



ngs super™

The educated choice



An Industry
SuperFund

www.ngssuper.com.au

1300 133 177

Annual Trustee Report

For the year ended 30 June 2011





Table of contents

Report from the Chair and the CEO	3–5
Investment performance	6–7
How we invest your money	8–9
Pension investment options and performance	9
Super investment options and performance	10–13
Investment managers	14
Abridged financial statements	15
Things you need to know	16–17
The NGS Super Board	18
Contact details	19

Report from the Chair and the Chief Executive Officer

The financial year to 30 June 2011 saw some much-needed consolidation and market growth after the roller coaster ride markets have taken over the last few years.

While some investments have performed well, others didn't fare as well, but overall, the results for the year are very positive. As an industry super fund, our responsibility is to ensure that the investments we have chosen conform with our objectives as far as possible to deliver the best achievable risk-mitigated returns to members in the current conditions, regardless of the strength of the market. We are confident that we have met our objectives this year in securing good positive results for our members.

Investment performance

The 2010-11 financial year kicked off strongly and global growth continued right through to April 2011, and was then followed by increasing volatility and some significant market shocks in the second quarter of calendar 2011. But overall, the 12 months to 30 June 2011 saw positive financial market performance, with shares and real assets showing strong growth.

Whilst the last two months of the financial year were negative, returns were positive across all the major asset classes for the full year to 30 June 2011 – a positive annual result for the second year in a row since the period of the Global Financial Crisis (GFC). This result has been reflected in both the Super and Pension investment options, many of which finished the year with double-digit figures for the second year in a row. Amongst the strongest performers were the NGS Property and Australian Shares options. The Diversified default option delivered an impressive 10.47% for super members, putting NGS Super in the top ten rated superfund performers for growth funds according to Chant West (a specialist independent superannuation research and consultancy firm).

Our strategies have withstood the recent global economic and market shocks and once again, we are pleased to report that the Fund's long-term returns remain sound. The Diversified option delivered an average return of 6.56% p.a. for super and 7.10% p.a. for pension over the last seven years. It is worth reflecting that since inception (1 July 1988) the Fund's default option for super has returned 8.97%, despite at least four periods of significant market volatility. This performance comfortably exceeds the Board's current objective for the default option of achieving CPI plus 3% over rolling five year periods.


Full details of the returns for each investment option can be found on pages 10 to 13 of this *Annual Report*, and returns for pension investments on page 9.

We are continuing to monitor the Fund's investments over the long and short terms to keep our strategies on track and ensure as far as possible that we continue to meet our investment objectives now and in the future.

Continuing NGS Super growth

We are very pleased to welcome our new Cuesuper colleagues to the Fund. Cuesuper is the industry fund for the credit union and building society sector and following the successful completion of a merger between the two funds in April 2011, NGS Super now boasts \$4 billion in total assets with a membership of almost 90,000. Both NGS Super and Cuesuper have similar membership profiles, so we are well placed to meet – and exceed – the needs and expectations of members from both funds.

We are also excited to announce that we have entered into merger discussions with UCSuper (Uniting Church Super). Many UCSuper members are Uniting Church employees, which is a good match with NGS Super as many of our current members work in faith-based schools.



In addition, this natural affinity and strong focus on values is another reason why this merger is a good fit, providing efficiencies for both funds. The merger process is expected to be finalised by March 2012 and will create a \$4.4 billion fund with all the same benefits for members and no change to the way that NGS Super operates.

Through mergers with similar funds with a good fit both culturally and administratively, NGS Super is able to provide members with improvements that only come from increased size and scale. UCSuper members will benefit from the low costs, competitive returns, industry-leading insurance and financial advice that NGS Super provides.

How did we rate?

Earlier this year the Fund Executives Association Ltd undertook a member survey, to understand how likely members were to recommend their fund. NGS Super emerged as the most improved fund in the survey, rising to 4th position – just four points behind the leading fund. Via the survey, you told us that the most important elements of customer satisfaction were being “courteous and polite” and having “the ability to receive the right information”. Our thanks to those members who responded: your feedback helps us set our membership strategy for the future, and continually improve the way in which we engage with you.

Providing savings on insurance costs

Research by Chant West this year revealed that industry fund members could have around \$60,000 extra (in future dollars) in retirement compared to retail fund members, due to lower premiums for death and total and permanent disablement (TPD) insurance.

NGS Super commissioned Chant West to conduct research comparing insurance premiums to those of the top 32 retail super funds. Most super funds provide death and TPD cover to their members, deducting premiums from members’ account balances. The research showed that a forty year old “average member” would pay a 143% higher premium in a median retail fund than in NGS Super. Insurance is essential to protect you and your family and accessing it through your super is an easy, cost-effective solution. And as an NGS Super member, you get to access award-winning insurance – in 2009 and 2010 we won Money magazine’s Best of the Best award for “Best Value Insurance in Super.”

Helping teachers with financial literacy in schools

Earlier this year NGS Super partnered with *enRICH KIDS™* to provide a free financial literacy resource to teachers. *enRICH KIDS™* has two successful programs, one for primary school children (aged 7 – 12) and the other for secondary school students. These programs will provide schools with a

valuable resource to help educate the leaders of tomorrow. The teaching resource is available through NGS Super. If you would like a copy, please contact your state office and we will send one out to you.

