

CELEBRATING

30 YEARS
Since 1988

NGS SUPER ANNUAL TRUSTEE REPORT

For the year ended 30 June 2018



ngs
Super

Your fund.
Your wealth.
Your future.



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In addition to this Annual Trustee Report, NGS Super publishes Supplementary Annual Reports for its defined benefit sub-plans including the Catholic Church Staff Superannuation Plan (CCSSP) South Australia, Cuesuper Superannuation Defined Benefit Plan (Cue Super), and Penleigh and Essendon Grammar School (PEGS) Superannuation Plan. These Supplementary Annual Reports should be read in conjunction with this Annual Report and are available via www.ngssuper.com.au/annualreport



\$9 BILLION
IN FUNDS UNDER MANAGEMENT



9,515
EMPLOYERS ARE
USING NGS SUPER



96,565
ACCUMULATION AND
INCOME ACCOUNT MEMBERS

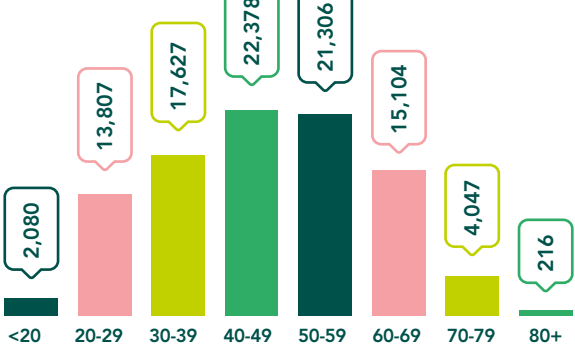


89%
OF ELIGIBLE[^]
MEMBERS
ARE INSURED

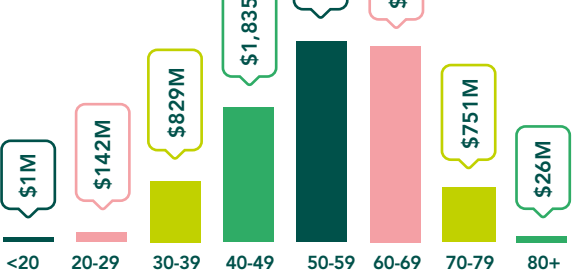


AROUND
3.25%
OF MEMBERS HAVE SOUGHT
ADVICE AND EDUCATION
SERVICES FROM NGS SUPER

MEMBERS
BY AGE



FUNDS UNDER
MANAGEMENT
(FUM)
BY AGE



Approximate values as at 30 June 2018
[^] Eligible members are defined as being under the age of 65 and are in the accumulation phase.

CEO AND CHAIR 2018 UPDATE



Dick Shearman

Dick Shearman
Chair, Trustee Board



Laura Wright

Laura Wright
Chief Executive Officer,
NGS Super

It is pleasing to report that NGS Super has had another year of solid performance to mark the Fund's 30th birthday. The Diversified (MySuper) option delivered a strong return for the sixth consecutive year recording **10.54%**¹ for accumulation members, and the Diversified option delivered **10.95%**¹ for members in the retirement phase — both returns being net of investment fees, the asset-based fee and tax (where applicable).

The NGS Super Diversified (MySuper) performance ranked in the **top ten in Australia** in the SuperRatings Index for balanced investment options. If we reflect on our 30-year history, members who have been in the Fund's default investment option since 1988 have earned **8.7%**¹ p.a.

In what has generally been a positive year for investors, the Fund benefited from an acceleration in the global economy and stronger economic conditions as the year unfolded. While markets responded to significant events such as terrorist attacks abroad and the threat posed by North Korea's missile tests, global shares performed well and growth prevailed in all major economic zones.

World events can have a significant impact on markets and investment performance, so the NGS Super Board makes it a point to remain abreast of domestic and international developments. We always seek opportunities to outperform the market and manage investment risks while preserving members' savings.

Economic growth peaked in early 2018 and as markets move into the later stages of the business cycle,

investment returns for the next 12 months are likely to be lower than the previous year. Despite economic growth forecasts remaining positive into 2019, the rate of growth is slowing which is likely to lead to declines in both business and consumer confidence and higher share market volatility. As a result, the exposure to riskier assets has been reduced to adjust the portfolio to cope with the expected lower returns. The Board is monitoring the underlying investment exposure to ensure the risks in the portfolio provide adequate compensation and appropriately reflect the prevailing market conditions.

While market returns are expected to be lower over the medium term, investment cycles come and go and often more money is lost by investors preparing for a market downturn than the downturn itself. The Fund, as a long-term investor, continues to seek out investment opportunities to build wealth over time. Diversification remains one of the best strategies for safeguarding the portfolio against various market conditions and remains a fundamental investment tenet. This enables the Fund to take a long-term approach to investing and building wealth for members.

¹ Past performance is not a reliable indicator of future performance.

SOLID PERFORMANCE

All of NGS Super's growth assets performed well over the year thanks to strong investment in international shares, and good returns from property, infrastructure and growth alternatives. The Fund lowered its exposure to corporate and government bonds, which helped the performance as bonds struggled to keep pace with stronger share markets. Some of the Fund's non-default investment options (for example the Defensive and Balanced options) were also among the top 10 performers in the country over the 12 months.

NGS Super celebrated an array of milestones over the year, indicating that there was a continuing strength of scale that provided the maturity to deliver outcomes for members as a trusted not-for-profit fund that exists solely to enable members to achieve their retirement goals.

KEY MILESTONES

- We announced that QIEC Super will merge with NGS Super in 2019. The combined Fund will increase funds under management to more than \$10 billion and raise membership to 125,000. The merger is in members' best interest as the increased scale will enable us to enhance our products and services in a cost-effective way.
- The Fund started 30 years ago with one employee in a serviced office. As we have increased in size, we have outgrown a number of offices. This year, with 39 staff in our Trustee head office, we relocated to a more central CBD location – Level 4, 14 Martin Place, Sydney. This fit-for-purpose office space facilitates greater staff collaboration, member interaction and supports the growth of our Fund.

- We commissioned a refresh of the Fund's website and member online portal to make them more practical and user-friendly. Importantly, this will allow us to deliver more personalised and targeted member communications. The new website and member portal is due to be operational before the end of the year.

- The Board released a Climate Change Statement that formally recognises the risks posed by climate change and the importance of integrating this into the Fund's investment decisions. The Fund is active in promoting positive change in government policy and company practices by engaging with like-minded investors to promote investment in clean technology initiatives.

- Work started on better ways to assess Environmental, Social and Governance (ESG) risks across the portfolio by measuring our investments against the 17 UN Sustainable Development Goals. Our responsible investment policy ensures ESG risks and opportunities are part of the investment processes and helps the Fund engage with investment managers and companies to promote better governance. These are detailed on our website: www.ngssuper.com.au/ESG

- We commissioned research into Australians' attitudes and behaviour towards investing and seeking professional financial advice — particularly in the current climate of a lack of trust in the financial advice industry — to better understand our members' needs and challenges. Our research found some really compelling insights into gender differences in the approach to investing and seeking financial advice.

- The Fund achieved a Platinum rating from SuperRatings for the 13th consecutive year, recognising it as a 'best value for money' superannuation fund. The Fund's *Income account* has received a Platinum rating as a 'best value for money' pension for the past 11 consecutive years.

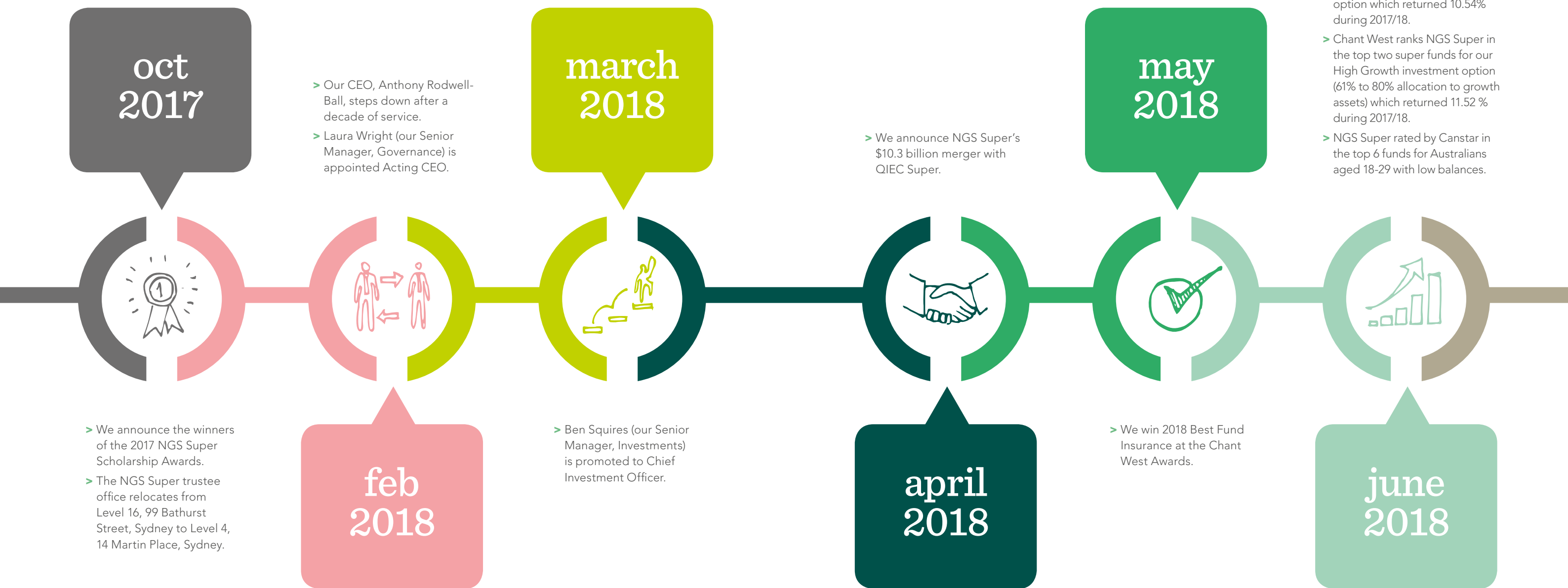
- We've had a great start to our new partnership with TAL Life Limited (TAL). Our insurance offering through TAL was recognised this year by Chant West as the Best Fund Insurance. The defining advantage is the Fund's purpose-built default cover that varies with the needs of our members during their individual life stages and the improved online capabilities offered by TAL. This is the second time in four years that the Fund has won this award. It was a finalist in two other years.

BANKING ROYAL COMMISSION

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry challenged many in the financial services industry. The Commission requested a range of information from the Fund, as it did from other superannuation funds, but we are pleased to say there were no further requests for information and the Fund was not required to appear before the Commission.

"Thank you for your trust in us and your continued loyalty. We're proud to say that we've worked hard every day to deliver you strong results and to act in your best interests so that your financial future is as secure as possible."

2017/18 YEAR IN REVIEW

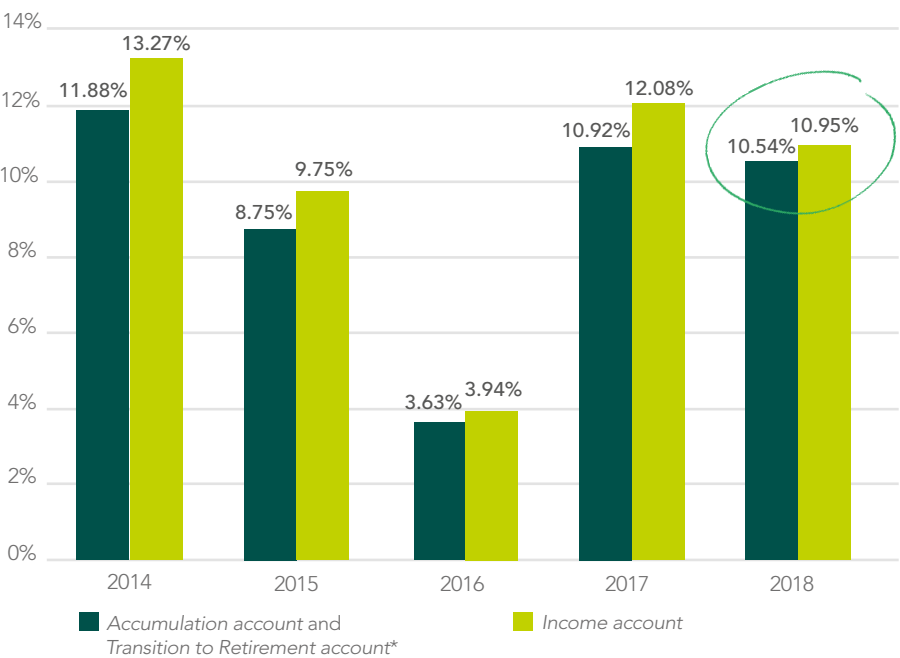


SOLID LONG TERM PERFORMANCE



Ben Squires
Ben Squires
Chief Investment Officer

Diversified options 1-year returns % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

The Diversified options that cater to 84% of members returned **10.54%** for Accumulation account members and **10.95%** for Income account members over the 2018 financial year. This marks the sixth consecutive year of positive returns for the Diversified options.

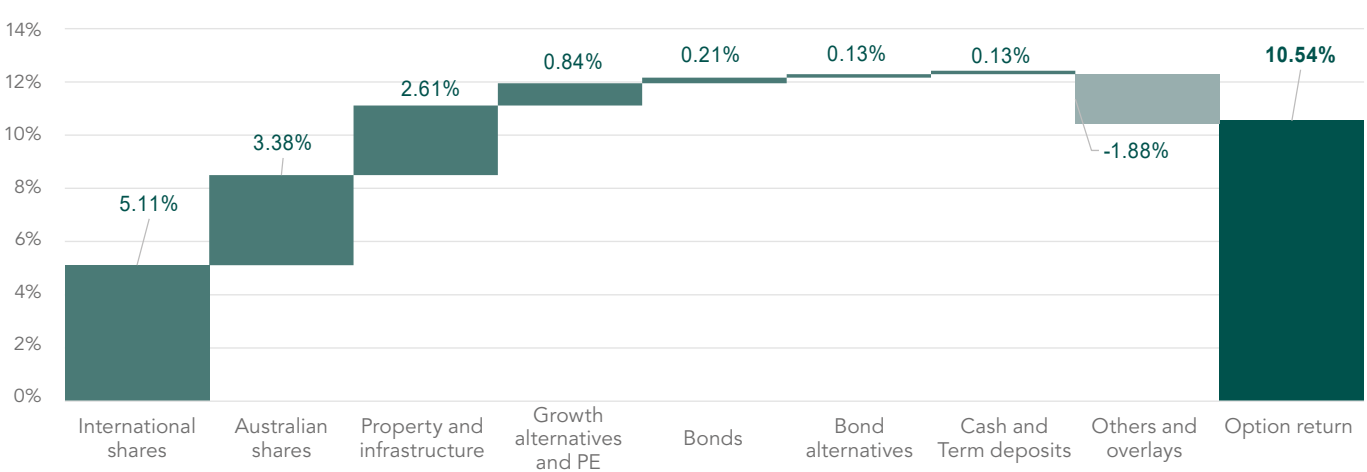
STRONG GLOBAL GROWTH SUPPORTS RETURNS

Global growth has been extremely strong over the year and it seemed that nothing could derail positive market returns as company earnings remained strong, market sentiment stayed positive and volatility reached historical lows in January 2018. Despite a market correction in February 2018, with volatility spiking and sentiment waning, share markets rebounded and continued to rise to finish the year higher. Towards the end of the financial year, the risk of trade wars between the US and its major trading partners increased. The tariffs imposed on China are of particular concern and pose the highest risk to derailing global growth. International shares outperformed Australian shares, and infrastructure and property also did well as economic growth supported higher demand for these assets.

