

# MEDIA RELEASE

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## Member services, cost efficiencies drive NGS Super-Cuesuper merger

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A desire to collaborate and grow in the interests of members is driving merger plans between NGS Super and Cuesuper, the funds announced today.

The proposed merger will form one national entity with total assets of \$3.5 billion and 90,000 members, to be finalised by April 2011. Anthony Rodwell-Ball, Chief Executive Officer of NGS Super, said one of the most important considerations is that both funds have similar membership profiles, allowing the merged entity to meet members' needs effectively.

“NGS Super and Cuesuper members are predominantly white-collar, professional and educated. They expect their superannuation fund to deliver competitive returns, low costs and value-add services such as insurance and financial advice. Merging the two funds will provide the scale and efficiencies to provide this for all members,” he said.

Cuesuper Executive Officer, Kathy Alexander, said that the fund has undergone a detailed and rigorous process in selecting a merger partner.

“Cuesuper and NGS Super have a close strategic and cultural fit, and our merger discussions have been approached collaboratively, to maximise benefits for both funds' members. The in-principle agreement will create a strong, national fund, and deliver improved services for the long-term retirement and insurance needs of members.

“It also allows us to enhance the way we connect and communicate with members. The educated professionals who make up our member base have the potential to become genuinely engaged with their super. The merged fund will encourage this by delivering a well-targeted, high-quality member experience,” she said.

Mr Rodwell-Ball says that the Cuesuper merger is an important step in achieving NGS Super's strategic vision.

“We are looking to grow – not for growth's sake, but to ensure we have the scale and cost-efficiencies that deliver results for members. The key to growing successfully through consolidation is to be respectfully consultative and to genuinely act in partnership, rather than seeking to impose a particular model on any other fund. We also need it to make sense strategically – to see an alignment between the needs of each fund's members,” he said.

Ms Alexander said that once the merger is approved, Cuesuper members will automatically transition to their new arrangements within NGS Super, and benefit from an expanded range of services.

“Cuesuper members will gain access to a broader range of sophisticated investment strategies, enhanced insurance products, new member and financial planning services, and significant cost savings,” Ms Alexander said.

Cuesuper employees will continue their employment in the merged entity, while two current Cuesuper board representatives will serve on the NGS Super board for at least the next three years. NGS Super and Cuesuper also share the same outsourcing provider, Mercer, meaning that transition costs and issues will be minimised.

“We expect a smooth transition process with minimal impact on member services. NGS Super already has a proven track record in growing through mergers, having integrated another 21,000 members into the fund, after merging with the Catholic Church Staff Superannuation Fund in 2006, and the Independent Schools Superannuation Trust in 2005. Both were completed successfully and we plan to leverage that experience in merging with Cuesuper,” Mr Rodwell-Ball said.

#### **Brief overview of NGS Super**

NGS Super is one of the largest superannuation funds dedicated to the Non-Government education and aligned sectors throughout Australia. It is also a public offer fund with over \$3.2 billion in assets. Over 82,000 members and more than 3,000 participating employers nationally have selected NGS Super as their choice of superannuation fund.

#### **Brief overview of Cuesuper**

Cuesuper was set up to provide superannuation benefits for employees of the Australian credit union movement and has expanded its reach to employees in the finance industry. Cuesuper has approximately 7,000 members and \$300 million in assets.

Cuesuper’s ‘mutual’ background is reflected in its commitment to provide excellent member service, member representation on the trustee board and an ‘all profits to members’ ethos.

#### **For further details about the proposed merger, please contact:**

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