More awards have come our way!

Our Fund strategy and attention to member feedback has once again been recognised with an array of new awards from the superannuation industry. We are excited to be listed in Chant West’s “top ten” funds in Australia for a second year running. The Fund was also listed in their top ten rated pension funds, top ten rated funds for investments and returns and top five rated funds for member education and communications.

The fund has also been awarded a silver medal in *Your Money* magazine’s independent review of the “Best Industry Funds” for 2011.

In addition, the Fund has been awarded the highest Platinum rating for the Fund’s “Value for Money” from independent rating agency SuperRatings. The “Value for Money” rating shows that NGS Super offers the greatest potential to maximise members’ retirement savings in a well-served, secure environment whilst offering suitable, well-priced related benefits such as life and disability insurance and quality impartial financial advice. We are also pleased to have a 5 Apples quality rating for both Super and Pension – the highest possible rating from independent ratings company Chant West.

The 2011 Scholarship Awards exceeded expectations!

The Fund is committed to innovation and continuous improvement by consistently creating new member value additions. To this end, NGS Super developed the *Scholarship Awards*, an initiative consisting of six \$5,000 scholarships offered to NGS Super members working in management, ancillary or teaching positions. Our second year did not disappoint with an increase in applications received. The 2011 winners will be announced in October.

During the year, the Fund also had the pleasure to watch the 2010 winners implementing their projects, attending courses or undertaking study tours. Their personal development and positive contribution to the education sector is significant. To read more about how each winner is tracking with their individual ventures, visit <http://www.ngssuper.com.au/super-members/>.

Changes to the Board

Mr Danny Watson retired as a Director at 30 June 2011, to be replaced on rotation by Mr Michael Critchley as the representative of the South Australian Commission for Catholic Schools Inc. We thank Mr Watson for his six years of valuable service as a Trustee Director, and welcome Michael to the NGS Super Board.

Finally

On behalf of the Board and management, please accept our thanks for your continuing loyalty to NGS Super. We appreciate that markets have again become unsettled, and we confirm that we will continue to do all we can to assist you to build your super savings with your comfortable retirement as our shared objective.



Peter Fogarty
Chair
Trustee Board



Anthony Rodwell-Ball.

Anthony Rodwell-Ball
Chief Executive Officer
NGS Super

Investment performance

Investment markets: 2010/11 year in review

Another year of growth despite continued global uncertainty

For the first nine months of the 2010/11 financial year global production continued to grow strongly but as expected, slowed in the second quarter of 2011 in response to higher oil prices and the impact of the Japanese tsunami. Whilst some headlines would have us believe the sky's falling we should keep things in perspective. Over the full year to 30 June 2011, we've seen strong growth and an overall positive result for the second financial year in a row. The forecast for modest growth over the second half of 2011 remains.

Global share markets remained positive in April but then fell over the final two months of the financial year, as US and European economic data was less encouraging, China voiced inflationary concerns and policy tightening and there were renewed concerns around the Sovereign Debt Crisis in Europe.

A rather sharp slowdown in the US has underscored the fragility of the underlying recovery, against a backdrop of renewed decline in house prices there. In Europe, despite impressive growth in Germany and other core European Union (EU) nations over the first half of this year, stresses in EU funding markets intensified.

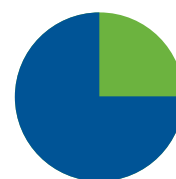
At home here in Australia, the Gross Domestic Product (GDP) contracted 1.2% in the first quarter of 2011 - the deepest quarterly decline in 20 years. This deeper-than-expected contraction was compounded by the effects of the natural disasters in New Zealand and Japan in the first quarter. The decline is largely due to householders' hesitancy to take on new debt and consume. On the plus side, this has led to a rise in the household savings rate to the highest levels since the mid-1980s, with household disposable income growing an impressive 8.3% over the year to first quarter of 2011. Business investment growth has also continued to accelerate (up 6.3% over the year the first quarter of 2011), although largely driven by a 21.5% surge in the mining sector (ex-mining investment was up by just 2.6%).

Looking back over the year: quarter by quarter

September 2010 quarter

The September 2010 quarter saw a strong recovery in share markets as a range of global developments lifted investors' propensity for risk. However, the prospect of medium-term deflation, lingering fears of renewed financial risks and downward pressure on labour costs, among other things, highlighted the fragility of the recovery.

Share markets recovered strongly in the September quarter thanks to global developments encouraging investors back into the market. That said, the prospect of medium term deflation, concerns about financial risk and downward pressure on labour costs highlighted the fragile nature of the recovery.



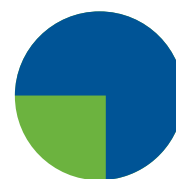
December 2010 quarter

Financial markets bounced back in December 2010, with global share markets strong, the Australian share market positive and surging commodity prices boosting real assets. Fixed interest ended the 2010 year flat. The Australian dollar was once again stronger across the board, moving above parity with the US dollar to a level not seen since July 1982.



March 2011 quarter

During the March 2011 quarter global growth gathered momentum and remained resilient despite major political disasters (unrest in the Middle East and North Africa) and a series of major natural disasters (earthquakes in New Zealand and Japan). However, by the end of March 2011 growth was expected to slow over the coming June quarter.

