

The information in this document forms part of the NGS Super Member Guide (Product Disclosure Statement) dated 1 March 2012.

Investments

Fact sheet 5
1 March 2012

NGS Super offers you flexibility and choice when it comes to investing your super. You have the flexibility to develop your own investment strategy by choosing any combination of the 12 different options available to you. You also have the flexibility to choose different investment strategies for your existing account balances and future contributions.

Explaining investments

Before we get too deeply into the details of the NGS Super investment options, here is some information about investments and investing to help you understand some of the basics.

Asset classes

Asset classes are a key component of investing. Each of the NGS investment option is broken down into allocations to the various asset classes which can be classified as being either defensive or growth assets. An asset class refers to a particular group of assets that have similar characteristics such as shares, property and fixed interest.

Defensive assets

Defensive assets are generally included in investments to stabilise returns. These types of assets typically receive a large component of their return as income. Defensive assets are lower-risk investments, but this means they generally produce lower returns over the long term.

Traditional defensive assets include assets that produce an income, such as cash and fixed interest. NGS Super also counts some direct property investments and defensive alternative funds as defensive assets. The direct property investments which fall into this category are focused in high-quality property assets which produce relatively high levels of income. The defensive alternative funds use a range of investment strategies aimed at generating positive returns in both rising and falling markets.

Growth assets

Growth assets are used in the NGS Super investment options to provide capital growth to an investment portfolio, along with some investment income. Growth assets are riskier than defensive assets but over the long term are expected to produce higher returns.

Growth assets include listed shares, private equity, infrastructure and some property investments.

Diversification

All asset classes fluctuate in value over time but it's unusual for them all to perform poorly at the same time. Diversification means having different investments in different asset classes as well as within each asset class (e.g. different shares), with the expectation that if one or more investments are performing poorly the others may be doing better. Whilst diversification reduces the risk of a negative return on your investment, it doesn't eliminate it completely.

While shares are expected to have the highest average return over the long term, they cover a very wide range of one-year returns, which include significant negative returns. On the other hand, whilst cash won't provide a negative return, it is expected to have a low long-term return relative to other asset classes.

Risk and return

'Risk' is the chance that a given set of objectives will not be met – for example the return you receive on an investment will be less than the one you expected. In assessing risk, your timeframe is very important. Whilst your main objective may be to maximise returns over a twenty-year period, for another member, the main priority may be to avoid a negative return in the coming year.

One way of measuring investment risk is by looking at volatility, which describes the degree to which investment returns move up and down over time. In general, assets like shares are highly volatile in the short term. Their value fluctuates significantly so that in the short term the risk of a lower than expected return (even a negative return) is fairly high.

Assets such as fixed interest and cash are less volatile (their value fluctuates less over periods of time), so that in the short term, the chance of a lower than expected return or a negative return is less.

What is your risk tolerance?

Risk tolerance refers to how well you can cope with the trade-off between risk and return. In making investments, you must consider both aspects. As a general rule, it's unrealistic to expect an investment to be both low risk and provide high returns at the same time.

You need to decide how much risk (or volatility) you can tolerate in pursuit of higher returns. If you want low risk, will you be satisfied with the lower returns that accompany it? The answer will usually be different for everybody and there is no single correct answer. It is worth taking the time to assess your individual tolerance for risk.

Risks associated with investing...

There are various risks associated with investing and as each investment option has a different mix of investments, the risk of investing in each option is different. Each investment option has details of its risk profile, but here we take a look at some general types of investment risk:

- **Inflation** – price increases due to inflation can erode the real value of investments.
- **Individual asset risk** – the value of the assets within an asset class can fall for many reasons including changes in the internal operations or management of a fund or company, or in its business environment.
- **Market risk** – factors such as investor sentiment, economic impacts, regulatory conditions and political events will affect market performance.
- **Interest rate risk** – changes in interest rates can have a positive or negative impact directly or indirectly on the value of investment returns. This is of special concern in cash and fixed interest investments.
- **Currency risk** – the risk that overseas investments gain or lose value resulting from rises or falls in the Australian currency.
- **Derivatives risk** – the risk that the value of the derivative may not move in line with the underlying asset exposure or the risk that the counterparty to the derivative contract cannot meet its obligations under the contract.
- **Liquidity risk** – the risk that investments may not be able to be converted to cash within the necessary time frames.

Things to consider when making your investment choice

What investments do you have outside of super?

The answer to this may influence the amount you need to save and the type of assets you put your super savings into. You can diversify your retirement savings by investing in asset classes you do not already invest in.

Past short-term performance may not be indicative of long-term performance

When you select your investment strategy, you may find yourself considering past performance. While this could be a potential guide to future performance, it is not necessarily a good guide. You should consider performance over a number of years because short-term returns can be very misleading.