STRONG PERFORMANCE FROM NGS SUPER OPTIONS

All growth assets performed well over the year. The portfolio was overweight international shares and benefited from strong returns from property, infrastructure and growth alternatives. A lower exposure to corporate and government bonds also helped performance, as bonds struggled to keep pace with better-performing share markets. Some of the Fund’s investment options, including the Diversified (MySuper), Defensive and Balanced options, were in the top 10 performing investment options in their respective SuperRatings indexes over the period. The graph on page 9 shows the contribution of each sector to the Diversified (MySuper) option.

Diversified (MySuper) option – 1-year contribution to return#



Some additional exposures, such as to currencies and derivatives, contributed to the returns. These represented less than 0.01% contribution to the Diversified (MySuper) option return.

ACTIVITY OVER THE YEAR

The portfolio was adjusted over the year to position it for the medium-term outlook while capitalising on the short-term momentum in markets. A number of the positions noted in the 2017 Annual Report proved successful, however their benefit moderated over the year. Profits were taken from equities and property as markets continued to rise throughout the year and asset prices became more expensive. The changes to the portfolio to adjust for the medium-term outlook of moderating growth and higher volatility have included:

- increasing the exposure to bond alternatives at the expense of corporate credit, government bonds and high-yield credit
- further reducing the exposure to passive share managers
- reducing exposure to domestic commercial property
- increasing the exposure to global infrastructure

- increasing exposure to private equity, private debt and other growth alternatives
- increasing foreign currency exposure.

The portfolio is positioned more defensively than in 2017 to adjust for the perceived hazards over the medium term. The market is focusing on the later stage of the business cycle in which growth momentum begins to slow, interest rates rise and companies and consumers become more cautious and cut back spending. In this environment, companies with high gearing will be exposed and potentially decline in value. Emerging markets will likely bear the brunt of a contraction as investors seek safer exposures. The Fund therefore prefers a lower allocation to emerging markets and passive share managers. Unlisted assets, particularly those that have regulated cash flow or receive availability payments, should continue to perform in this environment. The Fund has a good allocation to these types of assets.

OUTLOOK FOR MARKETS

The global financial crisis may seem a long while ago, but the long grind back to economic health has left developed countries with little ability to stimulate their economies in the event of a future downturn. Cyclical growth may surprise on the upside over the short term due to the sustained period of neutral fiscal policy globally and stimulatory policy in the US, however this is not the Fund’s base-case scenario. Such late-cycle stimulatory conditions are expected to lead to other hazards. As economies reach full industrial production, inflation will rise, central banks will need to tighten lending conditions and growth will slow. Geopolitical tensions will continue to bubble away, particularly between the US and China, which is likely to contribute to greater volatility over the medium term. The portfolio has a good degree of diversified sources of returns and the medium term outlook has been factored into the asset allocation decisions. Returns are expected to be lower in 2019 with a further contraction likely in 2020.

HOW WE INVEST YOUR MONEY

Investment earnings are allocated to your account balance based on changes to the NGS Super unit prices, which are calculated weekly and can be accessed via www.ngssuper.com.au/investments.

The investments are held by a custodian that safeguards them and monitors changes in their value in accordance with regulatory requirements. The custodian calculates the fund’s unit prices and notifies your account administrator who applies them.

Weekly unit prices reflect the changes to the underlying investments for each option. Your account balances are calculated by multiplying the number of units by the unit price at that time.

This means investment market movements and valuations are translated to your account balance. The investment returns quoted in this report reflect the return (after investment management fees, asset fees and taxes) that would have been achieved if you had invested in a particular option for the 12 months to 30 June 2018. If you made contributions during the year, those contributions would have received the investment return equal to the change in the unit price only between the time the contributions were allocated to your account and the end of the financial year.

If you changed investment options during the year, your investment returns would differ from the returns shown in this Annual Report because they would be based on the changes in the relevant unit prices of each option selected for the period you were invested.

YOUR NGS SUPER ACCUMULATION ACCOUNT

All the contributions paid by you or your employer, as well as any amounts you transfer from another super fund, are placed into your Accumulation account. The money in your account is then invested according to your investment option(s). Each time we receive a contribution from you or your employer, we allocate units to your account at the current unit price for your investment option. Your account balance increases or decreases according to the collective performance of the underlying assets.

We deduct government taxes and member fees from your account, as well as insurance premiums if you have insurance cover. The Trustee sets the reserve levels based on the anticipated operating expenses of the Fund and an allowance for contingent liabilities. The reserve at 30 June 2018 was \$42.46 million or 0.47% of funds under management.

ADMINISTRATION AND OPERATIONAL RISK RESERVE

Operational risk reserve accounts are established in accordance with the Fund’s trust deed and NGS Super’s Operational Risk Reserve Policy. The reserves ensure sufficient funds are available to protect members against significant events that may affect the operating costs of NGS Super, including any contingent liabilities arising from operational errors. Having reserves also ensures funds are available if we decide to introduce new products and services for members. It means not having to immediately recover costs from member accounts. The reserves are required under the Trustee’s Responsible Superannuation Entity licensing conditions. To comply, the Trustee must ensure it is sufficiently resourced given its size and complexity to guarantee its ongoing solvency and that it meets its operational risk financial requirement.

These reserves are maintained by retaining a small portion of the fees charged to members together with investment earnings. The reserve account is invested across a number of NGS Super investment options.

The levels of reserves for 30 June 2018 and preceding years are shown below:

As at 30 June	\$M	% of assets
2018	\$42.46	0.47
2017	\$46.25	0.60
2016	\$38.36	0.53
2015	\$34.43	0.50
2014	\$27.41	0.45

FEES AND COSTS

The Indirect costs listed below represent the actual costs for 2017/18. The **indirect costs** are any amounts that will reduce the return for a member that is not charged to that member as a fee.

Indirect costs are deducted from the unit price of investment option(s) and are reflected in the change in value of the unit price. Information on these fees can be found in our fact sheet **Fees, costs and tax** dated 24 September 2018, which is available on our website at www.ngssuper.com.au/PDS.

	Investment option – Accumulation and Transition to Retirement accounts	Total Indirect Cost	Management Fees	Performance Fees	Transactional and operational costs	Borrowing costs	Property Operating Costs (not included in total)
PRE-MIXED	Diversified (MySuper)	1.11%	0.61%	0.17%	0.27%	0.06%	0.13%
	High Growth	1.04%	0.58%	0.17%	0.24%	0.05%	0.11%
	Balanced	0.93%	0.50%	0.13%	0.25%	0.05%	0.13%
	Defensive	0.96%	0.49%	0.11%	0.28%	0.08%	0.20%
	Socially Responsible Diversified	1.04%	0.59%	0.11%	0.26%	0.08%	0.19%
	Indexed Growth	0.29%	0.17%	0.00%	0.12%	0.00%	0.00%
	Shares Plus	0.79%	0.56%	0.10%	0.13%	0.00%	0.00%
SECTOR-SPECIFIC	Australian Shares	0.64%	0.44%	0.02%	0.18%	0.00%	0.00%
	International Shares	0.63%	0.54%	0.00%	0.09%	0.00%	0.00%
	Property	1.39%	0.55%	0.00%	0.47%	0.37%	1.07%
	Diversified Bonds	0.64%	0.40%	0.00%	0.24%	0.00%	0.00%
	Cash and Term Deposits	0.13%	0.13%	0.00%	0.00%	0.00%	0.00%

	Investment option – Income account	Total Indirect Cost	Management Fees	Performance Fees	Transactional and operational costs	Borrowing costs	Property Operating Costs (not included in total)
PRE-MIXED	Moderate Growth	0.97%	0.55%	0.11%	0.26%	0.05%	0.13%
	Diversified	1.11%	0.63%	0.16%	0.26%	0.06%	0.13%
	High Growth	1.06%	0.63%	0.16%	0.22%	0.05%	0.11%
	Balanced	0.94%	0.52%	0.12%	0.25%	0.05%	0.13%
	Defensive	0.96%	0.50%	0.11%	0.27%	0.08%	0.20%
	Socially Responsible Diversified	1.06%	0.62%	0.11%	0.25%	0.08%	0.19%
	Indexed Growth	0.29%	0.17%	0.00%	0.12%	0.00%	0.00%
	Retire Plus	1.27%	0.59%	0.23%	0.34%	0.11%	0.28%
SECTOR-SPECIFIC	Shares Plus	0.82%	0.62%	0.09%	0.11%	0.00%	0.00%
	Australian Shares	0.70%	0.57%	0.00%	0.13%	0.00%	0.00%
	International Shares	0.65%	0.56%	0.00%	0.09%	0.00%	0.00%
	Property	1.40%	0.56%	0.00%	0.47%	0.37%	1.07%
	Diversified Bonds	0.66%	0.42%	0.00%	0.24%	0.00%	0.00%
	Cash and Term Deposits	0.13%	0.13%	0.00%	0.00%	0.00%	0.00%

EARNINGS ON INVESTMENT OPTIONS

An NGS *Income account* provides the benefit of tax-free investment earnings (as it is in the *Retirement Phase*²), whilst the NGS *Accumulation account* and NGS *Transition to Retirement (TTR) account* both have earnings taxed at up to 15%. As a result, the investment returns (shown on pages 15 to 30) for the NGS *Income account* will differ from the *Accumulation* and *TTR account* returns.

Where investment returns are positive, earnings on the *Income account* will generally be higher than earnings on the equivalent investment option for the *Accumulation account* and *TTR account*, as no tax is deducted from the gross earnings on the *Income account*.

² A transfer balance cap (currently \$1.6m) applies on the amount of super you can transfer into the retirement (pension) phase. This applies as a total across all your super accounts and not per fund.

30 YEARS TOGETHER AND STILL GOING STRONG....



Retired teacher Jim Clark knows how important it is to get the most out of your super – and it's not just because he taught economics for four decades. Or maybe it is.

"I've always been interested in financial matters," he explains. "My wife Gaye and I have a financially stable retirement based on the fact that over the last 30 years we took superannuation seriously."

For each of those 30 years Jim has been with NGS Super and his decision has definitely paid dividends, with the fund recently ranked in the top 10 super funds based on performance over the 2017/18 financial year. "If the Royal Commission has underlined anything, it's that for-profit funds don't provide the same level of service as the not-for-profit ones do," says Jim, now 62. "And the returns have been better in the not-for-profit ones because they're fundamentally set up for the members' benefit, not for the benefit of shareholders."

In the decades since its inception in 1988, NGS Super has expanded from just one employee to 52 (nationally), with nearly 100,000 members and \$9 billion in funds under management. And for Jim, being a witness to his super fund's growth and success is just as important as being a beneficiary. "Fundamentally people need to take an interest in where their money's going," he says. "Looking back, I'd give people the same advice now as I was given then... with a few add-ons." Wisdom does come with hindsight, after all.

TAKE CARE OF YOUR OWN INTERESTS

Jim first entered the workforce at 22 and has witnessed a seismic shift in attitudes towards both superannuation and workplace culture. "The workplace today has become in some ways a bit harsher," he says. "Don't think necessarily that your employer is going to look after you. You might get some flowers or a nice farewell afternoon tea, but that'll be it. You need to think about your own financial future. That's why superannuation is important."

Although things have definitely changed since he first joined NGS Super, Jim believes the principles of seeking out a suitable fund are still the same. "Look at how many members it has, as this will tell you a bit about the size of the fund," he explains. "Also examine fees, benefits and recent investment returns — preferably the long-term results. If you're already a member, check what kind of investment options you have; are they still the right ones for you? Knowing what options you're in is definitely important. You should be in options that suit your current life stage."

Income protection is another crucial aspect you'll need to consider when choosing between super funds. "It is so important, particularly if you're in a family situation and only one of you is working full time," Jim says. "NGS, when it started out, wasn't a big fund but now it's grown to be sizeable, so it's able to provide a suite of services. They developed income protection along the way and for basic income protection the industry superfund is a good, cheap option because you're paying for it with your pre-tax dollars."

FIND THE RIGHT PERSON

For Jim, while financial matters are certainly important, there's one thing people should prioritise above all else: finding someone with whom they can share their lives. "I know today it's all about career and money, but certainly finding the right partner is even more important," he says, "and then the two of you work out together where you want to go and make a plan."

That plan should include where you want to end up and when, plus how you aim to get there – and superannuation should be a huge part of it. "Most 30-year-olds don't really perceive super as an immediate concern, but they should," Jim says. "Your employer may give you more than what is compulsory superannuation at the moment and you can look after your partner as well."



At one point in their lives, after their two sons had left school, Jim and Gaye were salary sacrificing nearly all of Gaye's salary into super. Since the recent superannuation changes to contribution limits, the principle remains the same. "Together, you and your partner should put in more than the basic amount," Jim reinforces. "Fundamentally, 9.5 per cent isn't going to do the business."

Another important consideration for you and your partner is whether you want to have children, as the age at which you have them could impact your retirement. "I retired at least four years later than I thought I would when I was in my late twenties," Jim says. "My children happened when I was a bit older and I retired the year my youngest finished university. Having kids almost ten years later than I thought I would have, was a significant factor." When it comes to family life, Jim encourages people to live in the moment: "Enjoy your children while they're young, because they get old fast," he laughs. "Between the ages of 4 and 12 is the best, because they're toilet trained, they do what you ask and they're interested in what you want to do, plus they go to bed when you want. Once they become teenagers life's quite different!"

AIM FOR STABILITY

In finance and in life, Jim has one golden rule: "It may not sound all that flash, but a stable life is the secret to a happy one, at least for me," he says. "Despite the fact that I've been interested in financial things, I certainly made one glaring financial error where I lost a lot of money thinking I could take an interest in shares. The impact of a financial loss is about double the impact of a gain and it churns you over, so it pays to be careful."

For many younger people in the workforce, the best way to work towards stability is to get a foothold in the housing market, and it's good for your retirement as well. "Housing is the big issue for young people today, particularly those living in and around capital cities, because so many retirees can only afford to live on their income because they own their own home," explains Jim. "If you own property then, in my view, investing in your superannuation up to the maximum amount you're allowed would be the next best option, as long as you recognise that you're not going to be able to access it until you retire."