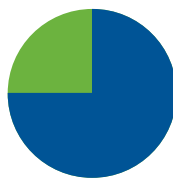


June 2011 quarter

Consistent with expectations at the end of March, global share markets remained positive in April but then fell over the last two months of the financial year. This was thanks to the release of weaker US and European economic data, inflationary concerns and further policy tightening in China and renewed concerns around the Sovereign Debt Crisis in Europe. That said, a lot needs to go right before the potential re-emergence of a less volatile market environment and any growth over the next six months will most likely be more modest.

The outlook

The outlook for global growth for the rest of 2011 is likely to be more modest than we have seen throughout the 2010/11 year. This is due in part to the EU and US government bodies still trying to find a solution to bolster their respective economies; the ending of the second round of quantitative easing (austerity measures named 'QE2') in the US (and the expectation that there will be no 'QE3'); and fears that some emerging markets are still slow to tackle their own rising inflation problems. The Sovereign Debt Crisis remains a concern too, but is largely confined to Greece, Portugal and Ireland. However, unlike the slowdown at a similar point in 2010, investor fears of broad-based deflation have yet to resurface and forecasts assume a much better mix of global growth and inflation in the second half of 2011.



Our investment strategy

- 1 We employ internal staff, external investment consultants and investment managers to help select, manage and monitor the Fund's investments.
- 2 We maintain sufficient liquidity to meet expected cash-flow requirements.
- 3 We limit investment risk by diversification among and within asset classes, and among different investment managers.
- 4 The Trustee Board regularly reviews the performance of each investment manager.

The investment benchmark ranges, risk profile and investment time frame for each investment option are set out on pages 10–13 of this *Annual Report*.

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 on the NGS Super website at www.ngssuper.com.au. In accordance with regulatory requirements, the Fund's investments are held by a custodian who safeguards the investments and monitors changes in the value of investments. The custodian calculates the NGS Super unit prices and forwards them to the Fund's administrator so they can be incorporated into your member records, maintained by the administrator.

Weekly changes to NGS Super unit prices reflect the gain (or loss) on the underlying investments for each option. Your account balances are calculated by multiplying the units on issue to you by the unit price current at that time. This means that investment market movements and valuations are translated into your account balance.

The investment returns quoted in this report reflect the return (after fees and taxes have been deducted) that would have been achieved if you had been invested in a particular option for the twelve months to 30 June 2011. If you made contributions during the year, those contributions would receive the investment return equal to the change in the unit price only between the contributions being allocated to your account and the end of the financial year. If you change 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 personal super account

All the contributions paid into the Fund by you or your employer, as well as any superannuation money you transfer into NGS Super, is placed into your personal account.

The money in your account (your benefit) is then invested according to the investment option(s) you select. Each time we receive a contribution from you or your employer, we allocate units to your account at the current unit price for the investment option in which you invest. Your account balance increases or decreases according to the collective performance of the underlying assets.

Whilst your money is held in the Fund, we deduct government taxes and member fees from your account, as well as insurance premiums if you have insurance cover. Your investment in NGS Super – your benefit – is calculated by multiplying the number of units allocated to your account from each investment option by their current unit price.

Administration reserve

The NGS Super reserve account is established in accordance with the Fund's Trust Deed. The reserve is held to ensure that sufficient funds are available to protect members against significant events that may affect the operating costs of NGS Super. Having a reserve also ensures that funds are available if we decide to implement new products and services for members without having to immediately recover costs from member accounts. A third reason for holding a reserve is so that the Trustee can meet APRA's Responsible Superannuation Entity (RSE) licensing conditions by ensuring its ongoing solvency and to support its business operations as the trustee of NGS Super.

The Trustee sets a reserve level based on the anticipated operating expenses of the Fund. The reserve at 30 June 2011 was \$18,254 million or 0.45% of Fund assets.

This reserve is maintained by the Trustee retaining a small portion of the fees charged to members and interest earned on the reserve account, which is invested in the Cash option.

The reserve levels for 30 June 2011 and preceding years are shown below.

As at 30 June	\$M	% of assets
2011	\$18.254	0.45
2010	\$15.698	0.50
2009	\$16.498	0.61
2008	\$15.477	0.55
2007	\$4.797	0.16

Investment management fees

Information on these fees can be found in the *Product Disclosure Statements* on the website.

Investment option	Investment management fee%
Diversified (super default)	0.77
Defensive	0.49
Shares Plus	0.87
Australian Shares	0.68
International Shares	0.93
Green Shares	0.95
Property	0.61
Diversified Bonds	0.25
Cash	0.14
High Growth	0.82
Conservative	0.59
Moderate Growth (pension default)	0.66

Pension options

Earnings on pension investments are tax-free. As a result the investment returns differ from the returns on Accumulation investments (shown on pages 10–13). In normal circumstances, where investment earnings are positive, pensioners benefit as no tax is deducted from the gross earnings. When investment earnings are negative, the opposite effect can occur.