It's time in the market, not timing

Not even investment experts can predict when markets will rise or fall. Super is a long-term investment so making frequent changes to your investment options to try to anticipate which asset class will perform best in the short term is unwise. It is generally better to stick to a long-term investment strategy that suits your needs and only change it if there is a long-term fundamental change in investment markets or your personal circumstances dictate that a change is needed.

How old you are now and when you will retire

When you plan to retire can have an influence on the level of risk you are prepared to accept. If you are younger, you may decide to pursue higher long-term returns and be prepared to accept the occasional negative return in the short term because you have time on your side. If you are close to retirement, however, you may not be prepared to take the risk of a market downturn just before you retire and so may choose to accept the lower returns of a more conservative investment strategy.

How long you will be retired for

Of course, this is generally impossible to know but the longer you are retired, the more money you will need. To a certain degree this will depend on the age at which you begin your retirement. This may mean increasing the amount you save or changing your strategy to gain a higher return.

Action points

- **Seek advice:** It's important to seek financial advice when making major investment decisions, like choosing how to invest your super. As a member of NGS Super you're entitled to advice about your investment options through our phone advice line. NGS Super also offers a financial planning service. To make an appointment or speak with a planner, contact our friendly Customer Service Team on **1300 133 177**.
- **Make an investment choice:** If you're new to NGS Super or you are an existing member and would like to change your investment option/s, read this fact sheet carefully, and seek appropriate financial advice.

Once you've made your choice simply complete the **Member investment choice** section of the *Membership Application form* available on the website, at www.ngssuper.com.au (select **Super members > Forms and publications**). If you're already a member, you can change your investment options online at www.ngssuper.com.au or by completing the *Investment Switching form* which is also available on the website.

Action points

You can change the investment options applying to your super account balance and/or your future contributions and rollover amounts at any time. You can make your changes online or if you prefer, you can complete an *Investment Switching form* which is available on the website, at www.ngssuper.com.au (select **Super members > Forms and publications**) or call the Customer Service Team on **1300 133 177** to request a copy.

Rebalancing your investment mix

If you have chosen a mix of investment options, the proportions will change over time as the different investment options grow at different rates.

We do not automatically rebalance your account balance back to your original chosen proportions. You can choose to allow the better performing option(s) to increase as a proportion of your total account balance or you can periodically review and switch your investment options to keep the proportions you originally selected.

Changing your investment options

You can make one free investment switch each financial year. Each additional switch in the same financial year costs \$30 which will be deducted from your account.

If you request a switch, it will be processed using the unit price determined at the close of business on the last business day of the week in which the switch request was received. Your form must be completed and received by 5pm (AEST) on the last business day of the week. If we receive your form after that, your switch will be processed using the unit price determined the following week, effective the last business day of that week.

You can choose to invest your future contributions and rollover amounts in the same investment options as those chosen for your account balance, or in different options. If you change your investment options for future contributions and rollover amounts, contributions and rollovers will be invested in your new options from the week after your change request is processed.

Action points

If you would like to rebalance your account, you can do this online or if you prefer you can download an *Investment Switching form* from our website at www.ngssuper.com.au (select **Super members > Forms and publications**) or call the Customer Service Team on **1300 133 177** to request a copy.

How do I make my investment choice?

What investment choices can I make?

NGS Super offers flexibility in selecting your investment strategy. You can choose from 12 investment options, in any combination, as long as your selections are in multiples of 1%.

Redirecting your future contributions

NGS Super gives you the option of having two separate investment strategies: one for your account balance and one for your future contributions (including rollovers). This means you can keep your existing account balance in your current investment options as well as directing any future contributions into entirely different investment options.

This can be a great way to increase the diversification of your investment portfolio as you can invest in any of the 12 investment options available. There is no fee for redirecting future contributions.

Do I need to have a minimum account balance to choose investment options?