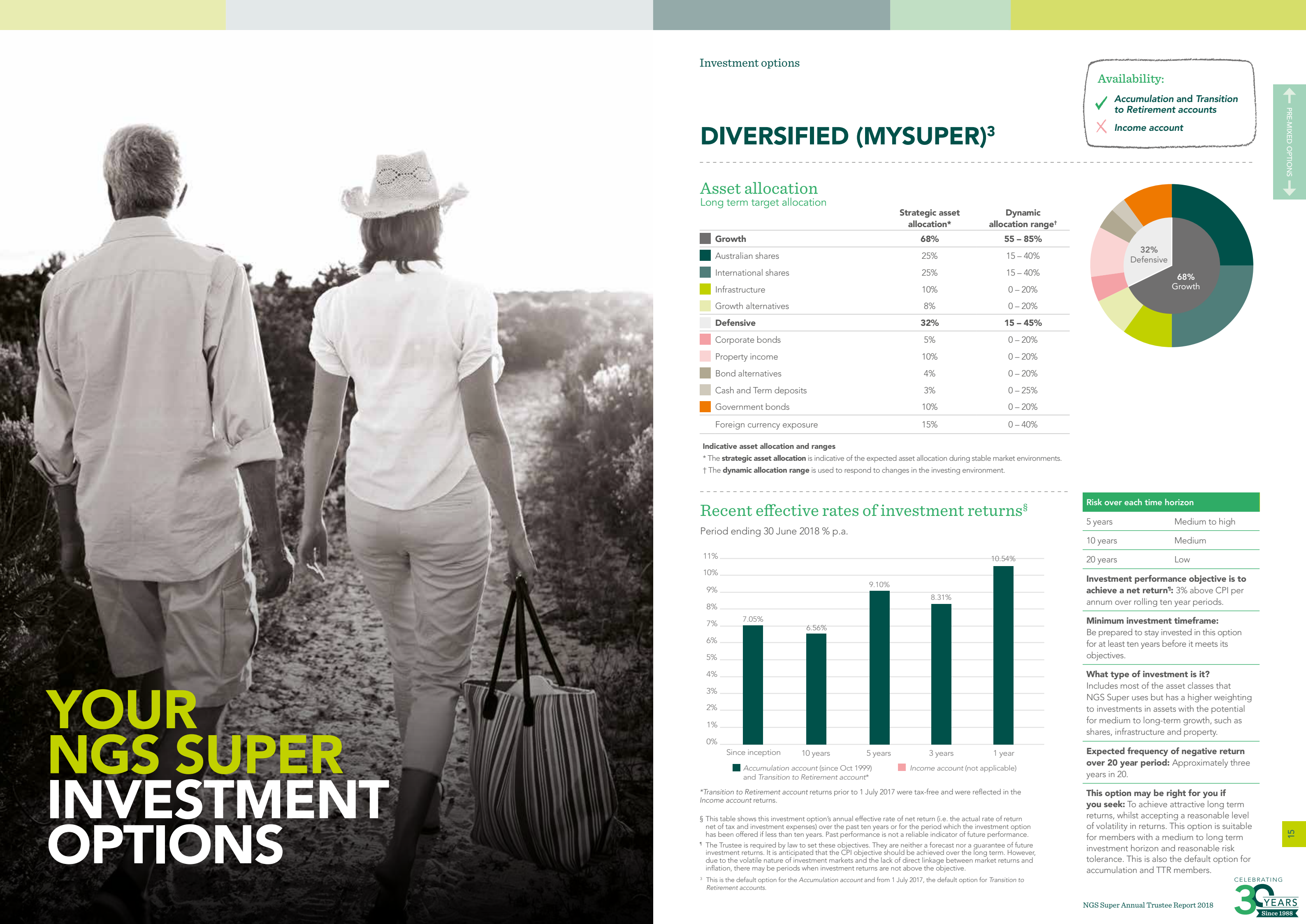
Jim also warns against treating property as a trump card in your retirement portfolio, as you never know which way the market is going to go. "Don't necessarily think when downsizing that you're going to make money out of it," he says. "You may if you leave a capital city, but if you want to stay near your family that could be difficult."

Before you make any major financial decisions, it's a good idea to shore up your financial future by getting good advice. Luckily, this is where your industry super fund can help. "Don't just go to anybody; seek advice from someone you trust," advises Jim.

"A good place to start is with your super fund. Most industry super funds have these services for members and they aren't paid commissions based on selling you a product. They're paid a salary to advise members what's in their best interests. That's what I would certainly suggest people do."

All NGS Super members are eligible for a complimentary first consultation with our in-house financial planners. Our planners don't take commissions and work in the best interests of members.





YOUR NGS SUPER INVESTMENT OPTIONS

Investment options

Availability:

✓

Accumulation and Transition to Retirement accounts

✗

Income account

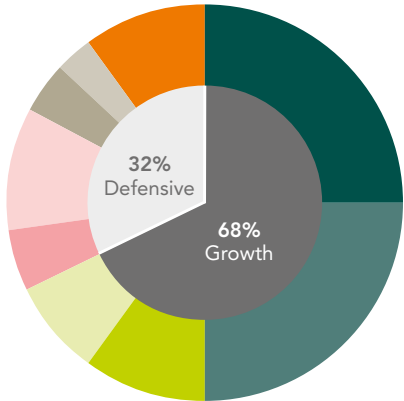
↑
PRE-MIXED OPTIONS
↓

DIVERSIFIED (MYSUPER)³

Asset allocation

Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	68%	55 – 85%
Australian shares	25%	15 – 40%
International shares	25%	15 – 40%
Infrastructure	10%	0 – 20%
Growth alternatives	8%	0 – 20%
Defensive	32%	15 – 45%
Corporate bonds	5%	0 – 20%
Property income	10%	0 – 20%
Bond alternatives	4%	0 – 20%
Cash and Term deposits	3%	0 – 25%
Government bonds	10%	0 – 20%
Foreign currency exposure	15%	0 – 40%

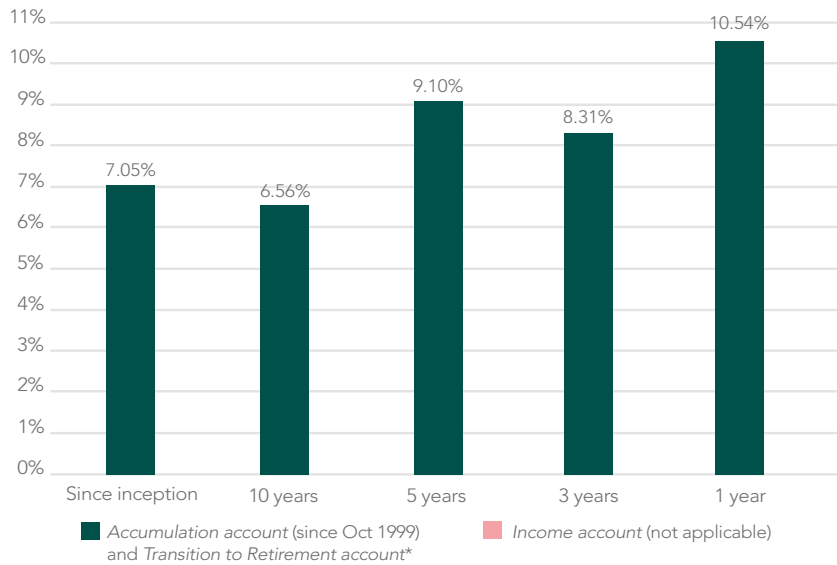


Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns[§]

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

⁵ 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.

³ This is the default option for the Accumulation account and from 1 July 2017, the default option for Transition to Retirement accounts.

Risk over each time horizon

5 years	Medium to high
10 years	Medium
20 years	Low

Investment performance objective is to achieve a net return[¶]: 3% above CPI per annum over rolling ten year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least ten years before it meets its objectives.

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.

Expected frequency of negative return over 20 year period: Approximately three years in 20.

This option may be right for you if you seek:

To achieve attractive long term returns, whilst accepting a reasonable level of volatility in returns. This option is suitable for members with a medium to long term investment horizon and reasonable risk tolerance. This is also the default option for accumulation and TTR members.

SHARES PLUS

Asset allocation
Long term target allocation

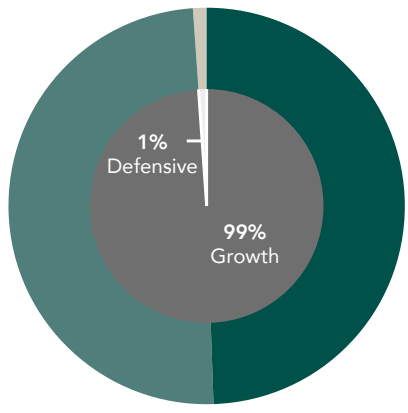
	Strategic asset allocation*	Dynamic allocation range†
Growth	99%	85 – 100%
Australian shares	49.5%	35 – 65%
International shares	49.5%	35 – 65%
Growth alternatives	0%	0 – 10%
Defensive	1%	0 – 15%
Cash and Term deposits	1%	0 – 10%
Foreign currency exposure	20%	0 – 60%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

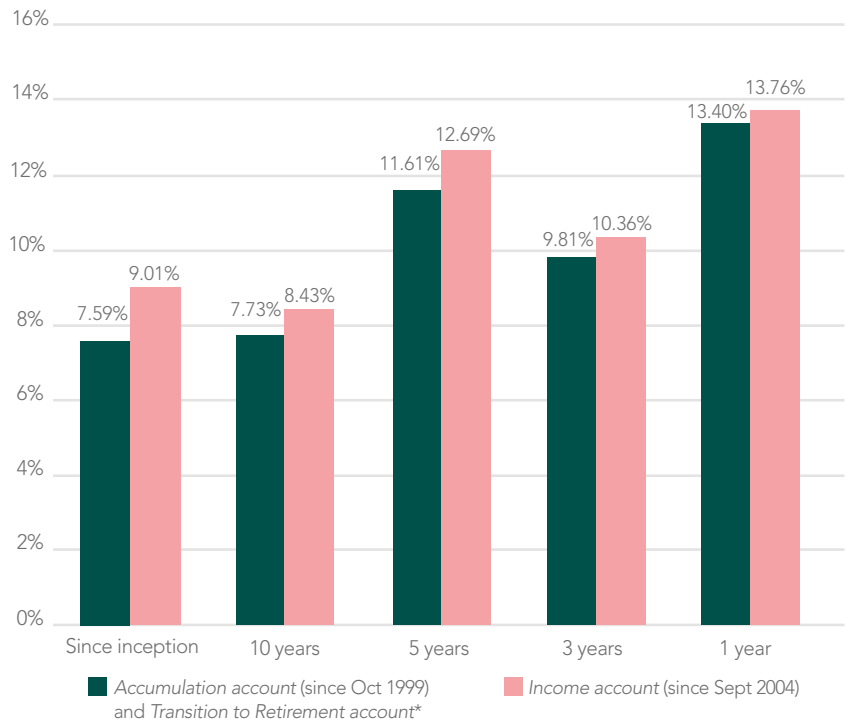
Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

† 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.

HIGH GROWTH

Asset allocation
Long term target allocation

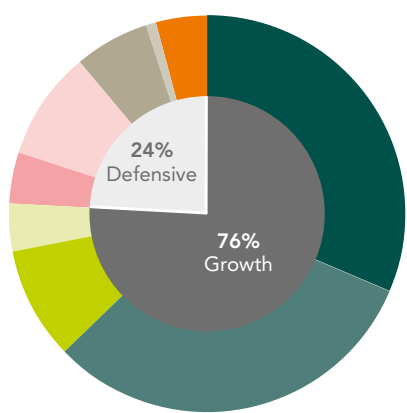
	Strategic asset allocation*	Dynamic allocation range†
Growth	76%	70 – 95%
Australian shares	31.5%	20 – 45%
International shares	31.5%	20 – 45%
Infrastructure	9%	0 – 15%
Growth alternatives	4%	0 – 10%
Defensive	24%	5 – 30%
Corporate bonds	4%	0 – 15%
Property income	9%	0 – 20%
Bond alternatives	6%	0 – 10%
Cash and Term deposits	1%	0 – 20%
Government bonds	4%	0 – 15%
Foreign currency exposure	20%	0 – 55%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

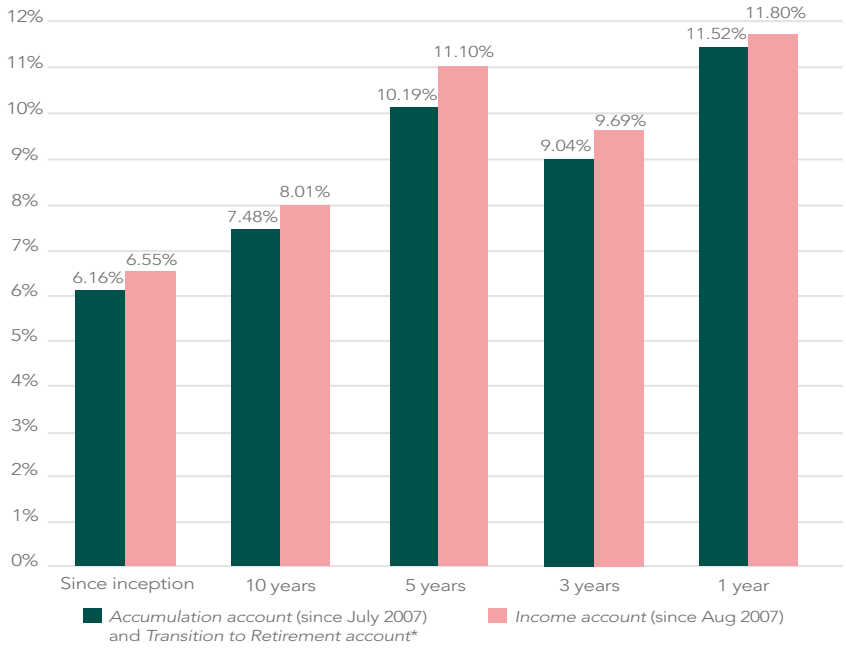
Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

† 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.

Risk over each time horizon	
5 years	Medium to high
10 years	Medium
20 years	Low to medium *Low (for Income account)

Investment performance objective is to achieve a net return†: 4% above CPI over rolling ten year periods.

Minimum investment timeframe:
Be prepared to stay invested in this option for at least ten years.

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.

Expected frequency of negative return over 20 year period: Approximately four years in 20.

This option may be right for you if you seek: To grow your super and desire a diversified range of assets in your portfolio whilst tolerating a high level of volatility of returns.

* This standard risk measure in the Income account differs from the equivalent investment option in the *Accumulation account* and *TTR account* due to differing tax treatment of the *Income account*.

DIVERSIFIED

Asset allocation
Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	68%	55 – 85%
Australian shares	25%	15 – 40%
International shares	25%	15 – 40%
Infrastructure	10%	0 – 20%
Growth alternatives	8%	0 – 20%
Defensive	32%	15 – 45%
Corporate bonds	5%	0 – 20%
Property income	10%	0 – 20%
Bond alternatives	4%	0 – 20%
Cash and Term deposits	3%	0 – 25%
Government bonds	10%	0 – 20%
Foreign currency exposure	15%	0 – 40%

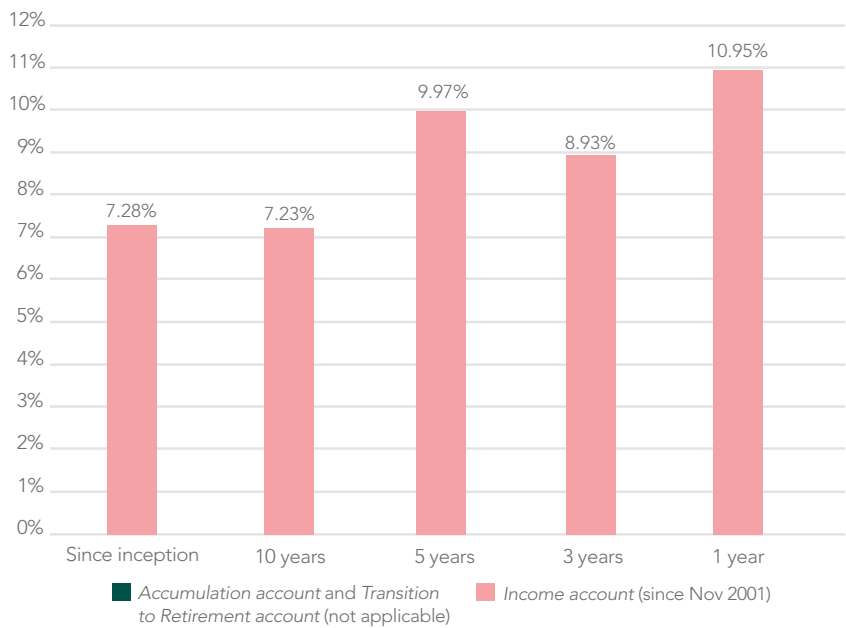
Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.

† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



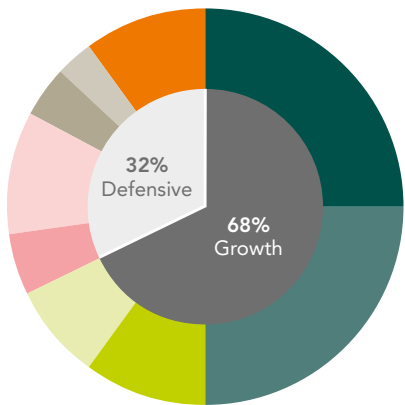
§ This table shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator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

¶ 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.