Pension investment performance

Investment portfolio	Year ending 30 June 2011	Five years % p.a.	Since inception % p.a.	Inception date
Diversified	12.13%	4.27%	6.03%	Nov 2001
Defensive	8.64%	5.32%	5.62%	Nov 2001
Shares Plus	13.17%	3.11%	7.18%	Sep 2004
Australian Shares	17.18%	3.97%	9.26%	Sep 2004
International Shares	8.65%	0.41%	3.81%	Sep 2004
Green Shares	8.20%	-0.74%	3.74%	Dec 2004
Property	20.78%	3.44%	8.81%	Dec 2002
Diversified Bonds	6.00%	5.84%	6.19%	May 2004
Cash	5.75%	5.54%	5.64%	Jul 2004
High Growth	12.73%	n/a	0.84%	Jul 2007
Conservative	10.35%	n/a	2.84%	Jul 2007
Moderate Growth	12.03%	n/a	5.82%	Jan 2010

Note: The NGS Super account-based pension commenced in October 2001.

NGS 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.

Your investment options...

	Diversified (Default option)	International Shares	Australian Shares
Investment performance objective is to achieve a return ¹ :	3% above CPI per annum over rolling five year periods.	4.5% above CPI per annum over rolling seven year periods.	4.5% above CPI per annum over rolling seven year periods.
What type of investment is it?	Includes most of the asset classes that NGS Super uses but has a higher weighting to investments in assets with the potential for medium to long-term growth, such as shares, infrastructure and property. NB: This is the option your money will be invested in if you do not advise us of your investment choice.	Invested predominantly in companies listed on major international stock exchanges.	Predominantly invested in companies listed on the Australian Stock Exchange.
Probability of meeting objective	87%	77%	80%
Investment timeframe:	Medium to long term – five years +	Long term – seven years +	Long term – seven years +
Risk profile (if historical patterns are repeated):	Medium to high risk	High risk	High risk
Expected frequency of negative return over 20 year period	5 in 20 years	7 in 20 years	6 in 20 years
This option may be right for you:	If you would like to earn a moderate to high level of capital growth over the medium to longer term.	If you seek capital growth over the longer term and are willing to accept the risks associated with fluctuations in world share markets and currencies.	If you seek capital growth over the longer term and are willing to accept the risks associated with fluctuations on the Australian Stock Exchange.
If you choose this option you should be comfortable with:	Moderate to high levels of variability in returns over some years including the possibility of a negative return.	Potentially high levels of variability in returns over some years, and the possibility of negative returns.	Potentially high levels of variability in returns over some years, and the possibility of negative returns.
Benchmark asset allocation ²	Foreign currency 10%	Foreign currency 40%	
Growth			
Defensive			
Ranges	<ul style="list-style-type: none"> Australian shares 25 – 45% International shares 20 – 40% Private equity 0 – 6% Property (growth) 0 – 8% Infrastructure 0 – 10% Growth alternatives 0 – 10% Total growth assets 55 – 85% Global fixed interest 0 – 30% Property (income) 0 – 15% Defensive alternatives 0 – 10% Cash 0 – 25% Total defensive assets 15 – 45% Foreign currency 0 – 25% 	<ul style="list-style-type: none"> International shares 90 – 100% Total growth assets 90 – 100% Cash 0 – 10% Total defensive assets 0 – 10% Foreign currency 0 – 95% 	<ul style="list-style-type: none"> Australian shares 90 – 100% Total growth assets 90 – 100% Cash 0 – 10% Total defensive assets 0 – 10%
Growth/Defensive split	Growth 70% Defensive 30%	Growth 100%	Growth 100%
Recent effective rates of investment returns ³	Year ending 30 June % p.a. 2011: 10.47 2010: 10.03 2009: -10.35 2008: -4.68 2007: 17.89 Five year rolling return 4.13% p.a.	Year ending 30 June % p.a. 2011: 7.70 2010: 5.65 2009: -10.87 2008: -14.74 2007: 17.08 Five year rolling return 0.24% p.a.	Year ending 30 June % p.a. 2011: 15.11 2010: 17.74 2009: -15.47 2008: -13.25 2007: 26.32 Five year rolling return 4.66% p.a.

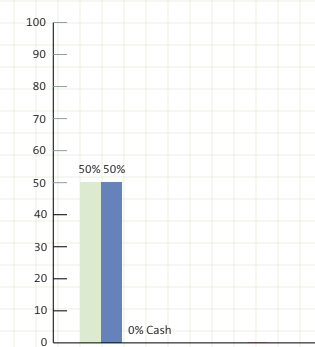
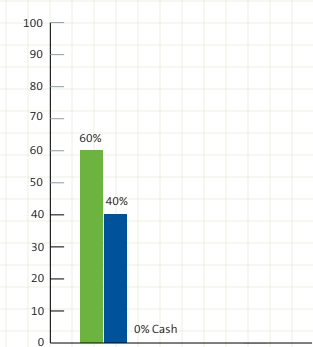
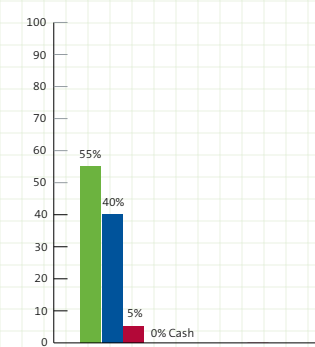
¹ The Trustee is required by law to set these objectives. They are neither a forecast nor a guarantee of future investment returns. It is anticipated that the CPI objective should be achieved over the long term. However, due to the volatile nature of investment markets and the lack of direct linkage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

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

³ The table above shows each investment option's annual and effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past five years or for the period which the investment option has been offered if less than five years.