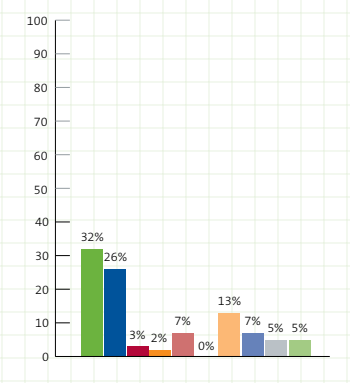
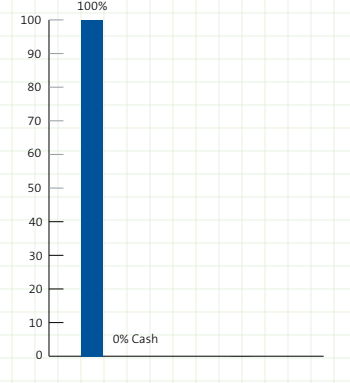
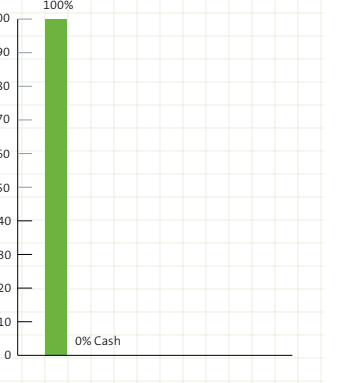
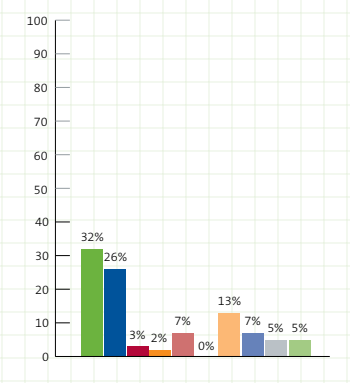
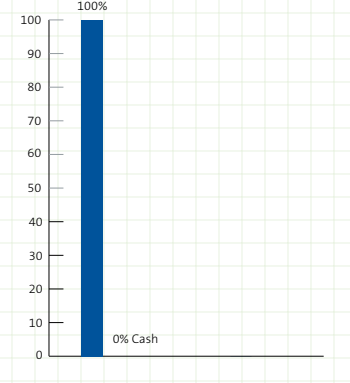
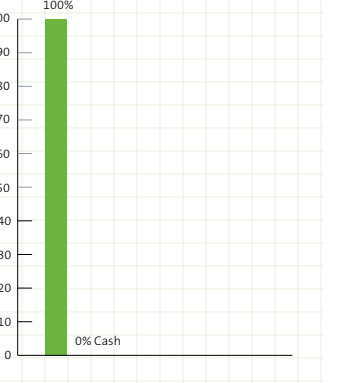
No, you can make your investment choice at any time.

Do I need to make an investment choice?

You don't have to make an investment choice, but if you don't, your super will be automatically invested in the Diversified option. We believe this investment option best meets the long-term needs of most of our members, but it's impossible for one investment mix to be suitable for all members at all times so it's important you consider the other options available to you.

If the Diversified option doesn't meet your objectives or if your circumstances change, you should consider choosing a different investment option or mix of options.

Your investment options...

	Diversified (Default option)	International Shares	Australian Shares																																												
Investment performance objective is to achieve a return ¹ :	3% above CPI per annum over rolling five year periods.	4.5% above CPI per annum over rolling seven year periods.	4.5% above CPI per annum over rolling seven year periods.																																												
What type of investment is it?	Includes most of the asset classes that NGS Super uses but has a higher weighting to investments in assets with the potential for medium to long-term growth, such as shares, infrastructure and property. NB: This is the option your money will be invested in if you do not advise us of your investment choice.	Invested predominantly in companies listed on major international stock exchanges.	Predominantly invested in companies listed on the Australian Stock Exchange.																																												
Probability of meeting objective	87%	77%	80%																																												
Investment timeframe:	Medium to long term – five years +	Long term – seven years +	Long term – seven years +																																												
Risk profile (if historical patterns are repeated):	Medium to high risk	High risk	High risk																																												
Expected frequency of negative return over 20 year period	5 in 20 years	7 in 20 years	6 in 20 years																																												
This option may be right for you:	If you would like to earn a moderate to high level of capital growth over the medium to long term.	If you seek capital growth over the longer term and are willing to accept the risks associated with fluctuations in world share markets and currencies.	If you seek capital growth over the longer term and are willing to accept the risks associated with fluctuations on the Australian Stock Exchange.																																												