Availability:

✗ Accumulation and Transition to Retirement accounts

✓ Income account



Risk over each time horizon

5 years	Medium to high
10 years	Low to medium
20 years	Low

Investment performance objective is to achieve a net return¶: 3% above CPI per annum over rolling ten year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least ten years before it meets its objectives.

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.

Expected frequency of negative return over 20 year period: Approximately three years in 20.

This option may be right for you if

you seek: To achieve attractive long term returns, whilst accepting a reasonable level of volatility in returns. This option is suitable for members with a medium to long term investment horizon and reasonable risk tolerance. This is also the default option for accumulation members.

INDEXED GROWTH

Asset allocation
Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	67%	50 – 80%
Australian shares	27.5%	15 – 40%
International shares	27.5%	15 – 40%
Listed property	6%	0 – 20%
Infrastructure	6%	0 – 20%
Growth alternatives	0%	0 – 10%
Defensive	33%	20 – 50%
Corporate bonds	0%	0 – 15%
Bond alternatives	0%	0 – 10%
Cash and Term deposits	5%	0 – 20%
Government bonds	28%	0 – 40%
Foreign currency exposure	18%	0 – 50%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.

† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

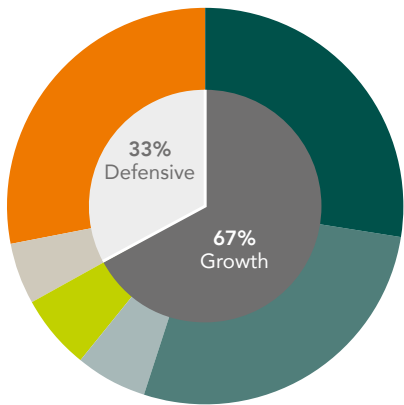
§ This table shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator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

¶ 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.

Availability:

✓ Accumulation and Transition to Retirement accounts

✓ Income account



Risk over each time horizon

5 years	High
10 years	Medium
20 years	Low

Investment performance objective is to achieve a net return¶: 3% above CPI over rolling ten year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least ten years before it meets its objectives.

What type of investment is it?

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.

Expected frequency of negative return over 20 year period: Approximately four years in 20.

This option may be right for you if

you seek: To achieve attractive long term market index returns, whilst desiring the lowest possible fee and accepting a reasonable level of volatility in returns. This option is suitable if you do not seek to outperform the market and have reasonable tolerance of volatility.

SOCIALLY RESPONSIBLE DIVERSIFIED

Asset allocation
Long term target allocation

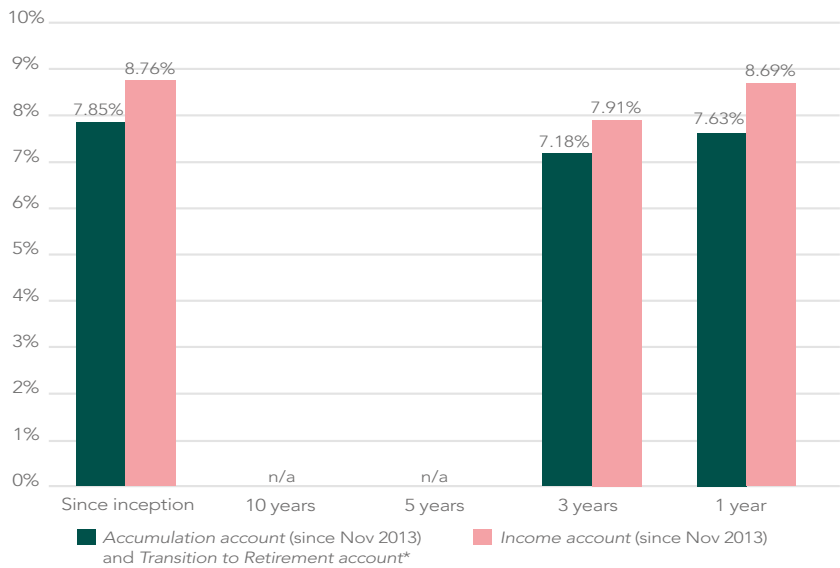
	Strategic asset allocation*	Dynamic allocation range†
Growth	60.5%	45 – 75%
Australian shares	23%	10 – 30%
International shares	23%	10 – 30%
Infrastructure	10%	0 – 20%
Growth alternatives	4.5%	0 – 10%
Defensive	39.5%	25 – 55%
Corporate bonds	5%	0 – 20%
Property income	15%	0 – 30%
Bond alternatives	2%	0 – 10%
Cash and Term deposits	7%	0 – 20%
Government bonds	7.5%	0 – 20%
Social impact bonds	3%	0 – 10%
Foreign currency exposure	13%	0 – 40%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



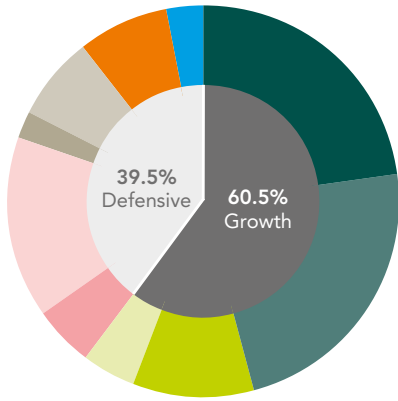
*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

† 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.

Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Risk over each time horizon

5 years	Medium
10 years	Low to medium
20 years	Low

Investment performance objective is to achieve a net return[¶]: 3% above CPI over rolling 10 year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least ten years before it meets its objectives.

What type of investment is it?

Includes a higher weighting to investments in assets with the potential for medium to long term growth such as shares, infrastructure and property, than fixed interest and cash. Investments in shares are positively and negatively screened based on their social and environmental impact as well as their governance standards.

This option is designed for members for whom social and environmental issues are a high priority, who are seeking medium to long-term growth and who are willing to accept short-term fluctuations in returns.

Expected frequency of negative return over 20 year period: Approximately three years in 20.

This option may be right for you if you seek:

To achieve attractive long term returns, whilst accepting a reasonable level of volatility in returns. This option is suitable for members with a medium to long term investment horizon and reasonable risk tolerance.

MODERATE GROWTH⁴

Asset allocation
Long term target allocation

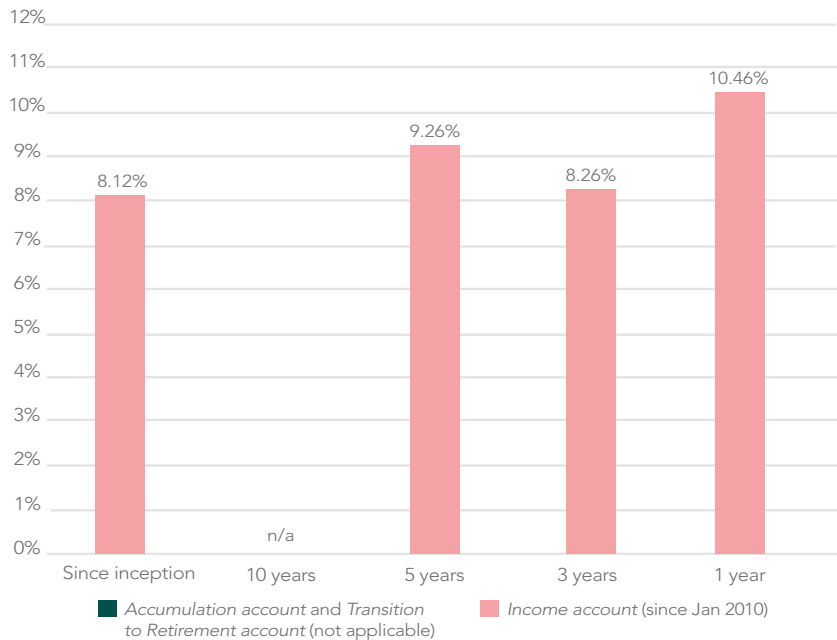
	Strategic asset allocation*	Dynamic allocation range†
Growth	60%	50 – 80%
Australian shares	24%	15 – 35%
International shares	24%	15 – 35%
Infrastructure	10%	0 – 20%
Growth alternatives	2%	0 – 10%
Defensive	40%	20 – 50%
Corporate bonds	7%	0 – 15%
Property income	10%	0 – 20%
Bond alternatives	5%	0 – 10%
Cash and Term deposits	5%	0 – 25%
Government bonds	13%	0 – 25%
Foreign currency exposure	14%	0 – 40%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns§

Period ending 30 June 2018% p.a.



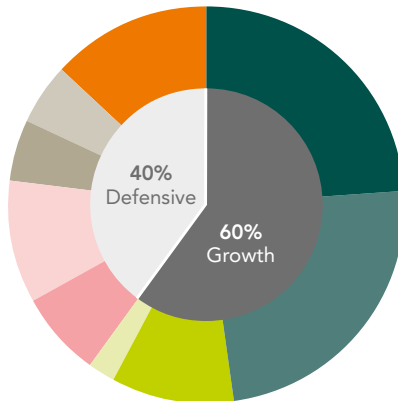
§ This table shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator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

† 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.

⁴ This is the default investment option for the Income account.

Availability:

- ✗ Accumulation and Transition to Retirement accounts
- ✓ Income account



Risk over each time horizon

5 years	Medium
10 years	Low to medium
20 years	Low

Investment performance objective is to achieve a net return[¶]: 3% above CPI per annum over rolling five year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least ten years before it meets its objectives.

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, and assets that provide greater levels of liquidity to meet the income needs during retirement. **N.B. This is the option your money will be invested in (for the accounts shown above) if you do not advise us of your investment choice.**

Expected frequency of negative return over 20 year period: Approximately three years in 20.

This option may be right for you if you seek:

To achieve attractive long term returns, whilst accepting a reasonable level of volatility in returns. This option has a lower allocation to growth assets versus the diversified option and corresponding lower expected volatility and returns.

RETIRE PLUS⁵

Asset allocation
Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	59%	45 – 70%
Australian shares	23%	5 – 40%
International shares	12%	0 – 40%
Infrastructure	22%	0 – 40%
Growth alternatives	2%	0 – 10%
Defensive	41%	30 – 65%
Corporate bonds	4%	0 – 20%
Property income	22%	0 – 40%
Bond alternatives	4%	0 – 10%
Cash and Term deposits	2%	0 – 10%
Government bonds	9%	0 – 20%
Foreign currency exposure	9%	0 – 30%

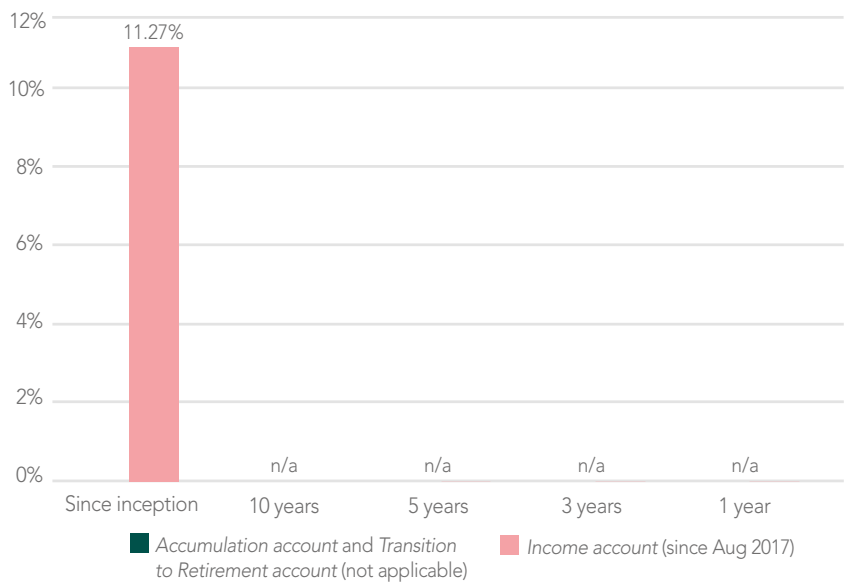
Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.

† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns

Period ending 30 June 2018 % p.a.



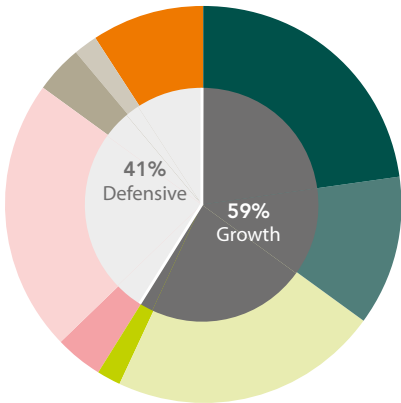
§ This table shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator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

¶ 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.

⁵ Retire Plus replaced the Income Generator option on 1 August 2017. Income Generator returned 0.19% for July 2017.

Availability:

- ✗ Accumulation and Transition to Retirement accounts
- ✓ Income account



Risk over each time horizon

5 years	Medium
10 years	Low to medium
20 years	Low

Investment performance objective of new investment option is to achieve a net return:

4% above CPI over rolling 10 year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least five to seven years before it meets its objectives.

What type of investment is it?

This option focuses on investing in assets which provide the prospect for income and capital growth. It aims to reduce the risk of negative returns by having a high allocation to real assets, such as infrastructure and property, which provide long term contracted income and greater price stability relative to listed shares.

Expected frequency of negative return over 20 year period:

Approximately two years in 20.

This option may be right for you if you seek:

To achieve attractive long term returns through higher levels of income producing assets that aim to grow with inflation, whilst limiting variability in capital growth. This option is suitable if you are seeking a greater degree of stability of returns over the medium to long term.

BALANCED

Asset allocation
Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	50%	35 – 65%
Australian shares	18%	10 – 30%
International shares	18%	10 – 30%
Infrastructure	10%	0 – 20%
Growth alternatives	4%	0 – 10%
Defensive	50%	35 – 65%
Corporate bonds	7%	0 – 20%
Property income	10%	0 – 20%
Bond alternatives	4%	0 – 10%
Cash and Term deposits	16%	0 – 30%
Government bonds	13%	0 – 20%
Foreign currency exposure	9%	0 – 40%

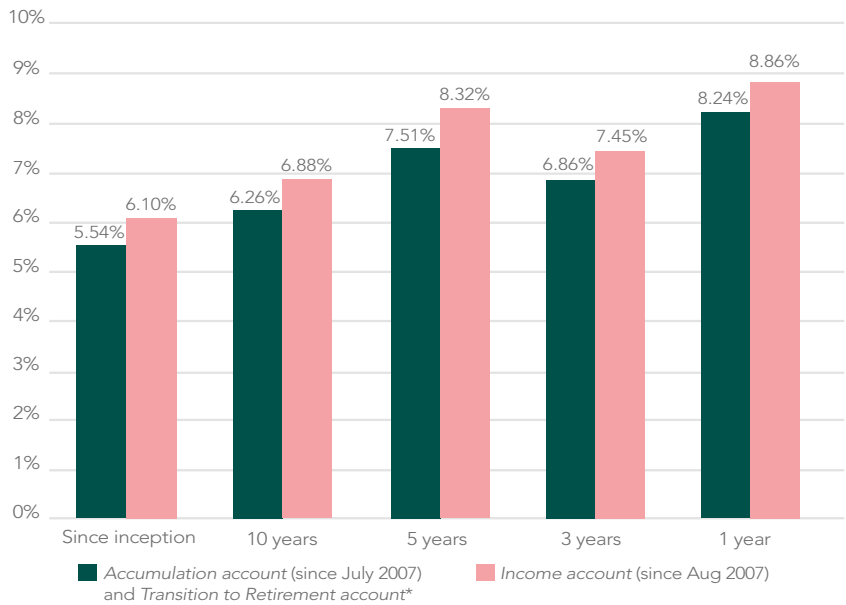
Indicative asset allocation and ranges

* The **strategic allocation** is indicative of the expected asset allocation during stable market environments.

† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns[§]

Period ending 30 June 2018 % p.a.



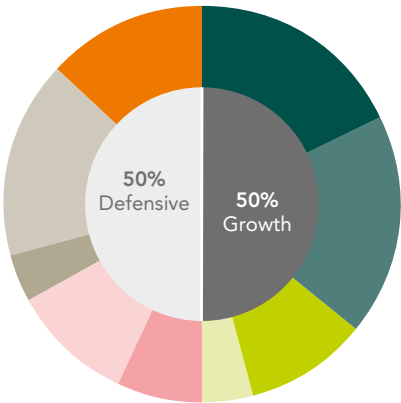
*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

§ This graph shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator of future performance.

¶ 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.

Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Risk over each time horizon

5 years	Medium
10 years	Low to medium
20 years	Low

Investment performance objective is to achieve a net return[¶]: 2% above CPI over rolling three year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least seven years.

What type of investment is it?

An investment option split evenly between assets which provide the prospect for capital growth and assets which display defensive characteristics.

Expected frequency of negative return over 20 year period:

Approximately two years in 20.

This option may be right for you if you seek:

To achieve reasonable long term returns whilst limiting volatility to a moderate level. This is likely to result in lower investment returns than may be achieved in more equity-orientated options and is suitable if you are seeking moderate returns with a low risk tolerance over the medium term.

DEFENSIVE

Asset allocation
Long term target allocation

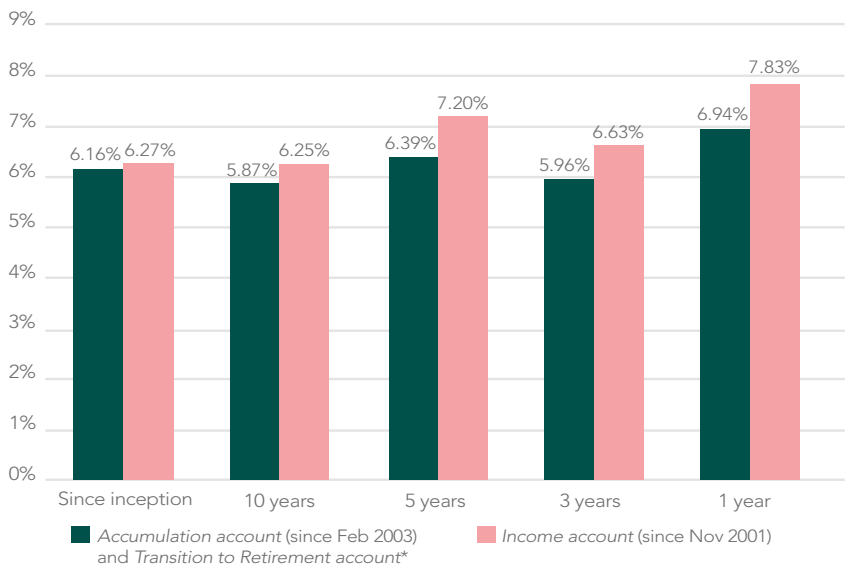
	Strategic asset allocation*	Dynamic allocation range†
Growth	37%	15 – 50%
Australian shares	12%	0 – 20%
International shares	12%	0 – 20%
Infrastructure	10%	0 – 20%
Growth alternatives	3%	0 – 15%
Defensive	63%	50 – 85%
Corporate bonds	9%	0 – 30%
Property income	16%	0 – 30%
Bond alternatives	5%	0 – 20%
Cash and Term deposits	20%	5 – 35%
Government bonds	13%	5 – 35%
Foreign currency exposure	7%	0 – 20%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



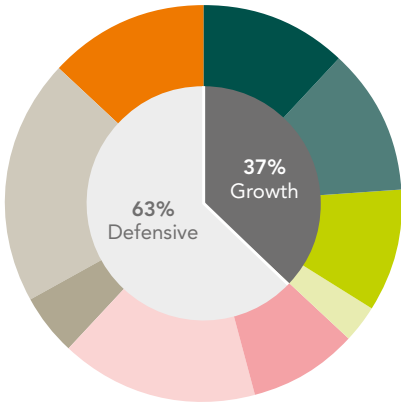
*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

§ This graph shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator of future performance.

† 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.

Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Risk over each time horizon

5 years	Low to medium
10 years	Low
20 years	Low

Investment performance objective is to achieve a net return†: 1% above CPI over rolling three year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least five years.

What type of investment is it?

A relatively conservative investment option with a high 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.

Expected frequency of negative returns over 20 year period: Approximately one year in 20.

This option may be right for you if

you seek: To have relatively stable short term returns, whilst accepting that this is likely to result in lower investment returns over the long term. This option is suitable for those with short time horizons or low risk tolerances.

AUSTRALIAN SHARES

Asset allocation
Long term target allocation

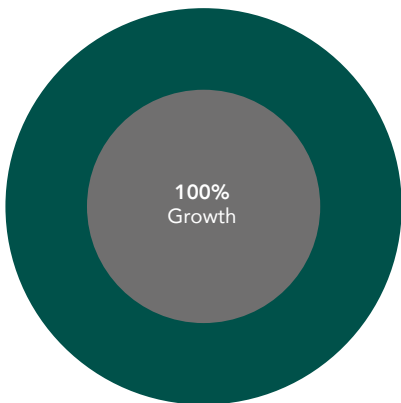
	Strategic asset allocation*	Dynamic allocation range†
Growth	100%	90 – 100%
Australian shares	100%	90 – 100%
Defensive	0%	0 – 10%
Cash and Term deposits	0%	0 – 10%
Foreign currency exposure	0%	0 – 0%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

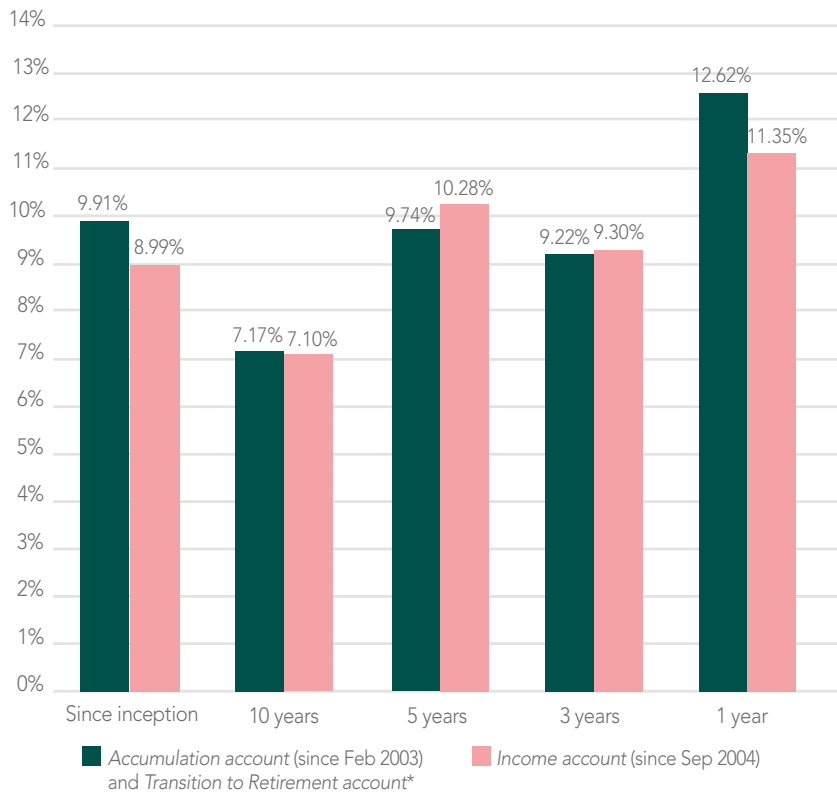
Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

† 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 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.

Risk over each time horizon

5 years	Very high
10 years	Medium
20 years	Medium *Low to medium (for Income account)

Investment performance objective is to achieve a net return†: 1% above ASX300 Accumulation Index over rolling ten year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least ten years.

What type of investment is it?

Predominantly invested in companies listed on the Australian Securities Exchange.

Expected frequency of negative return over 20 year period: Approximately six years in 20.

This option may be right for you if

you seek: To maximise long term investment returns through a diversified investment in Australian companies whilst accepting high volatility in returns. It is anticipated that members will invest in this option in combination with other Sector-specific options.

* This standard risk measure in the Income account differs from the equivalent investment option in the Accumulation account and TTR account due to differing tax treatment of the Income account.

INTERNATIONAL SHARES

Asset allocation
Long term target allocation

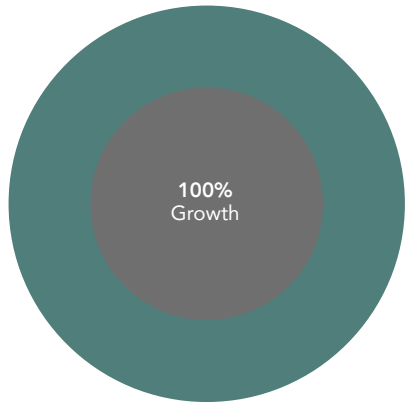
	Strategic asset allocation*	Dynamic allocation range†
Growth	100%	90 – 100%
International shares	100%	90 – 100%
Defensive	0%	0 – 10%
Cash and Term deposits	0%	0 – 10%
Foreign currency exposure	100%	0 – 100%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

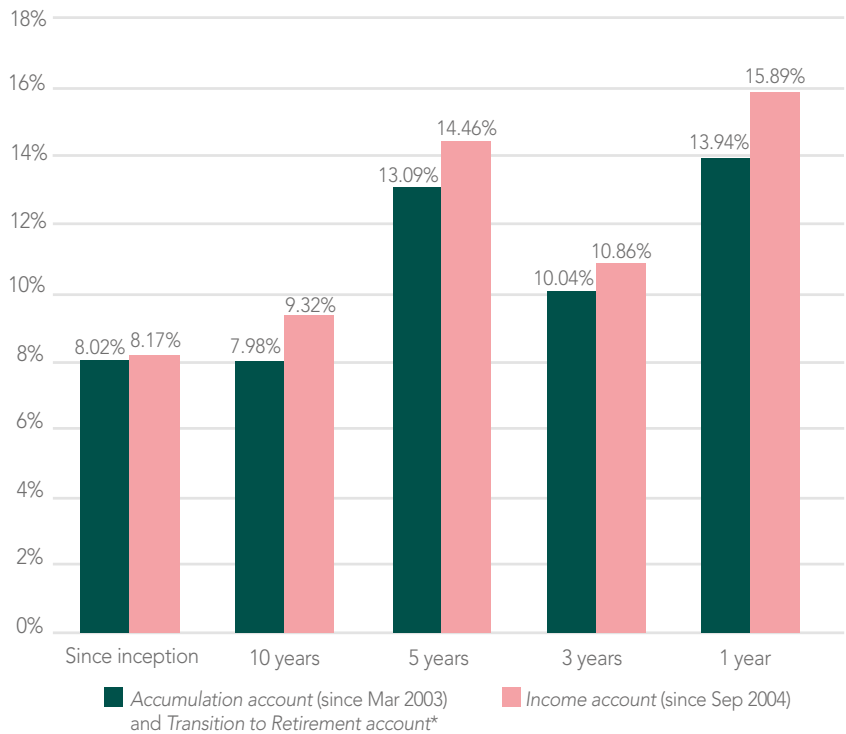
Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

¶ 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 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.

PROPERTY

Asset allocation
Long term target allocation

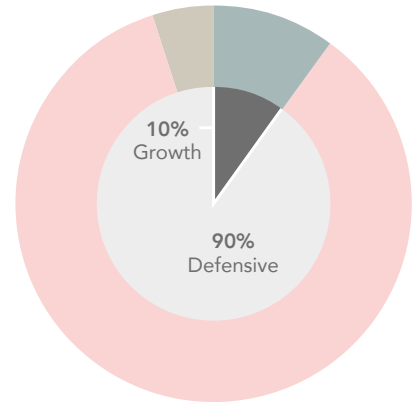
	Strategic asset allocation*	Dynamic allocation range†
Growth	10%	0 – 30%
Listed property	10%	0 – 30%
Defensive	90%	70 – 100%
Property income	85%	50 – 100%
Cash and Term deposits	5%	0 – 30%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

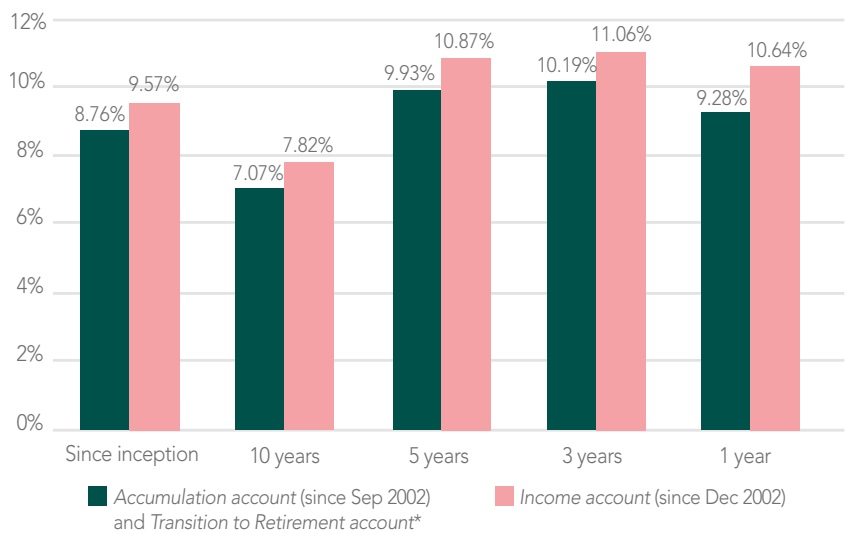
Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

¶ 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.

Risk over each time horizon

5 years	Medium to high
10 years	Medium
20 years	Low to medium *Low (for Income account)

Investment performance objective is to achieve a net return¶: 3.0% above CPI over rolling five year periods.

Minimum investment timeframe:

Be prepared to stay invested in this option for at least ten years before it meets its objectives.

What type of investment is it?

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, industrial and commercial sectors, and will have a low correlation to share market returns.

Expected frequency of negative return over 20 year period: Approximately four years in 20.

This option may be right for you if

you seek: To achieve attractive long term investment returns above inflation, whilst accepting some short term volatility. This option is likely to have higher than bonds, lower than equity volatility.

* This standard risk measure in the Income account differs from the equivalent investment option in the Accumulation account and TTR account due to differing tax treatment of the Income account.

