford  
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

#### 2009 BOARD MEETING DATES

- Mid March (TBA)
- Tuesday, 12 May
- Tuesday, 30 June
- Tuesday, 11 August
- Tuesday, 29 September
- Tuesday, 1 December