If you choose this option you should be comfortable with:	Moderate to high levels of variability in returns over some years including the possibility of a negative return.	Potentially high levels of variability in returns over some years, and the possibility of negative returns.	Potentially high levels of variability in returns over some years, and the possibility of negative returns.																																												
Benchmark asset allocation ²	Foreign currency 10%	Foreign currency 40%																																													
Growth																																															
Defensive																																															
Ranges	<table border="0"> <tr><td>Australian shares</td><td>25 – 45%</td></tr> <tr><td>International shares</td><td>20 – 40%</td></tr> <tr><td>Private equity</td><td>0 – 6%</td></tr> <tr><td>Property (growth)</td><td>0 – 8%</td></tr> <tr><td>Infrastructure</td><td>0 – 10%</td></tr> <tr><td>Growth alternatives</td><td>0 – 10%</td></tr> <tr><td>Total growth assets</td><td>55 – 85%</td></tr> <tr><td>Global fixed interest</td><td>0 – 30%</td></tr> <tr><td>Property (income)</td><td>0 – 15%</td></tr> <tr><td>Defensive alternatives</td><td>0 – 10%</td></tr> <tr><td>Cash</td><td>0 – 25%</td></tr> <tr><td>Total defensive assets</td><td>15 – 45%</td></tr> <tr><td>Foreign currency</td><td>0 – 25%</td></tr> </table>	Australian shares	25 – 45%	International shares	20 – 40%	Private equity	0 – 6%	Property (growth)	0 – 8%	Infrastructure	0 – 10%	Growth alternatives	0 – 10%	Total growth assets	55 – 85%	Global fixed interest	0 – 30%	Property (income)	0 – 15%	Defensive alternatives	0 – 10%	Cash	0 – 25%	Total defensive assets	15 – 45%	Foreign currency	0 – 25%	<table border="0"> <tr><td>International shares</td><td>90 – 100%</td></tr> <tr><td>Total growth assets</td><td>90 – 100%</td></tr> <tr><td>Cash</td><td>0 – 10%</td></tr> <tr><td>Total defensive assets</td><td>0 – 10%</td></tr> <tr><td>Foreign currency</td><td>0 – 95%</td></tr> </table>	International shares	90 – 100%	Total growth assets	90 – 100%	Cash	0 – 10%	Total defensive assets	0 – 10%	Foreign currency	0 – 95%	<table border="0"> <tr><td>Australian shares</td><td>90 – 100%</td></tr> <tr><td>Total growth assets</td><td>90 – 100%</td></tr> <tr><td>Cash</td><td>0 – 10%</td></tr> <tr><td>Total defensive assets</td><td>0 – 10%</td></tr> </table>	Australian shares	90 – 100%	Total growth assets	90 – 100%	Cash	0 – 10%	Total defensive assets	0 – 10%
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Growth/Defensive split	Growth 70% Defensive 30%	Growth 100%	Growth 100%																																												
Recent effective rates of investment returns ³	Year ending 30 June % p.a. 2011: 10.47 2010: 10.03 2009: -10.35 2008: -4.68 2007: 17.89 Five year rolling return 4.13% p.a.	Year ending 30 June % p.a. 2011: 7.70 2010: 5.65 2009: -10.87 2008: -14.74 2007: 17.08 Five year rolling return 0.24% p.a.	Year ending 30 June % p.a. 2011: 15.11 2010: 17.74 2009: -15.47 2008: -13.25 2007: 26.32 Five year rolling return 4.66% p.a.																																												