DIVERSIFIED BONDS

Asset allocation
Long term target allocation

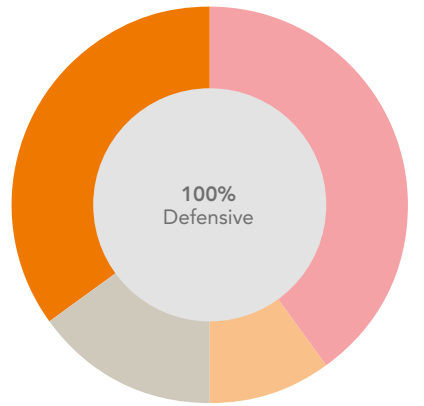
	Strategic asset allocation*	Dynamic allocation range†
Growth	0%	0 – 0%
Defensive	100%	100%
Corporate bonds	40%	0 – 60%
Cash and Term deposits	15%	0 – 30%
Government bonds	35%	0 – 50%
Bond alternatives	10%	0 – 20%
Foreign currency exposure	0%	0 – 20%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

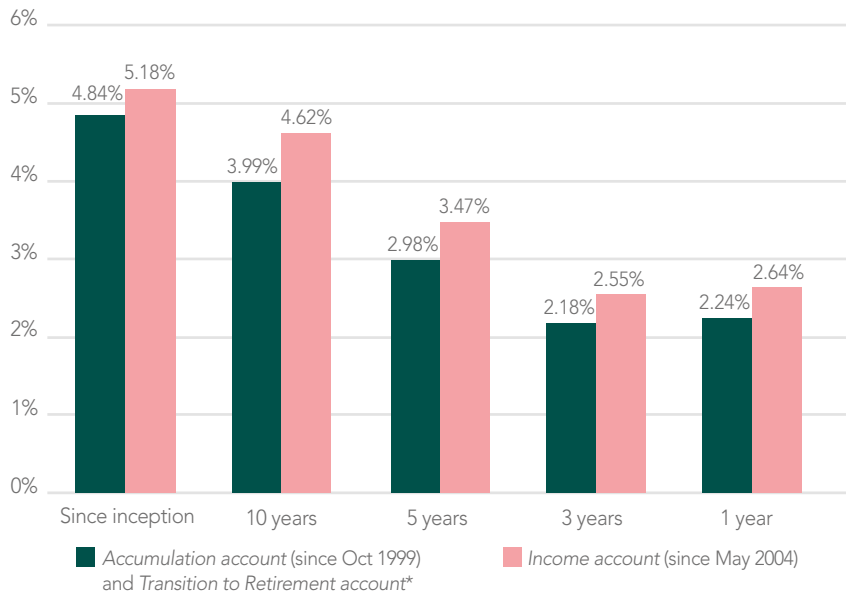
Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

† 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.

CASH AND TERM DEPOSITS

Asset allocation
Long term target allocation

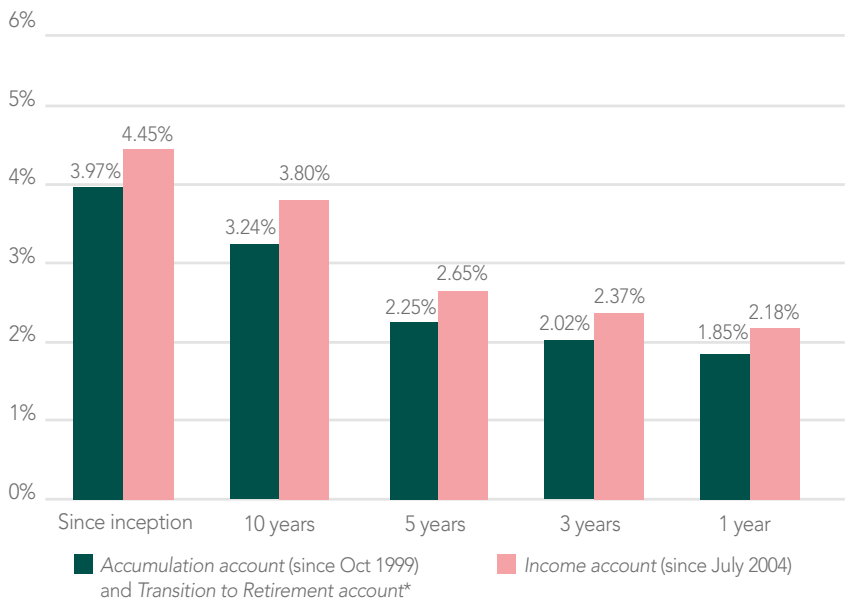
	Strategic asset allocation*	Dynamic allocation range†
Growth	0%	0 – 0%
Defensive	100%	100%
Cash	20%	0 – 100%
Term deposits	80%	0 – 100%
Foreign currency exposure	0%	0 – 0%

Indicative asset allocation and ranges

* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.
† The **dynamic allocation range** is used to respond to changes in the investing environment.

Recent effective rates of investment returns§

Period ending 30 June 2018 % p.a.



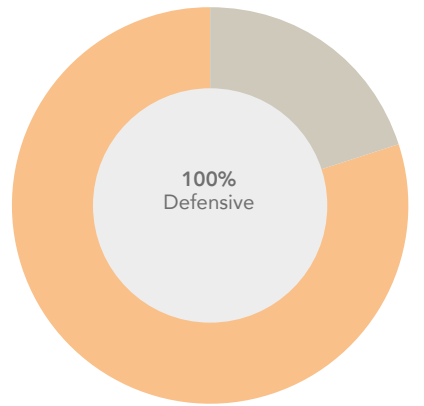
*Transition to Retirement account returns prior to 1 July 2017 were tax-free and were reflected in the Income account returns.

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

† 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 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.

Availability:

- ✓ Accumulation and Transition to Retirement accounts
- ✓ Income account



Risk over each time horizon	
5 years	Very low
10 years	Low *Very low (for Income accounts)
20 years	Medium to High *Low (for Income accounts)

Investment performance objective is to achieve a net return†: To achieve positive returns in all monthly periods.

Minimum investment timeframe: Be prepared to stay invested in this option for at least one year before it meets its objectives.

What type of investment is it?
An investment in bank term deposits and at call cash accounts. The aim is to provide a high level of security of the capital value of your investment.

Expected frequency of negative return over 20 year period: Never.

This option may be right for you if you seek: If you are looking for an investment with a consistent rate of return and high level of security of capital value over short-term periods.

* This standard risk measure in the Income account differs from the equivalent investment option in the *Accumulation account* and *TTR account* due to differing tax treatment of the *Income account*.



**YOUR
NGS SUPER
INVESTMENT
MANAGERS**

Investment manager allocation

**INVESTMENT
MANAGER
ALLOCATION**

Investment Manager	Percentage of total assets	
	30 June 2018	30 June 2017
Aberdeen Standard Investments	1.73%	1.89%
Adam Smith Asset Management Pty Ltd	1.36%	1.55%
Alcentra Ltd	2.03%	1.67%
Allan Gray Australia Pty Ltd	0.24%	0.20%
AllianceBernstein Investment Management	1.50%	1.48%
AMP Capital Investors Limited	1.03%	1.05%
Amundi Asset Management	1.84%	1.82%
Bank of Australia	0.16%	0.69%
Bank of Queensland	0.11%	0.00%
Bankwest	0.87%	0.00%
Bell Asset Management	4.05%	3.90%
Beyond Bank Australia	0.29%	0.22%
Campus Living Villages Pty Ltd	0.44%	0.50%
ClariVest Asset Management LLC	2.08%	2.06%
Colonial First State Global Asset Management	3.16%	2.79%
Cooper Investors Pty Ltd	5.62%	5.52%
Credit Union Australia Limited	0.91%	0.25%
EQT Partners AB	0.08%	0.00%
Fermat Capital Management LLC	0.77%	0.80%
Fife Capital Group Pty Limited	5.51%	5.39%
Gardior Pty Ltd	0.08%	0.08%
Godrej Office Fund I (GP) Pte. Ltd.	0.64%	0.00%
GRIP II PTE. LTD	0.28%	0.20%
Hastings Funds Management Limited	1.07%	1.14%
Henderson Global Investors Australia	0.00%	0.54%
Heritage Bank Limited	0.19%	0.59%
IMB Bank	0.30%	0.00%
Industry Funds Management Pty Ltd	3.27%	3.29%
Industry Super Holdings Pty Ltd	0.03%	0.03%
Infrastructure Capital Group Limited	0.17%	0.18%
Investa Wholesale Funds Management Limited	1.24%	1.19%
Investor Mutual Limited	3.98%	4.16%
ISPT Pty Ltd	0.01%	0.01%
Kapstream Capital	3.80%	3.51%

Investment manager allocation

Investment Manager	Percentage of total assets	
	30 June 2018	30 June 2017
La Francaise Investment Solutions	0.56%	0.00%
Legg Mason Australia	1.13%	1.25%
Lend Lease Investment Management	2.38%	1.87%
Macquarie Investment Management	5.20%	6.16%
Maj Invest	5.40%	5.07%
Member Equity Bank Pty Ltd	0.02%	0.03%
Members Equity Bank Limited	1.12%	1.40%
Monroe Capital LLC	0.44%	0.00%
Morgan Stanley Investment management	4.44%	3.85%
National Australia Bank Limited	0.56%	2.07%
Newcastle Permanent Building Society Ltd	0.28%	0.67%
Newpin SBB Pty Limited	0.02%	0.02%
NGS Property (99 Bathurst Street, Sydney)	0.00%	0.06%
Perpetual Limited	0.15%	0.15%
Police & Nurses Limited (P&N Bank)	0.42%	0.44%
QIC Holding Trust	0.35%	0.33%
Qiming Venture Partners	1.38%	1.09%
RACQ Bank	0.15%	0.00%
ROC Capital Pty Limited	0.12%	0.17%
Shubh Properties Coöperatief U.A.	0.22%	0.27%
Sigular Guff & Company LLC	0.74%	0.86%
SouthPeak Investment Management Pty Limited	0.37%	0.00%
St George Bank	0.00%	0.44%
Stafford Partners Pty Ltd	0.10%	0.19%
State Street Australia Limited	0.00%	0.29%
State Street Global Advisers	14.49%	15.11%
Stewart Investors	0.24%	1.64%
Teachers Mutual Bank	0.44%	0.26%
The GPT Group	1.06%	1.10%
UCA Funds Management Limited	0.14%	0.05%
ValueInvest Asset Management	3.49%	3.52%
Vanguard Investments Australia Limited	0.12%	0.10%
Westpac Banking Corporation	1.63%	1.10%
Wilshire International	0.00%	0.01%
Yarra Capital Management	3.99%	3.76%
Total	100.00%	100.00%

Please note: This is a snapshot of the Fund’s investments at 30 June 2018. The investment managers and the percentages invested will change throughout the year.



NGS SUPER TRUSTEE BOARD AND MANAGEMENT

THE NGS SUPER TRUSTEE BOARD

YOUR TRUSTEE BOARD AS AT 30 JUNE 2018

NGS Super is run on behalf of its members by a trustee company, NGS Super Pty Limited (ABN 46 003 491 487), which is run by member-appointed and employer-appointed Trustee directors. The Trustee directors represent the interests of all members and are responsible for making decisions on the strategic management of the Fund.

Employer-representative directors



Peter Fogarty
(Deputy Chair)



David Buley



Kathy Dickson



Garry Le Duff



Geoff Newcombe



Georgina Smith

Member-representative directors



Dick Shearman
(Chair)



Cathryn Hickey



Margaret Sansom



Glen Seidel



Gloria Taylor



Christine Wilkinson

PRINCIPAL ORGANISATIONS

NGS Super is sponsored by the Association of Independent Schools (AIS) NSW and SA, the Catholic Hierarchy of New South Wales, the SA Commission for Catholic Schools and the Independent Education Unions (IEU) NSW/ACT, SA and Vic. The principal organisations are responsible for appointing and removing Trustee directors.

The Articles of Association (Constitution) specify the rules that apply to the appointment and removal of Trustee directors. The Trustee's Constitution is available on our website at www.ngssuper.com.au/policies

BOARD OF DIRECTORS

DIRECTOR PROFILES



Dick Shearman
Chair, Member Director
since 3 April 2012

Sponsoring organisation:
NSW/ACT Independent Education Union

Qualifications:
Bachelor of Arts (Hons history), P/G Certificate Education.

Employment background:
Dick commenced his career as a secondary school teacher, teaching economics and history. Dick spent 23 years as the General Secretary/Treasurer of the Independent Education Union NSW.

- Recent and past directorships/appointments held:**
- Australian Education Industry Centre (Inc.)
 - NGS Financial Services Pty Ltd
 - NGS Financial Planning Pty Ltd
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Chair of Board and Investment Committee and member of HR, Remuneration and Governance Committee.

Board meeting attendance: 2017/18: 5/6



Peter Fogarty
Deputy Chair, Employer Director
since 31 December 1995

Sponsoring organisation:
Catholic Hierarchy NSW

Qualifications:
Financial and Cost Accounting Certificates, RG 146 for Superannuation, Fellow Certified Practising Accountants Australia.

Employment background:
Peter spent 21 years in senior financial management positions in the corporate environment across manufacturing and building industries covering product manufacturing and costing, real estate, lending, property development and home building. In 1982 he joined the non-government education sector as Head of Finance with the Catholic Education Office, Wollongong Diocese system of schools. His duties also included planning and development of schools and provision of ICT for schools and the system. He retired in June 2013.

- Recent and past directorships/appointments held:**
- Chair NGS Super 1998-1999 and 2007-2012
 - Membership of Committees, NSW Catholic Education Commission 1986-2012
 - NGS Financial Services Pty Ltd
 - NGS Financial Planning Pty Ltd
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Deputy Chair of Board and member of the Risk, Audit and Compliance Committee and HR, Remuneration and Governance Committee.

Board meeting attendance: 2017/18: 6/6



David Buley
Employer Director
since 6 December 2005

Sponsoring organisation:
Association of Independent Schools NSW

Qualifications:
Master of Applied Finance and Investment, Master of Business Administration (MBA), Bachelor of Commerce, Fellow Certified Practising Accountants Australia, Fellow Financial Services Institute of Australia (FINSIA), Fellow Australian Institute of Superannuation Trustees (AIST), Graduate, Australian Institute of Company Directors.

Employment background:
After commencing his career with Deloitte, David has over 30 years of professional finance and business management experience across a diverse range of industries including the education, travel, arts, financial services, accounting, health, and not-for-profit sectors. He was appointed to his current role as Chief Financial Officer in 1999 which includes oversight of the financial, investment and grant management functions however also provides advisory & consultancy services to independent schools. The role also includes administration of the Capital Grants Program on behalf of the Australian and NSW Governments which provides funding for eligible building projects in NSW independent schools. David mentors CPA candidates and regularly delivers presentations on topics such as business model innovation, finance transformation, and strategy at CPA, AIS and other NFP industry events.

- Recent and past directorships/appointments held:**
- Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Director of the Board and member of the Investment Committee and the Strategy and Innovation Committee.

Board meeting attendance: 2017/18: 4/6



Kathy Dickson
Employer Director
since 17 July 2015

Sponsoring organisation:
Association of Independent Schools NSW

Qualifications:
Bachelor of Commerce, Certificate of Governance and Risk Management. Master of Labour Law and Relations.

Employment background:
Kathy commenced her career in management accounting in the manufacturing industry and joined the non-government school sector as a Finance Manager in a regional school in 1994. Kathy was appointed Bursar at Sydney Church of England Grammar School in 2006 where she is the financial and accounting officer for the school, manages support staff, facilities and ICT strategies and is responsible for risk and compliance. Kathy is Clerk to the School Council and participates in all Council activities.

- Recent and past directorships/ appointments held:**
- Immediate past Chair ASBA Ltd, 2004-2016
 - Director ASBA Ltd
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Director of Board and member of the Risk, Audit and Compliance Committee.

Board meeting attendance: 2017/18: 6/6



Cathryn Hickey
Member Director
since 17 February 2006

Sponsoring organisation:
Independent Education Union Vic/Tas

Qualifications:
Masters of Education (Education and Social Policy), Bachelor of Arts, Graduate Diploma of Education.

Employment background:
Cathy is currently an Officer of the Independent Education Union Victoria/Tasmania and has worked in that organisation for the last 16 years. Her primary areas of responsibility are as the union's Officer for Education and Policy Analysis and Development and in the provision of advice, support and representation of union members in a variety of industrial areas. Prior to this she was employed in a similar role by the NSW/ACT Independent Education Union for over nine years. Cathy has worked in both NSW and Queensland as a secondary school teacher in non-government schools.

- Recent and past directorships/ appointments held:**
- Director of Independent Association of Registered Teachers VIC (Centre for Strategic Education)
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Director of Board and member of the Investment Committee.

Board meeting attendance: 2017/18: 5/6



Garry Le Duff
Employer Director
since 1 February 2013

Sponsoring organisation:
Association of Independent Schools SA

Qualifications:
Bachelor of Arts(Hons), Master of Education, Graduate Diploma Education Administration, Diploma of Education, FACE, FACEL.