Your investment options continued...

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

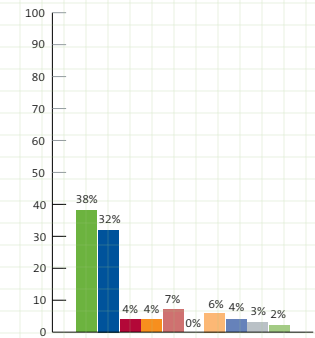
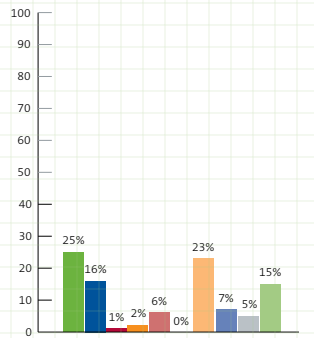
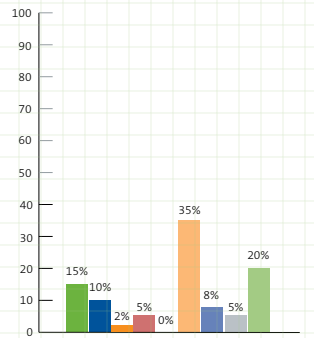
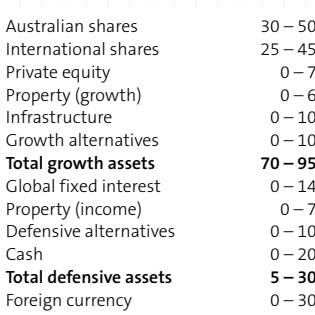
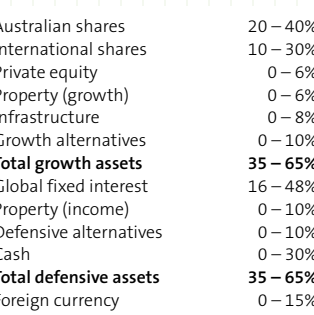
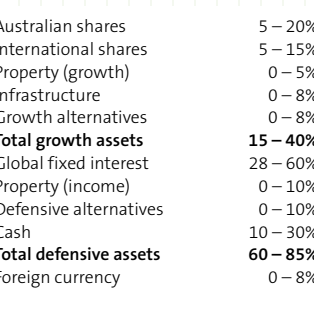


¹ The Trustee is required by law to set these objectives. They are neither a forecast nor a guarantee of future investment returns. It is anticipated that the CPI objective should be achieved over the long term. However, due to the volatile nature of investment markets and the lack of direct linkage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

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

³ The table above shows each investment option's annual and effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past five years or for the period which the investment option has been offered if less than five years.

Your investment options continued...