¹ The Trustee is required by law to set these objectives. They are neither a forecast nor a guarantee of future investment returns. It is anticipated that the CPI objective should be achieved over the long term. However, due to the volatile nature of investment markets and the lack of direct linkage between market returns and inflation, there may be periods when investment returns are not above the objective.

² The Trustee reviews the continued suitability of the benchmark and ranges for each option at least annually. To achieve the investment objectives the actual asset mix for each option is determined by the Trustee on a quarterly basis (or more frequently if required) and takes into account developments in the Australian and global economies.

³ The table above shows each investment option's annual and effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past five years or for the period which the investment option has been offered if less than five years. Past performance is not a reliable indicator of future performance.

Your investment options continued...

	Shares Plus	Green Shares	Property																				
Investment performance objective is to achieve a return ¹ :	4.5% above CPI per annum over rolling seven year periods.	4% above CPI per annum over rolling seven year periods.	2% above CPI per annum over rolling five year periods.																				
What type of investment is it?	Invested predominantly in companies listed on Australian and major international stock exchanges, but with small exposures to other assets which offer potentially higher levels of return, but potentially high levels of variability in returns.	Predominantly invested in assets listed on Australian and major international stock exchanges chosen on the basis of companies which exercise social and/or environment responsibility.	Predominantly invested in Australian property, but with some international exposure. The listed property investments (which can be bought and sold on the share market) can be subject to equity-like returns and risk. The direct property funds are primarily focused on high quality property assets in the retail and industrial sectors, and will have a low correlation to share market returns.																				
Probability of meeting objective	81%	83%	92%																				
Investment timeframe:	Long term – seven years +	Long term – seven years +	Medium to long term – five years +																				
Risk profile (if historical patterns are repeated):	Medium to high risk	Medium to high risk	Medium to high risk																				
Expected frequency of negative return over 20 year period	6 in 20 years	6 in 20 years	5 in 20 years																				
This option may be suitable for you:	If you seek capital growth over the longer term and are willing to accept the risks associated primarily with fluctuations in share markets.	If you seek capital growth over the longer term and are willing to accept the risks associated with fluctuations in share markets and currencies.	If you seek an investment with a stable income stream and with the potential for capital growth over the longer term.																				
If you choose this option you should be comfortable with:	Potentially high levels of variability in returns over some years, including the possibility of negative returns.	Potentially high levels of variability in returns over some years, and the possibility of negative returns.	The possibility of a negative return over some years.																				
Benchmark asset allocation ²	Foreign currency 15%	Foreign currency 40%																					
Growth ■ Australian shares ■ International shares ■ Private equity ■ Property (growth) ■ Infrastructure ■ Growth alternatives ■ Listed property Defensive ■ Global fixed interest ■ Property (income) ■ Defensive alternatives ■ Cash	<table border="1"> <tr><td>Australian shares</td><td>55%</td></tr> <tr><td>International shares</td><td>40%</td></tr> <tr><td>Private equity</td><td>5%</td></tr> <tr><td>Cash</td><td>0%</td></tr> </table>	Australian shares	55%	International shares	40%	Private equity	5%	Cash	0%	<table border="1"> <tr><td>Australian shares</td><td>60%</td></tr> <tr><td>International shares</td><td>40%</td></tr> <tr><td>Cash</td><td>0%</td></tr> </table>	Australian shares	60%	International shares	40%	Cash	0%	<table border="1"> <tr><td>Listed property</td><td>50%</td></tr> <tr><td>Property (income)</td><td>50%</td></tr> <tr><td>Cash</td><td>0%</td></tr> </table>	Listed property	50%	Property (income)	50%	Cash	0%
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Ranges	Australian shares 45 – 65% International shares 30 – 50% Private equity 0 – 10% Total growth assets 85 – 100% Cash 0 – 15% Total defensive assets 0 – 15% Foreign currency 0 – 38%	Australian shares 50 – 70% International shares 30 – 50% Total growth assets 85 – 100% Cash 0 – 15% Total defensive assets 0 – 15% Foreign currency 30 – 50%	Listed property 30 – 70% Total growth assets 30 – 70% Property (income) 30 – 70% Cash 0 – 10% Total defensive assets 30 – 70%																				
Growth/Defensive split	Growth 100%	Growth 100%	Growth 100%																				
Recent effective rates of investment returns ³	Year ending 30 June % p.a. 2011: 12.18 2010: 12.71 2009: -12.90 2008: -12.91 2007: 21.87 Five year rolling return 3.17% p.a.	Year ending 30 June % p.a. 2011: 6.09 2010: 12.69 2009: -16.16 2008: -12.73 2007: 17.28 Five year rolling return 0.51% p.a.	Year ending 30 June % p.a. 2011: 18.11 2010: 11.95 2009: -21.45 2008: -6.07 2007: 19.18 Five year rolling return 3.06% p.a.																				

¹ The Trustee is required by law to set these objectives. They are neither a forecast nor a guarantee of future investment returns. It is anticipated that the CPI objective should be achieved over the long term. However, due to the volatile nature of investment markets and the lack of direct linkage between market returns and inflation, there may be periods when investment returns are not above the objective.

² The Trustee reviews the continued suitability of the benchmark and ranges for each option at least annually. To achieve the investment objectives the actual asset mix for each option is determined by the Trustee on a quarterly basis (or more frequently if required) and takes into account developments in the Australian and global economies.

³ The table above shows each investment option's annual and effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past five years or for the period which the investment option has been offered if less than five years. Past performance is not a reliable indicator of future performance.

Your investment options continued...