Employment background:
Garry has worked as a senior manager, program manager, lecturer and teacher. He retired in February 2013 from his role as the Chief Executive Officer of the Association of Independent Schools SA, a position which he held for over 17 years. In this role he advised school boards and school leaders on funding, governance, legislation and regulation, curriculum, school improvements and issues management. In June 2013, Garry was appointed an Adjunct Senior Lecturer (Academic) in the School of Education at Flinders University. He currently conducts a consultancy service in school governance and management.

- Recent and past directorships/ appointments held:**
- Australian Curriculum, Assessment and Reporting Authority
 - Pembroke School Board
 - Chair Pembroke School Governance Committee
 - Education and Early Childhood Services Registration and Standards Boar (SA) Advisory Committee for non-Government Schools (SA)
 - Non-Government Schools Registration Board
 - Senior Secondary Assessment Board SA Board
 - Teachers Registration Board SA
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Director of Board and member of the Risk, Audit and Compliance Committee.

Board meeting attendance: 2017/18: 6/6



Dr Geoff Newcombe AM
Employer Director
since 1 March 2013

Sponsoring organisation:
Association of Independent Schools NSW

Qualifications:
Bachelor of Science, Diploma of Education, Master of Educational Administration, Phd in Financial Management in Education, Graduate Australian Institute of Company Directors.

Employment background:
Dr Geoff Newcombe has held a number of positions in independent schools including, business manager and principal. He joined The Association of Independent Schools in 1998 as Director of School Governance and Industrial Relations. Appointed in 2005, he is currently Executive Director of AIS(NSW). In June 2011 he was appointed Adjunct Associate Professor to the School of Education at the University of NSW.

- Recent and past directorships/ appointments held:**
- Director, AITSL Board
 - Director, NGS Board 1997-2005, Chair 2002-2003
 - NGS Financial Services Pty Ltd
 - NGS Financial Planning Pty Ltd
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd
 - NSW Education Standards Authority (NESA)
 - Dymock's Childrens Charities
 - Study NSW.

Board/Committee membership:
Director of Board and member of the Investment Committee.

Board meeting attendance: 2017/18: 3/6



Margaret Sansom
Member Director
since 13 May 2008

Sponsoring organisation:
Independent Education Union (SA) Inc.

Qualifications:
Certified Teacher, RG 146 (Superannuation).

Employment background:
Margaret has worked in the education industry for 50 years, predominantly as a classroom teacher in the non-government sector. She has been a member of the IEU SA since its inception and was elected to the executive in 1995 and held the position of President/Chair from 2002-2010. She was made a life member in 2012.

- Recent and past directorships/ appointments held:**
- Independent Education Union SA
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Director of Board, Chair of the Claims Review and Insurance Committee and member of the Strategy and Innovation Committee.

Board meeting attendance: 2017/18: 6/6



Glen Seidel
Member Director
since 1 July 2005

Sponsoring organisation:
Independent Education Union (SA) Inc.

Qualifications:
Bachelor of Science, Diploma of Education, Graduate Diploma Industrial Relations.

Employment background:
Glen was a secondary school teacher for over 25 years. In 2000, he commenced working as a union official and is currently the Secretary of the Independent Education Union SA.

- Recent and past directorships/ appointments held:**
- Director, Independent Schools Superannuation Trust
 - Director, Catholic Church Staff Superannuation Fund
 - NGS Financial Planning Pty Ltd
 - NGS Financial Services Pty Ltd
 - Treasurer, Industrial Relations Society of SA
 - Vice Presidnet, Independent Education Union of Australia
 - Select Core Property Pty Ltd
 - Select Office Pty Ltd.

Board/Committee membership:
Director of Board, Chair of Risk, Audit and Compliance Committee and member of the Investment Committee.

Board meeting attendance: 2017/18: 5/6



Georgina Smith
Employer Director
since 1 July 2014

Sponsoring organisation:

SA Commission for Catholic Schools

Qualifications:

Master of Education Studies, Bachelor of Education, Diploma of Teaching, Graduate Diploma of Religious Education, GAIST.

Employment background:

Georgina has worked as Assistant Director, Principal Consultant, School Principal and teacher in Catholic Education SA. She is working currently as an independent consultant supporting sector and school leadership in Catholic Education, South Australia. She has significant experience in leadership recruitment and selection, strategic planning, risk management, human resources and school governance.

Recent and past directorships/ appointments held:

- Education and Early Childhood Standards and Registration Board (SA)
- Senior Secondary Assessment Board (SA)
- Teachers' Registration Board (SA)
- Vocational Training and Registration Board (SA)
- University of South Australia Graduate Advisory Board (SA)
- National Professional Development Committee
- Australian Government Quality Teaching Committee
- Director Mercy Education Ltd
- Select Core Property Pty Ltd
- Select Office Pty Ltd.

Board/Committee membership:

Director of Board, member of the Claims Review and Insurance Committee and the Risk, Audit and Compliance Committee.

Board meeting attendance: 2017/18: 6/6



Gloria Taylor
Member Director
since 24 June 2002

Sponsoring organisation:

NSW/ACT Independent Education Union

Qualifications:

Master of Arts, Graduate Diploma (Bus), Graduate Diploma (Inter-ethnic Studies), Bachelor of Education, Certificate of Superannuation Management, RG 146 for Superannuation.

Employment background:

Gloria is currently the Deputy Branch Secretary of the NSW/ACT Independent Education Union Australia (IEUA), where she commenced working in 1988. Gloria has also worked as an Education Advisor in the Catholic Education Office in Sydney and prior to that worked as an advisory teacher and teacher in Melbourne, Tasmania and the USA.

Recent and past directorships/ appointments held:

- Elected member of NSW/ACT IEU Executive
- Elected alternate delegate of IEUA Executive and delegate to IEUA Council
- Chair NGS Super
- Select Core Property Pty Ltd
- Select Office Pty Ltd.

Board/Committee membership:

Director of Board, Chair of HR, Remuneration and Governance Committee and Chair of the Strategy and Innovation Committee.

Board meeting attendance: 2017/18: 6/6



Christine Wilkinson
Member Director
since 1 March 2013

Sponsoring organisation:

NSW/ACT Independent Education Union

Qualifications:

Bachelor of Education, Masters of Educational Studies, Graduate Certificate of Careers Counselling, Cert 4 in Training and Assessment, Diploma in Teaching.

Employment background:

Christine commenced her career as a school teacher in 1967 and has taught in primary, secondary and early childhood education throughout New South Wales. She is currently a teacher at St Joseph's Catholic College, East Gosford and holds the position of Careers Advisor and VET Co-ordinator. Christine teaches in the areas of retail services, business services and technology and science. As a member of the Independent Education Union for over 30 years she has been active at all levels of the Union – Chapter representative, Branch President and Secretary, Delegate to Council and member of Federal Council.

Recent and past directorships/ appointments held:

- Member of the AITSL National Review of Teacher Registration Expert Panel
- Member of the St Joseph's Catholic College East Gosford School Board
- Member of the Broken Bay Diocese Women and Equity Committee
- Member of the Central Coast Careers Teachers Association
- Deputy President of the NSW/ACT IEU
- President of the NSW/ACT IEU
- Delegate to Federal Council of the IEUA
- Member of the TEAB Board at Sydney University
- Justice of the Peace
- Former Director of NGS Board and Alternate Director
- Select Core Property Pty Ltd
- Select Office Pty Ltd.

Board/Committee membership:

Director of Board and member of the Claims Review and Insurance Committee and the Strategy and Innovation Committee.

Board meeting attendance: 2017/18: 6/6

REMUNERATION

DIRECTORS

Our remuneration practices reflect our core values, placing our members at the centre of what we do. We also recognise that we need to resource the Fund in order to provide quality benefits and services to members.

Director remuneration consists of Board and Committee fees and superannuation guarantee contributions. These fees reflect the demands and responsibilities of the Directors.

The amounts paid to the Directors for the year ending 30 June 2018 and 2017 are set out below:

Name and Position	Appointment date	Paid to	FY2017/18						FY2016/17					
			Short-term employee benefits ⁶		Post-employment benefits ⁸	Long term Benefits ⁹	Termination Benefits ¹⁰	Total	Short-term employee benefits ⁶		Post-employment benefits ⁸	Long term Benefits ⁹	Termination Benefits ¹⁰	Total
			Cash salary, fees and short-term compensated absences	Non-monetary benefits ⁷					Cash salary, fees and short-term compensated absences	Non-monetary benefits ⁷				
Dick Shearman (Chair)	03/04/2012	Individual	\$76,287	\$0	\$25,000	\$0	\$0	\$101,287	\$83,203	\$0	\$9,984	\$0	\$0	\$93,187
Peter Fogarty (Deputy Chair)	31/12/1995	Individual	\$63,463	\$0	\$7,616	\$0	\$0	\$71,078	\$58,388	\$0	\$7,007	\$0	\$0	\$65,394
David Buley (Director)	06/12/2005	Individual	\$47,597	\$0	\$5,712	\$0	\$0	\$53,309	\$43,791	\$0	\$5,255	\$0	\$0	\$49,046
Kathy Dickson (Director)	17/07/2015	Individual	\$47,597	\$0	\$5,712	\$0	\$0	\$53,309	\$43,791	\$0	\$5,255	\$0	\$0	\$49,046
Cathryn Hickey (Director)	17/02/2006	IEU VIC/ TAS	\$52,357	\$0	\$0	\$0	\$0	\$52,357	\$48,170	\$0	\$0	\$0	\$0	\$48,170
Garry Le Duff (Director)	01/02/2013	Individual	\$14,982	\$0	\$25,000	\$0	\$0	\$39,982	\$43,791	\$0	\$5,255	\$0	\$0	\$49,046
Geoff Newcombe (Director)	01/03/2013	Individual	\$47,597	\$0	\$5,712	\$0	\$0	\$53,309	\$43,791	\$0	\$5,255	\$0	\$0	\$49,046
Margaret Sansom (Director)	13/05/2008	Individual	\$43,703	\$0	\$22,044	\$0	\$0	\$65,747	\$54,009	\$0	\$6,481	\$0	\$0	\$60,490
Glen Seidel (Director)	01/07/2005	Individual	\$29,351	\$0	\$3,522	\$0	\$0	\$32,874	\$27,004	\$0	\$3,241	\$0	\$0	\$30,245
		IEU SA	\$32,286	\$0	\$0	\$0	\$0	\$32,286	\$29,705	\$0	\$0	\$0	\$0	\$29,705
Georgina Smith (Director)	01/07/2014	Individual	\$34,097	\$0	\$19,212	\$0	\$0	\$53,309	\$43,791	\$0	\$5,255	\$0	\$0	\$49,046
Gloria Taylor (Director)	24/06/2002	IEU NSW/ ACT	\$64,573	\$0	\$0	\$0	\$0	\$64,573	\$59,410	\$0	\$0	\$0	\$0	\$59,410
Christine Wilkinson (Director)	01/03/2013	Individual	\$39,982	\$0	\$0	\$0	\$0	\$39,982	\$43,791	\$0	\$5,255	\$0	\$0	\$49,046

⁶ Directors do not receive other forms of short-term benefits, including profit sharing or bonuses.

⁷ Includes packaging arrangements such as motor vehicle, parking, and education fees.

⁸ Post employment benefits include Superannuation Guarantee and Salary Sacrifice superannuation contributions.

⁹ Long term benefits include payments for long service leave.

¹⁰ Termination benefits include payments for unused annual leave on leaving service.

MANAGEMENT

The following staff are responsible for the management of the Trustee company:

Name and Position	FY2017/18						FY2016/17					
	Short-term employee benefits ¹¹		Post-employment benefits ¹³	Long term Benefits ¹⁴	Termination Benefits ¹⁵	Total	Short-term employee benefits ¹¹		Post-employment benefits ¹³	Long term Benefits ¹⁴	Termination Benefits ¹⁵	Total
	Cash salary, fees and short-term compensated absences	Non-monetary benefits ¹²					Cash salary, fees and short-term compensated absences	Non-monetary benefits ¹²				
Anthony Rodwell-Ball (retired 30 March 2018) (Chief Executive Officer)	\$379,778	\$9,340	\$25,000	\$110,771	\$67,526	\$592,414	\$491,100	\$12,453	\$35,000	\$0	\$0	\$538,553
Laura Wright (Acting Chief Executive Officer from 12 February 2018) ¹⁶	\$307,096	\$11,547	\$25,000	\$0	\$0	\$343,643	\$239,109	\$11,547	\$34,976	\$0	\$0	\$285,632
Bernard O'Connor (Senior Manager, Insurance and Complaints)	\$107,963	\$14,413	\$23,156	\$0	\$0	\$145,532	\$111,264	\$14,504	\$34,408	\$0	\$0	\$160,176
Kerry Mulley (Risk and Compliance Manager)	\$205,503	\$0	\$24,660	\$0	\$0	\$230,163	\$189,335	\$0	\$34,975	\$0	\$0	\$224,310
Ben Squires (Chief Investment Officer)	\$274,823	\$37,222	\$25,000	\$0	\$0	\$337,045	\$266,250	\$0	\$30,000	\$0	\$0	\$296,250
Angie Mastrippolito (appointed 3 October 2017) (Chief Operating Officer)	\$236,250	\$0	\$25,000	\$0	\$0	\$261,250	\$0	\$0	\$0	\$0	\$0	\$0
Ben Facer (appointed 29 August 2017) (Chief Risk and Governance Officer)	\$308,653	\$0	\$25,000	\$0	\$0	\$333,653	\$0	\$0	\$0	\$0	\$0	\$0

¹¹ Relevant executives do not receive other forms of short-term benefits, including profit sharing or bonuses.
¹² Includes packaging arrangements such as motor vehicle, parking, and education fees.
¹³ Post-employment benefits include Superannuation Guarantee and Salary Sacrifice superannuation contributions.
¹⁴ Long term benefits include payments for long service leave.
¹⁵ Termination benefits include payments for unused annual leave on leaving service.
¹⁶ Appointed Chief Executive Officer with effect from 26 September 2018.



Left to right: Ben Facer, Kerry Mulley, Lynn Monk, Anthony Rodwell-Ball, Laura Wright, Bernard O'Connor, Angie Mastrippolito, Ben Squires.

MANAGEMENT TEAM

MANAGEMENT PROFILES



Anthony Rodwell-Ball
Chief Executive Officer (Retired)

Appointment date: 2008
and Retired December 2017, with an effective date 30 March 2018

Qualifications:
MA Comm Law, BA, FCPA, GAICD, F Fin.

Career overview:

- CFO, ESSSuper
- General Manager Finance and Risk, Australian Super
- Financial Controller, STA

Anthony was responsible for working with the Board to ensure that the Fund develops and successfully implements the strategic plan that meets the needs of members, employers, stakeholders and staff. Anthony oversees all aspects of the operation of the Fund and his management team are responsible for leading and working together to create and maintain a sustainable Fund.

Employed to: 30 March 2018.



Laura Wright
Acting Chief Executive Officer

(from 12 February 2018 and CEO from 26 September 2018)

Senior Manager, Governance
(to 11 February 2018)

Appointment date: 2008

Qualifications:
BA, Dip Ed, Dip Lib, RG 146

Career overview:

- Administration Manager, Superpartners
- Manager Customer Accounts, AAS
- Business Development Manager Industry Funds, AMP
- NSW Manager, Suncorp Advisors and Administrators
- Organiser and Women's Officer, NSW IEU
- Teacher Librarian, Marist Brothers Kogarah
- Non-Executive Trustee Director NGS Super 1988 to 1995

Laura was responsible for overseeing the Fund's governance and providing services and support to the Board and its Committees until her appointment as Acting CEO.



Ben Squires
Chief Investment Officer

Appointment date: 2008

Qualifications:
B Bus (Accounting & Finance), Dip Bus.

