

**ngs
Super**



Creating brighter futures

NGS Super Annual Report

2020–21

**CARBON
NEUTRAL
BY 2030**

ngssuper.com.au
1300 133 177

Contents



This Annual Report is a summary of NGS Super's operations and financial position for the 12-month period to 30 June 2021. It has been prepared and issued by NGS Super Pty Limited ABN 46 003 491 487 AFSL No 233 154, the Trustee of NGS Super ABN 73 549 180 515.

This Annual report is available online at ngssuper.com.au/annualreport. Every effort has been made to ensure that the information is correct. Any errors or misprints will be corrected by the Trustee in later reports.

In addition to this Annual 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 ngssuper.com.au/annualreport

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Fund snapshot as at 30 June 2021



\$13.4 BILLION

Net assets under management



12,702

Employers are using NGS Super



111,254

Accumulation and Income account members



60%

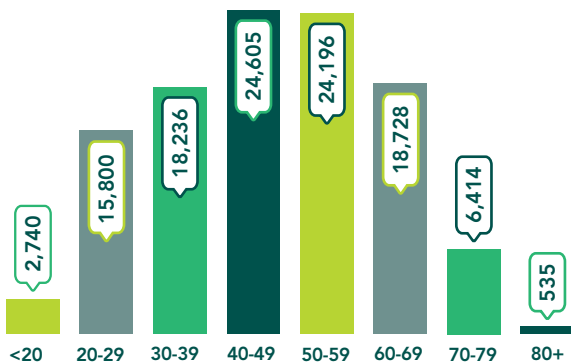
of eligible[^] members are insured



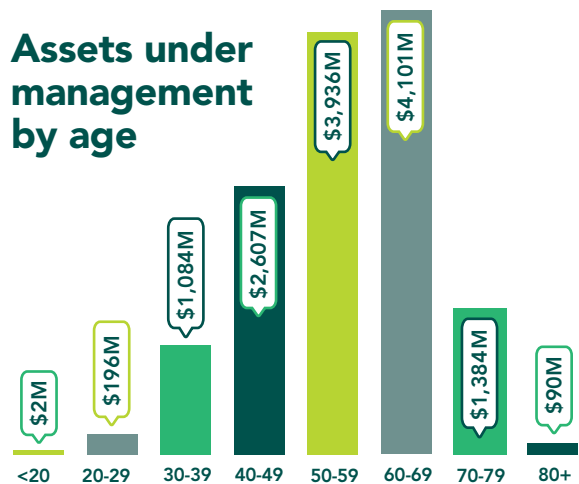
7.18%

of members have sought our advice and education services

Members by age



Assets under management by age



[^] Eligible members are defined as being under the age of 75 and are in the accumulation phase.

CEO and Chair 2021 update

We are pleased to confirm the Fund has passed APRA's first performance test, which confirms that the Fund's MySuper product has exceeded the prescribed benchmark over a 7-year period. Surging back from last year's negative returns, the annual return for the Diversified (MySuper) option was **17.34%**¹ for accumulation and transition to retirement members, and **17.81%**¹ for members in the retirement phase, reflecting the extraordinary upswing in markets. You can read more about the drivers behind these returns, and other significant events in markets and investments in our Chief Investment Officer's update on page 6.

As we write this update, Sydney and other parts of the country are in another extended lockdown, something we could not have foreseen from this vantage point last year. The challenges presented by the COVID-19 pandemic are ongoing. This has especially been the case for our members in education, health and community care, who have been teaching online and supporting the vulnerable, often at the same time as shouldering increased family responsibilities. Our staff have become accustomed to working remotely but we're very much looking forward to working together in person again. Let's hope that by the time you're reading this annual report, the situation has eased and we're once again enjoying some of the freedoms we used to take for granted.

Merger with Australian Catholic Super

In August we wrote to members to let you know that the planned merger with Australian Catholic Super would not proceed.

We entered the merger negotiation process in good faith, believing that bringing together two like-minded funds would help to provide the best possible retirement outcomes for our members. However, the results of our extensive review and investigation confirmed that the merger was not in our members' best financial interests, and we therefore made the decision not to proceed.

As always, our focus is our members, and the Board will continue to assess any opportunity that is likely to improve member outcomes and be in members' best financial interests.