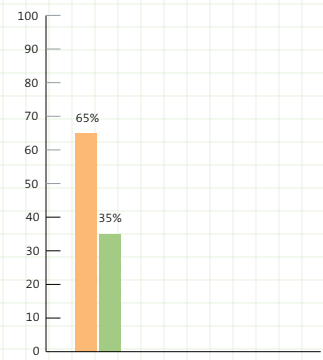
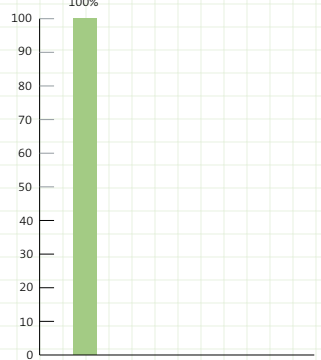
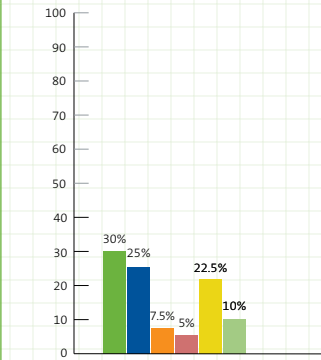
	High Growth	Conservative	Defensive
Investment performance objective is to achieve a return ¹ :	4% above CPI per annum over rolling seven year periods.	2% above CPI per annum over rolling three year periods.	1% above CPI per annum over rolling three year periods.
What type of investment is it?	A diversified investment option with a substantial weighting towards those assets which will potentially produce superior returns over the longer term.	An investment option split evenly between assets which provide the prospect for capital growth and assets which display defensive characteristics.	A relatively conservative investment option with a higher weighting towards the more defensive types of assets such as cash, fixed interest, defensive alternative funds and direct property. There is a smaller weighting to assets such as shares and infrastructure which provides the prospect for some capital growth.
Probability of meeting objective	87%	86%	99%
Investment timeframe:	Long term – seven years +	Medium term – three years +	Medium term – three years +
Risk profile (if historical patterns are repeated):	Medium to high risk	Medium risk	Low to medium risk
Expected frequency of negative return over 20 year period	6 in 20 years	4 in 20 years	3 in 20 years
This option may be suitable for you:	If you seek capital growth over the long term.	If you are seeking an investment option which is balanced in terms of allocations to both growth and defensive types of assets.	If you seek to earn some capital growth over the short to medium term while maintaining a low to medium probability of a negative return in any one year.
If you choose this option you should be comfortable with:	Potentially high levels of variability in returns in some years, and the possibility of a negative return.	Moderate levels of variability in returns over some years, including the possibility of a negative return.	The expectation that this option will offer a comparatively modest level of capital growth.
Benchmark asset allocation ²	Foreign currency 13%	Foreign currency 6%	Foreign currency 3%
Growth ■ Australian shares ■ International shares ■ Private equity ■ Property (growth) ■ Infrastructure ■ Growth alternatives Defensive ■ Global fixed interest ■ Property (income) ■ Defensive alternatives ■ Cash			
Ranges	Australian shares 30 – 50% International shares 25 – 45% Private equity 0 – 7% Property (growth) 0 – 6% Infrastructure 0 – 10% Growth alternatives 0 – 10% Total growth assets 70 – 95% Global fixed interest 0 – 14% Property (income) 0 – 7% Defensive alternatives 0 – 10% Cash 0 – 20% Total defensive assets 5 – 30% Foreign currency 0 – 30%	Australian shares 20 – 40% International shares 10 – 30% Private equity 0 – 6% Property (growth) 0 – 6% Infrastructure 0 – 8% Growth alternatives 0 – 10% Total growth assets 35 – 65% Global fixed interest 16 – 48% Property (income) 0 – 10% Defensive alternatives 0 – 10% Cash 0 – 30% Total defensive assets 35 – 65% Foreign currency 0 – 15%	Australian shares 5 – 20% International shares 5 – 15% Property (growth) 0 – 5% Infrastructure 0 – 8% Growth alternatives 0 – 8% Total growth assets 15 – 40% Global fixed interest 28 – 60% Property (income) 0 – 10% Defensive alternatives 0 – 10% Cash 10 – 30% Total defensive assets 60 – 85% Foreign currency 0 – 8%
Growth/Defensive split	Growth 85% Defensive 15%	Growth 50% Defensive 50%	Growth 32% Defensive 68%
Recent effective rates of investment returns ³	Year ending 30 June % p.a. 2011: 10.90 2010: 12.84 2009: -10.40 2008: -6.22 Since inception -1.27% p.a. Please note this option was introduced on 1 July 2007	Year ending 30 June % p.a. 2011: 8.72 2010: 9.68 2009: -5.07 2008: -1.47 Since inception 2.77% p.a. Please note this option was introduced on 1 July 2007	Year ending 30 June % p.a. 2011: 7.70 2010: 11.66 2009: -3.57 2008: -1.69 2007: 13.42 2006: 8.28 Five year rolling return 5.27% p.a.

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Your investment options continued...

	Diversified Bonds (with cash)	Cash	Indexed Balanced
Investment performance objective is to achieve a return ¹ :	1% above CPI per annum over rolling three year periods.	To achieve positive returns in all monthly periods.	3.0% above CPI per annum over rolling five year periods
What type of investment is it?	An investment in cash and fixed interest investments, which include securities issued by both Australian and International governments and corporations.	An investment in cash and short-term government and corporate securities. The aim is to provide a high level of security of the capital value of your investment so as to maintain the purchasing power of your investment over time.	Includes asset classes where a broad market index is available and investible. The option will aim to provide exposure to these asset classes through the use of passive indexing strategies. There are no investments in unlisted assets.
Probability of meeting objective	92%	100%	86%
Investment timeframe:	Short to medium term – three years +	Short term – one year +	Long term – five years +
Risk profile (if historical patterns are repeated):	Low risk	Low risk	Medium to high risk
Expected frequency of negative return over 20 year period	4 in 20 years	Never	5 in 20 years
This option may be suitable for you:	If you are looking for an investment with a secure income stream.	If you are looking for an investment with a high level of security of capital value over short-term periods.	If you would like a passive portfolio that earns a moderate to high level of capital growth over the long term that is in line with the broad market, while having minimal fees.
If you choose this option you should be comfortable with:	The potential for a loss in capital value when interest rates rise and a gain in capital value when interest rates fall.	Relatively low returns over the longer term.	Passive investing and moderate levels of variability in returns over some years including the possibility of negative returns.
Benchmark asset allocation ²			
Ranges	Global fixed interest 30 – 100% Cash 10 – 45% Total defensive assets 100%	Cash 100% Total defensive assets 100%	Australian shares 20 – 40% International shares 15 – 35% Property 5 – 10% Infrastructure 0 – 10% Total growth assets 45 – 80% Australian Bonds 10 – 35% Cash 5 – 35% Foreign currency exposure 10 – 20% Total defensive assets 20 – 55%
	Defensive 100%	Defensive 100%	Growth 67.5% Defensive 32.5%
Recent effective rates of investment returns ³	Year ending 30 June % p.a. 2011: 5.05 2010: 6.13 2009: 4.14 2008: 6.23 2007: 5.98 Five year rolling return 5.51% p.a.	Year ending 30 June % p.a. 2011: 4.89 2010: 3.78 2009: 4.31 2008: 5.39 2007: 5.44 Five year rolling return 4.76% p.a.	N/A ⁴