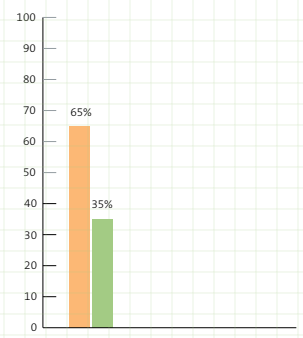
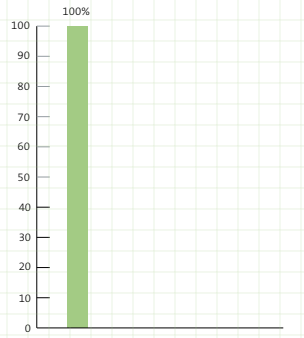
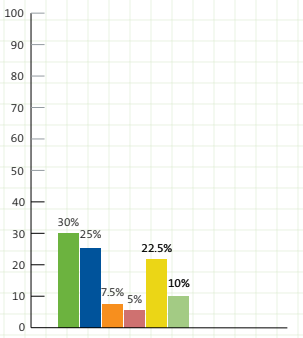
	High Growth	Conservative	Defensive
Investment performance objective is to achieve a return ¹ :	4% above CPI per annum over rolling seven year periods.	2% above CPI per annum over rolling three year periods.	1% above CPI per annum over rolling three year periods.
What type of investment is it?	A diversified investment option with a substantial weighting towards those assets which will potentially produce superior returns over the longer term.	An investment option split evenly between assets which provide the prospect for capital growth and assets which display defensive characteristics.	A relatively conservative investment option with a higher weighting towards the more defensive types of assets such as cash, fixed interest, defensive alternative funds and direct property. There is a smaller weighting to assets such as shares and infrastructure which provides the prospect for some capital growth.
Probability of meeting objective	87%	86%	99%
Investment timeframe:	Long term – seven years +	Medium term – three years +	Medium term – three years +
Risk profile (if historical patterns are repeated):	Medium to high risk	Medium risk	Low to medium risk
Expected frequency of negative return over 20 year period	6 in 20 years	4 in 20 years	3 in 20 years
This option may be suitable for you:	If you seek capital growth over the long term.	If you are seeking an investment option which is balanced in terms of allocations to both growth and defensive types of assets.	If you seek to earn some capital growth over the short to medium term while maintaining a low to medium probability of a negative return in any one year.
If you choose this option you should be comfortable with:	Potentially high levels of variability in returns in some years, and the possibility of a negative return.	Moderate levels of variability in returns over some years, including the possibility of a negative return.	The expectation that this option will offer a comparatively modest level of capital growth.
Benchmark asset allocation ²	Foreign currency 13%	Foreign currency 6%	Foreign currency 3%
Growth			
Defensive			
Ranges	<ul style="list-style-type: none"> Australian shares 30 – 50% International shares 25 – 45% Private equity 0 – 7% Property (growth) 0 – 6% Infrastructure 0 – 10% Growth alternatives 0 – 10% Total growth assets 70 – 95% Global fixed interest 0 – 14% Property (income) 0 – 7% Defensive alternatives 0 – 10% Cash 0 – 20% Total defensive assets 5 – 30% Foreign currency 0 – 30% 	<ul style="list-style-type: none"> Australian shares 20 – 40% International shares 10 – 30% Private equity 0 – 6% Property (growth) 0 – 6% Infrastructure 0 – 8% Growth alternatives 0 – 10% Total growth assets 35 – 65% Global fixed interest 16 – 48% Property (income) 0 – 10% Defensive alternatives 0 – 10% Cash 0 – 30% Total defensive assets 35 – 65% Foreign currency 0 – 15% 	<ul style="list-style-type: none"> Australian shares 5 – 20% International shares 5 – 15% Property (growth) 0 – 5% Infrastructure 0 – 8% Growth alternatives 0 – 8% Total growth assets 15 – 40% Global fixed interest 28 – 60% Property (income) 0 – 10% Defensive alternatives 0 – 10% Cash 10 – 30% Total defensive assets 60 – 85% Foreign currency 0 – 8%
Growth/Defensive split	Growth 85% Defensive 15%	Growth 50% Defensive 50%	Growth 32% Defensive 68%
Recent effective rates of investment returns ³	Year ending 30 June % p.a. 2011: 10.90 2010: 12.84 2009: -10.40 2008: -6.22 Since inception 1.27% p.a. Please note this option was introduced on 1 July 2007	Year ending 30 June % p.a. 2011: 8.72 2010: 9.68 2009: -5.07 2008: -1.47 Since inception 2.77% p.a. Please note this option was introduced on 1 July 2007	Year ending 30 June % p.a. 2011: 7.70 2010: 11.66 2009: -3.57 2008: -1.69 2007: 13.42 2006: 8.28 Five year rolling return 5.27% p.a.

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

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

³ The table above shows each investment option's annual and effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past five years or for the period which the investment option has been offered if less than five years.

Your investment options continued...

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

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

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

³ The table above shows each investment option's annual and effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past five years or for the period which the investment option has been offered if less than five years.

⁴ This option was introduced on 1 October 2011.