Investments team

The 2020–21 financial year delivered the strongest returns in over a decade for NGS and the second highest return in the history of the Fund for our default investment option Diversified (MySuper). The ASX 300 (the Australian shares benchmark) returned 28.9%, and the MSCI all country world index (the international shares benchmark) returned 28.5% in AUD (39.3% in USD). This recovery is good news for investors.

As our CIO explains in his update, periods of extraordinary change and disruption (such as we have been experiencing since early 2020) also tend to prompt innovation. That innovation in turn can provide exciting opportunities, and our Investments team is working hard to evaluate and take advantage of these opportunities as they arise. Of course, any new investments we make will always be informed by our strong risk management culture.

Looking ahead, while we're unlikely to see a repeat of the 2020–21 financial year's double-digit growth, we expect that the recovery will continue, and returns will be positive.

2030: carbon-neutral portfolio target

One of the stand-out moments for the Fund was the announcement in March of our 2030 target for a carbon-neutral portfolio. We are proud to be the first — and so far, the only — super fund to have set such a target.

It's vital for our members to understand that this target has at its core our focus on providing our members with the best possible returns. Continuing to invest in companies, managers and sectors that are not able or willing to transition to a low-carbon economy poses a material risk to those savings.

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



Dick Shearman
Chair



Laura Wright
Chief Executive Officer

In the words of our CIO, Ben Squires:



We acknowledge that pursuing a carbon neutral target date of 2030 is ambitious, but we also believe a 2050 target is misaligned with the timeframes the scientific community has given in relation to stemming human-induced climate change.

Our target of being carbon neutral by 2030 is the next step in integrating responsible investment for better returns for our members. We believe integrating environmental, social and governance (ESG) and responsible investment principles is vital to managing risk within our investment portfolio and providing our members with better returns.



We believe it is important to take action now, and that's what we are doing.

Key milestones

- In the last financial year, due to strong investment markets, the Fund has grown from \$11.46 billion funds under management to \$13.43 billion.
- We submitted our first report for the Task Force on Climate-Related Financial Disclosures at the end of 2020.
- We introduced daily unit pricing, effective 23 November 2020, providing members with greater flexibility when making investment switching decisions.
- We implemented the new fees and costs disclosure regime (RG97) early (due date was 30 September 2022) providing the highest level of fee transparency.
- We were nominated for Chant West's Best Fund — Insurance, for the eighth time since 2013 (winning the award in 2015, 2018, 2019 and 2020).

Regulatory change

Some of the key changes worth noting were the:

- extension of the early release of super provisions to those affected by COVID-19 to 31 December 2021
- extension of the reduction of minimum drawdown limits for income account members for the 2021–22 financial year
- extension of the low and middle income tax offset for 2021–22 financial year
- legislation in June 2021 that allowed individuals up to age 67 to take advantage of bring-forward rules, backdated to be effective from 1 July 2020
- increases to a number of contributions caps — details of current caps are in our fact sheets at ngssuper.com.au/PDS

Looking forward

After the last 18 months, trying to make any predictions — even vague ones — about what the year ahead might hold seems a little ridiculous. What we can hope for, however, is that as vaccination targets are reached, people across the world are able to resume something resembling 'normal' life, and global economies continue the road to recovery.

Our role in managing the retirement savings of our members doesn't change, even if the challenges we face as part of that role do. As always, we look forward to continuing to do our best for you.

Investment update

This financial year brought with it a renewed sense of hope as several medical companies completed successful trials of vaccines to combat COVID-19. Once these were approved, most governments acted quickly to acquire and distribute vaccines, particularly those across Europe and the US. Although Australia was slow with the initial roll-out, the pace has picked up in recent months.

With monetary and fiscal taps continuing to run, share markets and credit markets rallied, and the year finished at a multi-decade high. Markets became more concerned about rising inflation as unemployment levels fell and prices on goods and service rose sharply, due to supply constraints. This was especially the case for semi-conductor chips, with far-reaching impacts on many industries. However, inflation concerns have dropped since the Delta outbreak emerged towards (financial) year end, and this saw some rotation out of emerging market shares, currencies, and any social distancing trades, while developed market shares strengthened.

Through the year, we experienced strong inflows into the multi-asset class options such as the Diversified option, and this came from transfers out of the cash option.