¹ The Trustee is required by law to set these objectives. They are neither a forecast nor a guarantee of future investment returns. It is anticipated that the CPI objective should be achieved over the long term. However, due to the volatile nature of investment markets and the lack of direct linkage between market returns and inflation, there may be periods when investment returns are not above the objective.

² The Trustee reviews the continued suitability of the benchmark and ranges for each option at least annually. To achieve the investment objectives the actual asset mix for each option is determined by the Trustee on a quarterly basis (or more frequently if required) and takes into account developments in the Australian and global economies.

³ The table above shows each investment option's annual and effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past five years or for the period which the investment option has been offered if less than five years. Past performance is not a reliable indicator of future performance.

⁴ This option was introduced on 1 October 2011.

NGS Super's investment policy

The investment objective and strategy for each of the investment options we offer are governed by our Investment Policy Statement. The following general principles apply:

- we employ professional investment consultants and external investment managers to assist us with selecting and managing NGS Super's investments
- we ensure sufficient liquidity is maintained in order to meet our requirements for expected cash-flow
- we ensure investment risk is limited by diversifying our investments – both by investing in different asset classes and by diversifying within the asset classes we select, and between the different investment managers we employ
- our Trustee Directors regularly review the performance of each investment manager with the assistance of the Trustee's asset consultant and custodian.

Use of derivatives

NGS Super has a Derivatives Risk Statement that governs the use of derivatives. Investment managers are allowed to use derivatives to assist with the effective management of Fund assets.

Investment returns

You can find up-to-date monthly investment returns for each investment option in the Investment section of the NGS Super website at www.ngssuper.com.au: select **Super Members > Investments**.

How your account is invested

All contributions paid into NGS Super by you or by your employer (plus any super money you roll into the Fund) go into your super account.

Your super account balance is invested according to your chosen investment option(s). When we receive a contribution into your account, we allocate units of your chosen investment option(s) to your account at the current unit price. Over time, and taking into account any contributions and withdrawals you make from your account, your account balance will rise or fall according to the performance of the investment options in which your super is invested.

While your money is held in your account with NGS Super, we deduct any taxes required by the Government, member fees and insurance premiums (if you have insurance cover).

Units and unit prices

How do units work?

Your super account is valued by multiplying the number of units allocated to your account from each investment option by their unit prices.

How this works: the assets of each investment option are divided into units of equal value. Every dollar you add to your super 'buys' (is invested in) units in your chosen investment option(s). Unit prices are generally the current ones at the time your contribution or rollover is received by the Fund. Please note that the Trustee can only allocate units when it receives all the information needed to make the investment. The value of units in each investment option and the unit prices change with the value of the underlying assets in each option.

How are unit prices calculated?

Unit price calculation generally takes place on a weekly basis and is a two-step process.

First, we calculate the value of the underlying assets of the investment option and take away the value of the liabilities we attribute to that option.

Then we divide this value by the number of units we have on issue in the option to provide a per unit price.

If you want to make a withdrawal from NGS Super, the unit price applicable on the day the withdrawal is processed will apply.

To find current unit prices, please visit the Fund website at www.ngssuper.com.au. In certain circumstances, for instance if investment markets become volatile, we may temporarily suspend unit pricing.

This means that any transactions, including switches, will be suspended until we are satisfied that a fair unit price can be determined. Requests for transactions received during a period where unit prices are suspended will be processed once unit pricing resumes, and will generally use the unit price applicable on the date the transaction is processed.

This process is consistent with general industry practice and is only undertaken during periods of extreme market volatility.

How can unit prices go down?

Your super account is different from a bank account. Your super is invested in financial markets and receives the returns (positive or negative) generated by those markets. Markets are cyclical and often experience volatility and so short-term rises and falls in your super are inevitable when your investments are market-linked.

This also means that unit prices will rise and fall on a regular basis even if the long-term performance trend is upwards. Remember, super is a long-term investment and short-term performance doesn't always give you a complete picture of long-term performance. Unless you are retiring in the near future, three and five year returns are more relevant than returns for shorter periods.

While defensive investments are usually expected to provide more consistently positive returns, these returns are likely to be relatively low. Over the longer term, market-linked investments such as shares and property are likely to provide higher returns.