Investment managers

Investment Manager	Market Value as at 30 June 2011	Percentage of total	Market Value as at 30 June 2010	Percentage of total
Aberdeen Asset Management	\$268,356,785	6.66%	\$174,519,282	5.59%
Adam Smith Asset Management	\$76,967,129	1.91%	\$52,864,068	1.69%
AllianceBernstein Australia Limited	\$13,850,569	0.34%	-	-
AMP Capital Investors	\$79,239,612	1.97%	\$74,691,858	2.39%
ANZ Bank	\$115,039,780	2.86%	\$25,000,000	0.80%
ANZ Specialist Asset Management Limited	\$10,546,367	0.26%	-	-
Baillie Gifford Overseas Limited	\$158,529,891	3.94%	\$116,488,327	3.73%
Bennelong Funds Management Limited	\$12,667,450	0.31%	-	-
Campus Living Funds Management	\$29,488,965	0.73%	\$26,659,061	0.85%
Charlemagne Capital	\$21,187,936	0.53%	\$61,229,269	1.96%
Colonial First State Global Asset Management	\$258,765,407	6.43%	\$202,276,044	6.48%
Contango Asset Management Ltd	\$87,717,471	2.18%	\$33,665,530	1.08%
Deutsche Asset Management (Australia) Limited	\$148,464,092	3.69%	\$150,287,696	4.81%
Dimensional Asset Management Australia Limited	\$32,641,385	0.81%	-	-
Goodman Management Limited	\$38,730,729	0.96%	\$37,181,389	1.19%
GPT Funds Management Limited	\$26,466,431	0.66%	\$25,884,521	0.83%
Hastings Funds Management	\$72,336,411	1.80%	\$71,840,891	2.30%
Holowesko Partners Limited	\$39,108,691	0.97%	\$30,956,792	0.99%
HSBC Securities Services (Luxembourg) S.A.	\$13,638,992	0.34%	-	-
Industry Funds Management	\$120,318,150	2.99%	\$99,707,101	3.19%
Industry Super Holdings	\$2,506,480	0.06%	\$5,012,959	0.16%
Integrity Funds Management	\$156,439,870	3.88%	\$124,167,931	3.98%
Investa Wholesale Funds Management Limited	\$9,623,515	0.24%	-	-
ISPT Pty Ltd	\$14,042,302	0.35%	\$15,054,034	0.48%
L1 Capital Pty Ltd	\$182,719,177	4.54%	\$122,495,618	3.92%
Lend Lease Investment Management	\$170,043,810	4.22%	\$145,350,886	4.65%
Macquarie Investment Management	\$239,460,494	5.95%	\$253,498,272	8.12%
Macquarie Specialised Asset Management	\$57,863,476	1.44%	\$54,858,197	1.76%
Members Equity Bank	\$42,362,641	1.05%	\$51,000,000	1.63%
Members Equity Super Loans Trust	-	-	\$8,330,837	0.27%
National Australia Bank	\$106,702,673	2.65%	\$90,300,000	2.89%
NGS Property (99 Bathurst Street, Sydney)	\$3,249,950	0.08%	\$3,200,000	0.10%
Orbis Investment Advisory Pty Ltd	\$323,480,108	8.03%	\$275,036,627	8.81%
Orion Asset Management Limited	\$227,205,905	5.64%	\$181,353,964	5.81%
Pantheon Ventures Ltd	\$6,005,310	0.15%	\$7,408,429	0.24%
Paradise Investment Management Pty Ltd	\$228,339,931	5.67%	\$176,122,475	5.64%
Paragon Equity Limited	\$5,973,847	0.15%	\$4,271,967	0.14%
Pareto Investment Management Limited	\$8,362,392	0.21%	-\$4,714,617	-0.15%
Pzena Investment Management	\$133,508,673	3.32%	\$96,097,121	3.08%
Quay Partners Pty Ltd	\$46,645,705	1.16%	\$48,883,024	1.56%
Schroder Investment Management Australia Limited	\$34,475,123	0.86%	-	-
Sigular Guff & Company, LLC	\$23,687,754	0.59%	\$16,834,169	0.54%
Solaris Investment Management Limited	\$206,424,878	5.13%	\$173,218,698	5.55%
State Street Australia Limited	\$34,204,176	0.85%	\$22,434,855	0.72%
State Street Global Advisers	\$4,182,855	0.10%	-	-
THS Partners	\$31,263,015	0.78%	\$20,935,900	0.67%
UBS Global Asset Management	-	-	\$3,072,910	0.10%
Vanguard Investments Australia Limited	\$60,101,408	1.49%	-	-
Wellington Investment	\$27,131,161	0.67%	\$26,548,164	0.85%
Westpac Bank	\$15,149,029	0.38%	\$17,598,134	0.56%
Wilshire International	\$1,634,101	0.04%	\$1,910,670	0.06%
Total	\$4,026,852,002	100.00%	\$3,123,533,053	100.00%

Please note: This is a snapshot of the Fund's investments at 30 June 2011. The investment managers and the amounts invested will change throughout the year.

Abridged financial statements as at 30 June 2011

NGS Super Abridged financial statements as at 30 June 2011	2011 \$'000	2010 \$'000
Operating statement		
Net market value of assets available to pay benefits at beginning of year	3,170,846	2,709,548
PLUS		
Contributions from members	44,878	34,274
Contributions from employers	311,880	289,083
Rollovers received	459,859	79,593
Insurance proceeds	6,995	5,071
Investment earnings	365,723	286,722
LESS		
Benefits paid	215,413	152,649
Investment expenses	9,135	6,591
Administration expenses	15,863	12,820
Insurance premiums	8,412	8,527
Taxation expense	70,942	52,858
Net market value of assets available to pay benefits at end of year	4,040,416	3,170,846
Statement of financial position		
Investments	3,986,325	3,083,005
Cash	40,527	40,528
Deferred tax asset	34,419	54,972
Other assets	1,898	14,305
LESS		
Creditors and accruals	9,639	6,945
Liability for taxation	9,648	14,092
Deferred tax liability	3,466	927
Net market value of assets available to pay benefits at end of year	4,040,416	3,170,846

The above information has been extracted from audited financial statements. A copy of the full audited financial statements may be obtained from the Trustee's office after 31 October 2011.

Things you need to know

Eligible Rollover Fund (ERF)

We may roll over all of your benefit to an eligible rollover fund (ERF – a special superannuation fund which protects the value of your benefit) if:

- your account balance is less than \$1,000 and no employer contribution has been made to your account for at least 15 months, or
- in the last two years we have received no contribution or rollover into your account, and correspondence has been returned unclaimed.

The Trustee has chosen Australia's Unclaimed Super Fund (AUSfund) as the Fund's eligible rollover fund. AUSfund can be contacted at:

Australia's Unclaimed Super Fund (AUSfund)

PO Box 2468,
Kent Town SA 5071

Phone: 1300 361 798

Fax: 1300 366 233

For callers outside Australia:

Phone: +61 8 8205 4953

Fax: +61 8 8205 4990

Email: admin@ausfund.net.au

Website: www.unclaimedsuper.com.au

If your benefits are transferred to AUSfund:

- you cease to be a member of NGS Super
- any insurance cover you have with NGS Super ceases, and
- your benefit will be credited to an account in AUSfund, where it will earn interest and pay fees under the rules of AUSfund.

Complaint and dispute resolution

We try to ensure that our level of service meets your expectations. However, sometimes problems occur. If you are dissatisfied with your experience with the Fund, or your NGS Super product, you may make a formal written complaint to the Complaints Officer, NGS Super, Level 16, 99 Bathurst Street, Sydney NSW 2000.