In March, we announced our 2030 carbon neutral target for the portfolio in recognition that the future risks of both physical and stranded asset risk are high in some industries and rapid decarbonisation of the portfolio is necessary to safeguard members' savings. We have undertaken a significant amount of work in this area as we transition away from high carbon-emitting businesses that are at significant risk of failing to move to a low-carbon world.

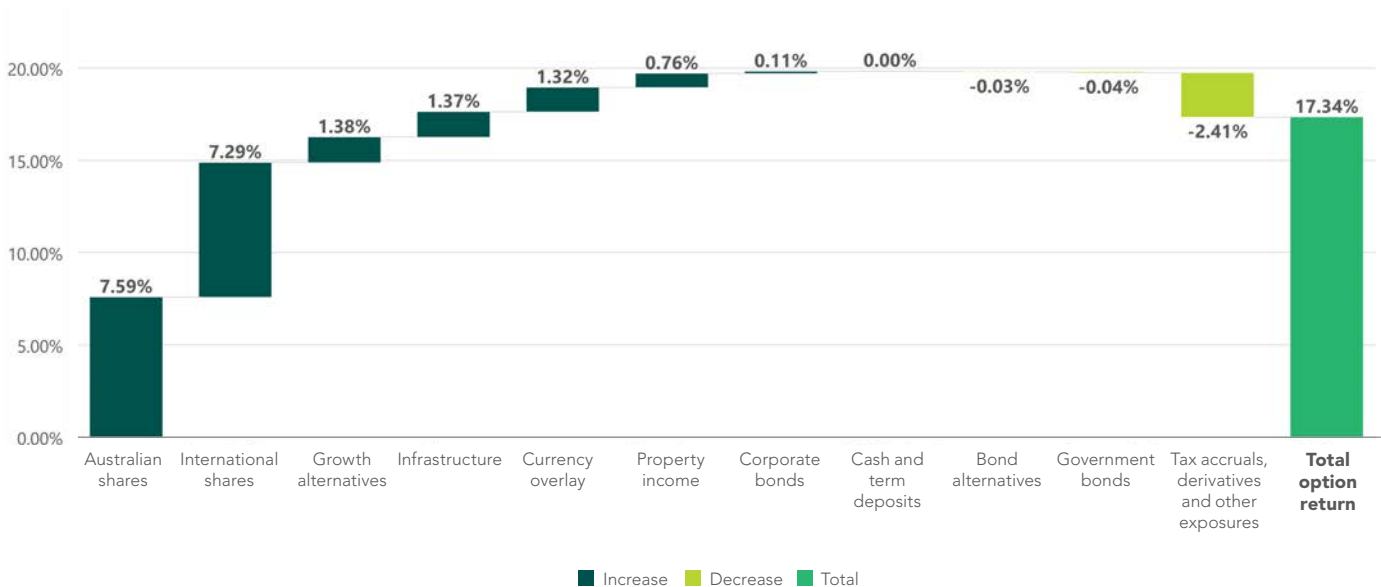
One thing we have all come to expect is constant change, and the resulting need to remain adaptable. This means that previously tried and tested approaches no longer endure and our models of thought need to accommodate this new paradigm.

NGS Super performance

As you may have already seen in our CEO and Chair update, this year has delivered the strongest returns in over a decade and the second highest return in the history of the Fund, accelerating wealth accumulation for our members. Nearly every asset class made a positive contribution to returns, with listed shares, private equity, infrastructure and property adding most value to the portfolio over the year. Holding an overweight allocation to these assets for the period at the expense of cash and fixed income contributed to the overall results.

The following table shows the contribution from the various asset classes to the Diversified (MySuper) option performance.

Diversified (MySuper) option — 1-year contribution to return as of 30 June 2021





Ben Squires
Chief Investment Officer

Activities over the year

The foundational work from the prior year continued with attractive investment opportunities added to the portfolio, setting the Fund up for future strong returns. We began several large projects aimed at improving our processes and identifying emerging risks.

Within the international share portfolio, global small capitalisation companies were added and changes to the manager configuration were completed. The fixed income portfolio was enhanced with investments across US commercial mortgage-backed securities, domestic and international real estate debt, Asia-Pacific debt and life insurance-based businesses.