Career overview:

- Business Analyst, MLC
- Managing Director, building and construction company

Ben is responsible for overseeing a team of investment professionals and external asset consultants who are collectively responsible for formulating both the short and long term investment strategy including recommendations on asset allocation, investment managers, reporting on performance, unit pricing, and reporting to NGS Super's Board Investment Committee.



Kerry Mulley
Risk and Compliance Manager

Appointment date: 2008

Qualifications:
B Econ, LLB, Dip SM (ASFA).

- Career overview:
- Compliance Manager, Commonwealth Bank
 - Compliance Manager, Zurich Australia
 - Compliance Manager, Tyndall Australia
 - Compliance Manager, Oceanic Life
 - Administration Manager, APA Life

Kerry and his team ensure that NGS Super complies with all the license requirements, legislation, regulations and all Fund rules as well as overseeing the compliance, governance and risk management framework. His team provides advice to all business units across the Fund and reviews all communication and marketing material.



Bernard O'Connor
Senior Manager, Insurance and Complaints

Appointment date: 1999

Qualifications:
BA, Dip Ed, MA, Cert IR Law, Adv Cert Fin Ser (Superannuation), Dip Law

- Career overview:
- Organiser, Independent Education Union
 - Executive Member, Independent Education Union
 - High School Teacher

Bernard is the Fund's Company Secretary and is responsible for complaint services, working closely with the Claims Review and Insurance Committee. He is also the key contact point for government regulators to ensure the Fund meets their requirements.



Ben Facer
Chief Risk and Governance Officer

Appointment date: 2017

Qualifications:
B Econ, FIAA

- Career overview:
- Partner, Deloitte
 - Retirement Leader (South Asia), Mercer Singapore
 - International Retirement Consultant, Mercer London
 - Actuarial Consultant, Mercer Australia

Ben is responsible for the Risk, Compliance and Governance Functions of NGS Super. This involves the oversight of a decision-making and operating framework that allows the Fund to continue to focus on providing valuable services for members in an environment of good corporate governance and risk management.



Lynn Monk
Senior Manager, People and Culture

Appointment date: 2015

Qualifications:
Cert HR, Cert WH & S

- Career overview:
- HR Manager, REST Industry Super
 - HR Advisor, Building and Construction

Lynn and her team are responsible for supporting the CEO as well as developing and leading the strategic and operational people components of the business plan including ongoing culture and transformational change initiatives. She is also responsible to ensure appropriate people and culture strategies are developed and implemented to maintain market viability and attract, retain and develop staff while meeting compliance and legislative requirements.



Darryn Studdert
Senior Manager, Advice

Appointment date: 2016
(Commenced at NGS Super in 2011)

Qualifications:
MFinPlan, DipFP, BA (Econ), CFP®

- Career overview:
- Financial Planner, NGS Super
 - Financial Planner, Mercer
 - Paraplanning Team Leader / Paraplanner, ANZ Bank

Darryn and his team are responsible for providing financial education and personalised financial advice to members of NGS Super. This involves developing the Fund's thinking with respect to engagement and assisting members in preparing for and meeting their needs in retirement. Darryn also helps in assisting the Fund's Customer Relationship Managers who deliver limited single issue advice in the workplace to NGS members, and is responsible for the general education content presented in our seminar program.



Angie Mastrippolito
Chief Operating Officer

Appointment date: 2017

Qualifications:
BSc, Grad DipEd, FIAA

- Career overview:
- CEO, NESS Super
 - Principal, PFS
 - Principal, Actuaries in Super
 - Principal, Towers Watson
 - Principal, Mercer

Angie is responsible for ensuring that we provide excellent service to our members and employers. Angie has oversight over NGS Super's key outsourced providers and she manages and supports the customer service team which includes our Customer Relationship Managers and Financial Planners.

ABRIDGED FINANCIAL STATEMENTS AS AT 30 JUNE 2018

STATEMENT OF FINANCIAL POSITION	30/06/2018 \$'000	30/06/2017 \$'000
ASSETS		
Cash and cash equivalents	15,004	13,804
Receivables	84,357	77,689
Investments	9,081,551	8,130,383
Other Assets	1,280	1,273
Deferred tax assets	2,743	2,857
TOTAL ASSETS	9,184,935	8,226,006
LIABILITIES		
Creditors and accruals	86,119	70,613
Current tax liabilities	16,158	26,604
Deferred tax liabilities	107,244	71,446
TOTAL LIABILITIES	209,521	168,663
NET ASSETS AVAILABLE FOR MEMBER BENEFITS	8,975,414	8,057,343
MEMBER BENEFITS		
Defined contribution member liabilities	8,805,107	7,900,099
Defined benefit member liabilities	88,659	88,200
TOTAL MEMBER BENEFITS	8,893,766	7,988,299
NET ASSETS	81,648	69,044
EQUITY		
Trustee operating reserve	27,036	23,290
Operational risk reserve	22,675	20,715
DB surplus	15,771	14,462
Unallocated surplus	16,166	10,577
TOTAL EQUITY	81,648	69,044

The above information has been extracted from audited financial statements. A copy of the full audited financial statements may be obtained from the Trustee Office.

INCOME STATEMENT	30/06/2018 \$'000	30/06/2017 \$'000
REVENUE FROM SUPERANNUATION ACTIVITIES		
Interest	510	567
Investment income	363,348	308,341
Net remeasurement changes in assets measured at fair value	548,634	530,691
Sundry income	1,649	1,427
TOTAL SUPERANNUATION ACTIVITIES REVENUE	914,141	841,026
EXPENSES		
Direct investment expenses	(22,531)	(20,116)
Indirect investment expenses	(10,261)	(9,786)
Administration expenses	(17,853)	(17,735)
Other expenses	(1,246)	(1,255)
TOTAL EXPENSES	(51,891)	(48,892)
NET INCOME SUPERANNUATION ACTIVITIES	862,250	792,134
ALLOCATION TO MEMBERS BENEFITS		
Net benefits allocated to defined contribution (DC) member accounts	(820,849)	(743,594)
Net benefits allocated to defined benefit (DB) member liabilities	(6,648)	(8,369)
TOTAL ALLOCATION TO MEMBER BENEFITS	(827,497)	(751,963)
OPERATING RESULT		
OPERATING RESULT BEFORE INCOME TAX	34,753	40,171
Income tax expense	(39,658)	(48,510)
OPERATING RESULT AFTER INCOME TAX	(4,905)	(8,339)

The above information has been extracted from audited financial statements. A copy of the full audited financial statements may be obtained from the Trustee Office.

STATEMENT OF CHANGES IN MEMBER BENEFITS	30/06/2018 \$'000	30/06/2017 \$'000
Liability for accrued benefits beginning of period	7,988,299	7,093,074
CONTRIBUTION REVENUE		
Employer contributions	435,291	448,534
Member contributions	106,121	167,493
Government co-contributions	486	530
Transfers in	152,989	135,036
Income tax on contributions	(66,968)	(68,419)
Net after tax contributions	627,919	683,174
BENEFITS PAID		
Rollovers	(305,265)	(293,849)
Cash benefits paid	(108,085)	(126,087)
Pensions paid	(93,252)	(83,587)
Anti-detriment deduction	451	1,439
Net benefits paid	(506,151)	(502,084)
INSURANCE		
Insurance premiums charged to members' accounts	(48,536)	(48,013)
Claims credited to members' accounts	14,962	19,643
Tax benefit on insurance premiums	7,280	7,202
Net Insurance (cost)/benefit	(26,294)	(21,168)
INCOME AND EXPENSES		
Investment earnings/(losses) applied to members	820,849	743,594
Net change in defined benefit member accrued benefits	6,648	8,369
Fees paid by members	(17,504)	(16,660)
Net income/(expenses)	809,993	735,303
Liability for accrued benefits end of period	8,893,766	7,988,299

The above information has been extracted from audited financial statements. A copy of the full audited financial statements may be obtained from the Trustee Office.



THINGS YOU NEED TO KNOW

COMPLAINT AND DISPUTE RESOLUTION – PROVIDING FEEDBACK OR MAKING A COMPLAINT

We try to ensure that our level of service meets your expectations. However, sometimes problems occur. If you are dissatisfied with your experience with us, we will attempt to resolve your complaint through our internal complaints resolution procedure.

Please contact us:

Phone: **1300 133 177**
8.00am to 8.00pm (AEST or AEDT) weekdays
Overseas: **+61 3 8687 1818**
Web: **www.ngssuper.com.au/contact-us**
Mail: **Complaints Officer**
PO Box 21236
WORLD SQUARE NSW 2002

If we have not responded to your complaint within 90 days or you are not satisfied with our decision, you may be able to take the matter to an external complaint resolution service that is free to customers:

- with the **Superannuation Complaints Tribunal (SCT)** until 31 October 2018:
Online: **www.sct.gov.au**
Email: **info@sct.gov.au**
Phone: **1300 884 114**
Mail: **Superannuation Complaints Tribunal**
Locked Bag 3060
Melbourne VIC 3001
- with the **Australian Financial Complaints Authority (AFCA)** from 1 November 2018:
Online: **www.afca.org.au**
Email: **info@afca.org.au**
Phone: **1800 931 678** (free call)
Mail: **Australian Financial Complaints Authority (AFCA)**
GPO Box 3
Melbourne VIC 3001

Time limits may apply to complain to SCT or AFCA and so you should act promptly or otherwise consult the SCT and AFCA websites to find out if or when the time limit relevant to your circumstances expires.

A copy of the Fund's detailed enquiries and complaints procedures is available on request from our Customer Service Team on **1300 133 177** or by emailing **ngsadminteam@ngssuper.com.au**

ELIGIBLE ROLLOVER FUND (ERF)

AUSfund is an ERF into which lost members or members with small inactive accounts are transferred. Circumstances where your benefit may be transferred to AUSfund include:

- you have not received any payments into your account for at least 2 years and after making reasonable efforts, we have been unable to contact you for 5 years; or
- you have:
 - a \$0 account balance, and
 - been a member of NGS Super for more than 6 months, and
 - not received any contributions for 6 months.

If your account is transferred to AUSfund, you'll no longer be a member of NGS Super and any insurance cover you had with us will cease. Different fees and costs will also apply to your AUSfund account.

You can contact AUSfund:

Online: **www.ausfund.net.au**
Email: **admin@ausfund.net.au**
Phone: **1300 361 798**
Mail: **AUSfund**
Locked Bag 5132
Parramatta NSW 2124

By law, NGS Super must transfer lost super accounts with balances less than \$6,000, or those that are unidentified and have been inactive for more than 12 months, to the Australian Taxation Office (ATO). To find out more, visit **www.ato.gov.au**.

CONFLICTS MANAGEMENT FRAMEWORK

NGS Super has a conflicts management framework to ensure it identifies and takes all reasonably practicable actions to avoid, or prudently manage all potential and actual conflicts in its business operations. Where there is a conflict, priority must be given to the duties to, and interests of the members of the Fund over the duties to, and interests of other persons.

We ensure that the duties to members are met despite the conflict, and that the interests of the beneficiaries are not adversely affected by the conflict. Conflict management procedures are included as a standard Board or committee agenda item for every meeting. Any identified conflicts are recorded as well as the action taken to avoid or manage the conflict in accordance with our Conflicts Management Framework and Policy. A Register of Relevant Interests and Duties is also maintained on our website. Both these policies are available at

www.ngssuper.com.au/policies

FUND CHANGES FOR 2017/2018

During the 2017/2018 financial year we made a number of changes to the Fund. Members were notified about the changes and you can find more information about each of these changes at **www.ngssuper.com.au/sen**

FUND GOVERNANCE FRAMEWORK

NGS Super's governance framework outlines the key elements of oversight as well as decision-making forums such as the Board, its committees and key policies and procedures. The Governance Policy provides guidance to stakeholders on the standards by which NGS Super manages the integrity of the Fund and its operations. The policy is developed in line with industry best practice, with guidance from our regulators.

INVESTMENT GOVERNANCE FRAMEWORK

The investment governance framework documents the systems, structures, policies, processes and people involved in managing the Fund's investments. It incorporates the Fund's investment beliefs and guiding principles. NGS Super's investment policy statement provides details on the investment objectives, strategies and constraints for each investment option available to members.

NGS SUPER DERIVATIVES POLICY

The Trustee has adopted an appropriate risk management strategy that permits investment managers to use futures, options and other derivative instruments to assist with the effective management of the portfolio of assets.

RISK MANAGEMENT FRAMEWORK

The Trustee Board is responsible for the Fund's risk management framework through identifying, assessing, managing, mitigating and monitoring material risks that may affect the Fund's business operations, strategic objectives and its ability to service members. As part of the risk management framework the Board has articulated a risk appetite statement, tolerance and metric for each material risk identified. The risk appetite provides guidelines to the Fund as to acceptable levels of risk in the everyday running of the Fund.

SERVICE PROVIDERS

The following companies provide services to the Trustee Board to promote and support the efficient management of the Fund.

Administrator
Mercer (Australia) Pty Limited

Investment Consultant
Frontier Investment Advisors

External Auditor
PricewaterhouseCoopers

Internal Auditor
KPMG

Custodians
State Street Australia Limited
The Trust Company Limited
Bond Street Custodians Limited

Insurer
Tal Life Limited (TAL)

Professional Liability Insurer
Vero

TEMPORARY RESIDENTS

We are required to pay your super to the ATO if you are a former temporary resident and it has been more than six months since you departed Australia and your visa has expired or been cancelled.

The Trustee relies on relief from ASIC to the effect that it is not obliged to notify or give an exit statement to a non-resident in the above circumstances. Non-residents can apply to the Commissioner of Taxation to claim their unclaimed super under this Act. Visit **www.ato.gov.au** for more information.

THE TRUST DEED

The governing rules of NGS Super are contained in the Trust Deed, which is available on the NGS Super website. This document covers issues such as who can join the Fund, how contributions are received and invested, and how benefits are paid. The Trust Deed is the final authority in the event of any inconsistency or uncertainty.

A copy of the NGS Super Trust Deed is available on our website via **www.ngssuper.com.au/policies**

TRUSTEE LIABILITY INSURANCE

NGS Super has indemnity insurance to protect the Trustee, its directors and the Fund from the financial effects of any 'honest mistakes' that may occur in the day-to-day management of the Fund.

KEEP IN TOUCH

To ensure you receive regular updates on your super, you should notify us if you change your address or your employer. Every year thousands of Australians lose track of the money they have in super because their fund does not have their correct contact details. To update your details:

- log into **Member Online** at **www.ngssuper.com.au/login**, or
- complete the relevant form at **www.ngssuper.com.au/forms**.

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

CONTACT DETAILS

HOW TO CONTACT US

Online: www.ngssuper.com.au/contact-us

Telephone: 1300 133 177

For callers outside Australia:

+61 3 8687 1818

Fax: +61 3 8640 0813

Postal address:

GPO Box 4303

MELBOURNE VIC 3001

NGS FINANCIAL PLANNING

To make an appointment phone us on

1300 133 177 or complete the **Financial**

planning enquiry form on our website at

www.ngssuper.com.au/financial-planning.

IMPORTANT INFORMATION

The information in the Annual Trustee Report is of a general nature. It has been prepared without taking into account your particular financial needs, circumstances and objectives. You should assess your own financial situation and read the Product Disclosure Statement relating to the products, and may wish to consult an adviser, before making a financial decision based on this information.

NGS Financial Planning Pty Ltd, ABN 89 134 620 518, is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, AFSL #420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.



Disclaimer: SuperRatings does not issue, sell, guarantee or underwrite this product.

Go to www.superratings.com.au for details of its ratings criteria.

Disclaimer: For further information about the methodology used by Chant West, see www.chantwest.com.au

Chant West has given its consent to the inclusion in this Annual Report of the references to Chant West and the inclusion of the logos and ratings provided by Chant West in the form and context in which they are included.

www.ngssuper.com.au
1300 133 177