You can find weekly unit prices for each of the 12 NGS Super investment options on the NGS Super website at www.ngssuper.com.au. Select **Super members > Investments > Unit Prices**.

Social and environmental issues

NGS Super offers a Green Shares investment option which includes both international and Australian shares selected on the basis of their social and environmental criteria, giving you the ability to invest in 'green' investment options.

Whilst we don't select the individual companies for the Green Shares investment option, we do invest in funds that are described as 'green', 'sustainable', 'ethical', 'environmentally responsible' or 'socially responsible' and which are managed by one or more external investment managers.

The investment managers we select must follow their published green criteria and methodologies when they include any particular company shareholding in their green investment funds.

NGS Super appoints (and may remove) Green Shares investment managers based on their published investment criteria and selection of particular companies in which to invest, the overall performance of their green investment fund or any other matter that NGS Super considers to be appropriate.

Green shares – positive criteria

NGS Super seeks certain standards when we consider 'positive' green investment criteria. We require our investment managers to only invest in companies that meet the following standards:

Labour standards

- adhere to local labour laws, International Labour Organisation core standards and local occupational health and safety laws, and
- have an acceptable standard of working conditions for all staff.

Environmental standards

- take energy and resource use into account in product life-cycle management, from manufacture to recycling, and
- are actively addressing emissions, climate change issues and any other environmental challenges.

Social considerations

- have active indigenous relations and community involvement programs, and
- are actively addressing any social challenges.

Ethical considerations

- meet fundamental human rights, and
- articulate and implement a code of conduct.

Governance considerations

- meet corporate governance guidelines on board structures and remuneration.

Other considerations

where applicable

- managers seek out ‘industry of the future’ – companies whose growth prospects are driven by a social and environmental sustainability imperative (for example, particular companies in sectors such as education, training, health care, renewable energy or public transport)
- the company can be identified as a ‘corporate responsibility leader’ in more traditional sectors of the economy (for example, companies that take a proactive green approach to managing issues related to the workplace, community, environment, value chain, corporate governance and business ethics).

Green shares – negative criteria

NGS Super considers certain objectives when considering investment managers’ ‘negative’ green criteria. The investment manager should not invest in companies than that:

- fail to comply with local labour laws or International Labour Organisation’s core standards and/or environmental, social, ethical or governance considerations
- exploit child labour
- demonstrate poor corporate responsibility
- rate poorly on genetically modified organism or animal rights criteria, and
- derive more than 10% of their total revenue from sectors considered to have a high negative social impact, such as alcohol, arms, gambling, nuclear power, pornography or tobacco.

NGS Super does not inquire whether an investment manager has:

- a process to apply a negative screen to any related entities of a company that it may invest in, or
- the capacity to work out whether any company has an indirect association with companies that do not meet Green Shares investment criteria.

Green shares – methodology

NGS Super looks for the following factors when selecting green shares:

- whether there is a clear description of the entire process used by investment managers to work out if a particular company is suitable for inclusion in its green shares portfolio
- whether any aspects of the process are outsourced and, if so, to whom
- which benchmarks and indices (if any) are used by investment managers
- whether any ‘best practice’ criteria are included in the methodology
- what hedging measures (if any) are used in relation to any international share investments
- whether the methodology used by investment managers might lead to investment in a company that might be inappropriate for inclusion in the NGS Super Green Shares Investment option, and
- whether there is a description of the process investment managers will use to exit from any investment that ceases to comply with its green standards.

NGS Super cannot measure whether investment managers are successful in meeting their green investment criteria. Additionally, we are not able to guarantee that investment managers will always follow their stated methodologies.

There’s more information about our Green Shares investment option on the NGS Super website at www.ngssuper.com.au. **Select Super members > Investments > Green Shares**

Further information

If you are thinking about choosing or changing investment options, you should consider obtaining advice from a licensed financial adviser to understand how this works for your personal situation. NGS Super offers a financial planning service. To make an appointment or to speak with a planner, call **1300 133 177**.

We also have representatives who can provide you with general advice and explain the options available through NGS Super.

Contact us

Our website is your one-stop shop for information about NGS Super.

You can also contact us via the **contact us** page at www.ngssuper.com.au or call our Customer Service Team on **1300 133 177** between 8.00am and 8.00pm (AEST or AEDT), Monday to Friday.

Important information

This factsheet provides key information for Industry and Personal members of NGS Super. You should consider all the information contained in the Member Guide (Product Disclosure Statement) and incorporated Fact Sheets dated 1 March 2012 before making a decision about investing in NGS Super.

The information provided in this fact sheet is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking professional advice.

The NGS Financial Planning Service is offered to members of NGS Super (ABN 73 549 180 515) through an arrangement with Mercer Financial Advice (Australia) Pty Ltd (MFA) (ABN 76 153 168 293) which holds an Australian Financial Services Licence No. 411766.