A conservative amount of gearing was added to the industrial and commercial property portfolios towards the end of the year. We are preparing enhancements to a number of assets, and expect these to build upon the strong returns currently generated from these portfolios. Several investments were made with private equity managers and direct investments alongside these managers. We made investments in domestic and international venture capital and private equity, across healthcare, technology and consumer goods. A number of initial public offerings (IPOs) occurred within the existing private equity portfolio and this added significant value to the portfolio over the year, generating the strongest return of any asset class.

The Fund continued to allocate to infrastructure with a strong pipeline of opportunities in climate-adaptive infrastructure. As part of the process to carbon-neutral, we have been engaging with managers and identifying those who cannot or will not support our carbon objectives within our timeframes, with a view to divesting.

Our internal Investments team was strengthened with the addition of more investment professionals to further develop the investment program and support growth across operations and governance.

Looking ahead

The pace of the vaccine roll-out globally will have a significant impact on the economic recovery. Geopolitical tensions are on the rise as China grows in power and challenges the US and its allies. This has unintended consequences for capital markets, as certain companies bear the brunt of the geopolitical tensions in the form of tariffs, boycotting and fines, such as those imposed on Alibaba, Tal Education and Chinese companies listed in the US. This has resulted in more volatility in markets, which provides both threats and opportunities. We have seen rapid advancements in software-related businesses and increased research and development expenditure across many of our companies, with great strides made in health sciences, automation and artificial intelligence.

Although the uncertainty we have all experienced may be unwelcome, periods of change are often associated with great innovation, with disruption and displacement of existing businesses providing attractive investment opportunities that require a longer-term time horizon and patient capital. We have already committed capital to innovative solutions to some of the world's biggest problems such as climate change, food scarcity and healthcare. We have made investments across climate-adaptive infrastructure, agriculture technology, health sciences and alternative forms of credit, at the same time as we have identified some investments for divestment. Over the medium term, we anticipate moderate economic growth, with shares and other growth assets such as property and infrastructure generating superior returns to fixed income and cash, so these asset classes will have a lower weight within the portfolio.

The next 12 months should result in growth moderating, but we expect it to remain positive, likely resulting in the majority of investment options achieving their respective return objectives. The expectation for the Diversified (MySuper) option over the next 12 months is to achieve a high single-digit return.

How we manage your money

Investment earnings were allocated to your account based on changes to the NGS Super unit prices. Unit prices were calculated daily from 23 November 2020.

A custodian holds and safeguards the Fund's investments, and monitors changes in their value (as required by regulation).

The custodian calculates the Fund's unit prices daily, which reflect changes to the underlying investments for each option.

It then provides the unit prices to your account administrator, who multiplies the number of units in your account by the current unit price to update your account balance.

In other words, investment market movements and valuations are translated to your account balance.

The investment returns given in this report are the return (after investment management fees, asset fees and taxes) you would have received if you had invested in a particular option for the full 12 months to 30 June 2021.

The return on any contributions you made during the year would be equal to the change in the unit price *only* between the time the contributions went into 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 unit prices of each option for the period you were invested.

Your NGS Super Accumulation account

All the contributions you or your employer make, as well as any amounts you transfer from another super fund, are placed into your *NGS Accumulation account*.

The money in your account is then invested according to the investment option(s) you've chosen. Each time we receive a contribution for you, we allocate units to your account at the relevant unit price, so your account balance increases or decreases according to the combined 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.

Earnings on investment options

An *NGS Income account* provides the benefit of tax-free investment earnings (as it is in the *retirement phase*⁴), while 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 11 to 16) for the *NGS Income account* will differ from the *NGS Accumulation and TTR account* returns.

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

We changed from weekly unit pricing to daily unit pricing on 23 November 2020. The daily unit price for each investment option can be viewed at ngssuper.com.au/performance

2. A transfer balance cap is the limit on the total amount of super that can be transferred into the retirement phase (e.g. *NGS Income account*) and is managed by the ATO. You can view your personal transfer balance cap through your Australian Taxation Office (ATO) linked account by logging into my.gov.au

How we manage your money

Fees and costs

Indirect costs and investment fees are deducted from investment earnings before the unit price is determined. They are not a direct charge to your account.

The investment fees and indirect costs listed below represent the actual costs for 2020–21 for each investment option.

