

NGS Super's commitment to ethical investments

At NGS Super we believe that wealth creation and ethics go hand in hand, and we recognise that our members feel the same way. That's why NGS Super follows the United Nations Principles of Responsible Investment (UNPRI) in all of our investment decision-making.

Socially responsible investing is an important part of NGS Super's value proposition for members.

NGS Super introduced the NGS Super Green Shares investment option in 2001 to provide members with the opportunity to take environmental, social and corporate governance issues into account as part of their retirement savings.

This article explains why NGS Super decided to introduce the Green Shares investment option and describes how the option works in practice.

Socially responsible investing

Socially responsible investing involves identifying investment opportunities in industries and companies that:

- have a track record of "environmental friendliness" and environmental, economic and social sustainability in the way they conduct their business;



- operate in a way that is ethical, fair and equitable for employees, customers, suppliers and business partners, and that all legal requirements and standards are met; and
- govern themselves in a way that is open, honest and fair, and provide a high degree of transparency for all stakeholders including shareholders, employees and customers.

These environmental, social and governance (ESG) factors are an important part of NGS Super's investment decision-making framework. The Fund has signed the United Nations Principles for Responsible Investment (UNPRI) document and has adopted a significant part of the UNPRI subscribed framework.

The NGS Super Green Shares investment option specifically provides members with the opportunity to invest in companies that focus sharply on ESG considerations, while providing the opportunity for greater diversification and competitive returns.

How does the NGS Super Green Shares option work?

The NGS Super Green Shares option invests predominantly in companies that demonstrate a high level of environmental, social and corporate governance responsibility.

The screening methods used include:

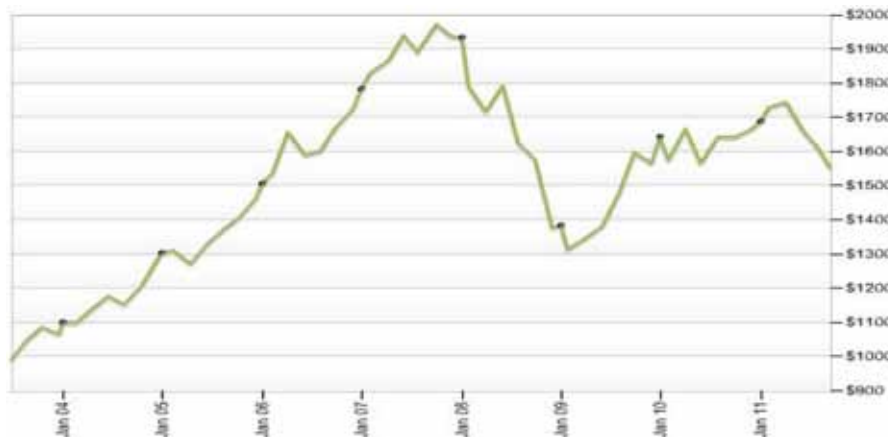
- positive screening, which involves expressing a preference for investment opportunities that meet positive criteria such as environmental sustainability and inclusive labour practices, and
- negative screening, that excludes companies that fail to meet ethical, environmental and social standards.

The investment performance objective of the Green Shares option is to achieve a return of 4% p.a. above inflation, measured over rolling seven year periods.

This option may be considered by anyone looking for capital growth over the longer term. The risk profile is “medium to high”. In other words, the likelihood of a negative return is 6 in 20 years.

How has the Green Shares option performed?

The graph below shows the performance of the Green Shares option over the last seven years by looking at an example of \$1,000 invested over that period. As you can see, the option recorded steady growth until the effects of the Global Financial Crisis and related factors prompted a fall but picked up again in 2009. Since then the option has returned to steady growth and has performed well.



What asset classes does the NGS Super Green Shares investment option invest in?

The NGS Super Green Shares option invests in a range of asset classes with the aim being to offer good diversification for members. The table below shows the asset allocation as at 30 June 2011.

Asset allocation	Benchmark	Range
Australian Shares	60%	50 – 70%
International Shares	40%	30 – 50%
Total Growth Assets	100%	85 – 100%
Cash	0%	0 – 15%
Total Defensive Assets	0%	0 – 15%
Foreign Currency*	40%	30 – 50%

*The International Shares are generally unhedged

Support for environmental initiatives.

NGS Super’s commitment to socially responsible investing is reflected in the Green Shares investment option, but extends more broadly than that. Our commitment to the environment extends from our internal operations to corporate social responsibility programs such as our sponsorship of the **Marine Discovery Centre** in South Australia – an award-winning centre which fosters an appreciation and understanding of marine life through aquatic education programs for primary school children and visitors.

Financial advice, with a free initial consultation!

If you’re interested in adding a socially and environmentally responsible investment to your retirement portfolio, the NGS Super Green Shares option may be a suitable for you to consider. We recommend you make any investment decision with the assistance of a licensed financial planner.

You can make an appointment with an NGS financial planner by calling the Customer Service Team on **1300 133 177**. Remember your first consultation is free!

More information about this investment option and the other options provided by NGS Super is available in the forms & publications section of our website.

How to contact us

Visit our website www.ngssuper.com.au, or contact our Customer Service Team or your local Client Relationship Manager at any time. We're here to help you.

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New Indexed Balanced investment option available from 1 October 2011

NGS Super understands that our members have different attitudes to investments and some members would like to ensure that their investments have the relative safety net that index-linking may provide. With this in mind, we are pleased to announce the introduction of the Indexed Balanced option which is expected to earn a moderate to high level of capital growth over the long term that is in line with the broad market, with only minimal fees.

This option aims to achieve long-term growth and invests in index-linked Australian & overseas shares, indexed Australian listed property and indexed global listed infrastructure, with a smaller investment in index-linked Australian bonds and cash/term deposits. None of the investments are in unlisted assets.

Important information

This information does not take your personal circumstances into account. Please read the relevant Product Disclosure Statement and consider seeking professional advice before making an investment decision. Past performance is not a reliable indicator of future performance.