We have in place an internal complaints resolution procedure that will attempt to resolve your complaint in the first instance.

The matter will be investigated by the Complaints Officer and reported to the Trustee Board for decision. You will be advised of the Trustee's decision as soon as possible and within 90 days, or within 30 days of the Trustee's decision, whichever is the earlier.

Please remember to include an address to which the response can be mailed. If the Trustee has not responded to your complaint within 90 days, or you are not satisfied with the Trustee's decision, you may be able to take the matter to the Superannuation Complaints Tribunal (SCT).

You can contact the SCT by telephone on 1300 884 114 or write to them at Locked Mail Bag 3060, Melbourne VIC 3001. Please refer to the SCT at www.sct.gov.au for further information.

While NGS Super has a process in place to deal with complaints from members, the Trustee's objective is to avoid complaints by providing a superior level of service to members and if complaints do occur, to resolve them to the satisfaction of all concerned. 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 administration@ngssuper.com.au.

We protect small superannuation accounts

NGS Super's Member Protection Policy (which complies with Government legislation) aims to protect members with low balance accounts (less than \$1,000) from having their savings eaten away by fees. If your super account balance is less than \$1,000 at 30 June, any fees charged to your account will be limited to no more than the investment return on your account balance plus \$10, or such other amount as is permitted by law. This protection does not apply to fees or expenses deducted from the Fund assets or from investment earnings, nor to tax or insurance premiums.

Keep in touch

To ensure you receive regular updates on your super, remember to tell us in writing if you change your address or 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. If you want to change any of your personal particulars or your nomination of preferred non-binding beneficiary, send us a completed Change of Details Form, which can be found on our website at www.ngssuper.com.au.

Trustee liability insurance

NGS Super pays for 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.

The Trust Deed

The governing rules of NGS Super are contained in the Trust Deed, which is available from the Trustee's office. 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.

The Trust Deed has been amended to incorporate changes which occurred over the last twelve months.

If you would like to obtain a copy of the amended NGS Super Trust Deed, please contact the Trustee Office on (02) 9273 7900.

Changes in 2010–11

Changes to super over the year are reported in two issues of *MoneyWise* each year.

Service providers

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

Administrator

Mercer (Australia) Pty Limited

Adviser

Mercer (Australia) Pty Limited

Investment consultant

JANA

Auditor

Ernst & Young

Bank

Westpac Banking Corporation

Custodian

State Street Australia Limited

Insurer

CommInsure

Legal adviser

Kemp Strang Lawyers

The NGS Super Board

Your Trustee Board as at 30 June 2011

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



Stephen Mathwin



David Buley



Ray Whitfield



Heather Walsh



Peter Fogarty
Chair



Michael Critchley



Kevin Phillips



John Quessy



Gloria Taylor



Margaret Sansom



Glen Seidel
Deputy Chair



Cathryn Hickey

Employer-representative directors

Stephen Mathwin

Appointed by the AIS SA

David Buley, Ray Whitfield

Appointed by the AIS NSW

Heather Walsh

Appointed by the AIS NSW,
representing ACT

Peter Fogarty (Chair)

Appointed by the Catholic Hierarchy NSW

Michael Critchley

Appointed by the SA Commission for
Catholic Schools

Member-representative directors

Kevin Phillips

John Quessy

Gloria Taylor

Appointed by the IEU NSW

Margaret Sansom

Glen Seidel (Deputy Chair)

Appointed by the IEU SA

Cathryn Hickey

Appointed by the IEU Vic/TAS

Principal organisations

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

NGS Super has a specific set of rules applying to the appointment and removal of Trustee directors. For a copy of the Trustee's election rules, please contact the Trustee office on (02) 9273 7900.

Contact details

NGS Super Customer Service Team

Phone: 1300 133 177

Phone number for callers outside Australia: +61 3 8687 1818

Fax: +61 3 8640 0813

Email: administration@ngssuper.com.au

Website: www.ngssuper.com.au

Postal address

GPO Box 4303
Melbourne Vic 3001

NGS Super Trustee Office (NSW)

Dee Duke

Client Relationship Manager

Jorjet Issavi

Client Relationship Manager

Level 16, 99 Bathurst Street

Sydney NSW 2000

Phone: (02) 9273 7900

Fax: (02) 9283 8783

South Australian Office

Elaine Santos Facchino

Client Relationship Manager

John Pedersen

Client Relationship Manager

Level 1, 431 – 439 King William Street

Adelaide SA 5000

Phone: (08) 8418 2400

Fax: (08) 8418 2401

Victorian Office

Laurie Buchanan

Client Relationship Manager

Level 5, 737 Burwood Road

Hawthorn VIC 3122

Phone: (03) 9811 0555

Fax: (03) 9882 6355

NGS Financial Planning

Phone: 1300 133 177

Website: www.ngssuper.com.au

Western Australian Office

Kate Bell

Business Development Manager

C/- Sharyn Long Chartered Accountants,

Level 6, 216 St Georges Terrace

Perth WA 6000

Phone: 0488 188 344

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 (NGS Financial Planning), is a corporate authorise representative #394909 of Mercer Investment Nominees Limited ABN 79 004 717 533 (MINL), Australian Financial Services (AFS) Licence #235906.