Information on fees and costs can be found in our fact sheet [Fees, costs and tax](#) available at ngssuper.com.au/PDS

Accumulation and Transition to retirement account members

	Investment option	Investment fees ³	Indirect costs ³
PRE-MIXED	Diversified (MySuper)	0.58%	0.09%
	High Growth	0.59%	0.11%
	Balanced	0.48%	0.08%
	Defensive	0.43%	0.06%
	Socially Responsible Diversified	0.56%	0.20%
	Indexed Growth	0.03%	0.00%
	Shares Plus	0.56%	0.11%
SECTOR-SPECIFIC	Australian Shares	0.55%	0.12%
	International Shares	0.56%	0.10%
	Infrastructure	0.68%	0.08%
	Property	0.50%	0.14%
	Diversified Bonds	0.40%	0.06%
	Cash and Term Deposits	0.06%	0.00%

Income account members

	Investment option	Investment fees ³	Indirect costs ³
PRE-MIXED	Moderate Growth	0.52%	0.09%
	Diversified	0.58%	0.09%
	High Growth	0.60%	0.11%
	Balanced	0.48%	0.08%
	Defensive	0.43%	0.06%
	Socially Responsible Diversified	0.57%	0.20%
	Indexed Growth	0.03%	0.00%
SECTOR-SPECIFIC	Retire Plus	0.57%	0.11%
	Shares Plus	0.57%	0.11%
	Australian Shares	0.55%	0.12%
	International Shares	0.57%	0.10%
	Infrastructure	0.73%	0.08%
	Property	0.51%	0.14%
	Diversified Bonds	0.40%	0.06%
Cash and Term Deposits	0.06%	0.00%	

3. There may be a slight variance in the totals due to rounding.

Our investment options



Investment options at 30 June 2021

– Asset allocation and investment performance

DIVERSIFIED (MYSUPER)



STRATEGIC ASSET ALLOCATION

Australian shares	23%
International shares	27%
Infrastructure	10%
Growth alternatives	8%
Property	9%
Bond alternatives	8%
Corporate bonds	5%
Government bonds	4%
Cash and term deposits	6%
Total growth assets	71.5%
Total defensive assets	28.5%
Foreign currency exposure	15%

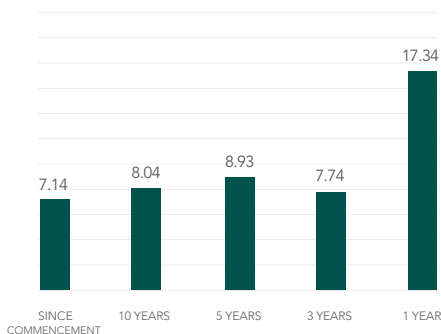
Investment performance objective

To achieve a net return 3% above CPI p.a. over rolling 10-year periods.

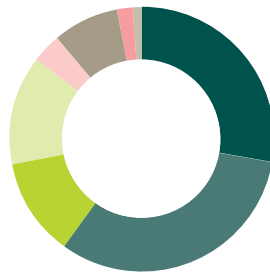
Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



HIGH GROWTH



STRATEGIC ASSET ALLOCATION

Australian shares	28%
International shares	32%
Infrastructure	12%
Growth alternatives	13.5%
Property	3.5%
Bond alternatives	8%
Corporate bonds	2%
Government bonds	0%
Cash and term deposits	1%
Total growth assets	84.5%
Total defensive assets	15.5%
Foreign currency exposure	20%

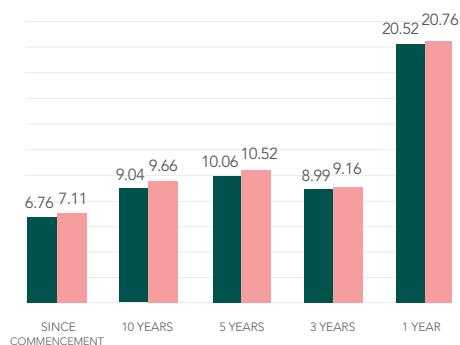
Investment performance objective

To achieve a net return 4% above CPI p.a. over rolling 10-year periods.

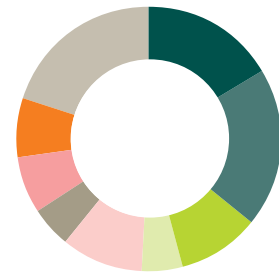
Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



BALANCED



STRATEGIC ASSET ALLOCATION

Australian shares	16.5%
International shares	19.5%
Infrastructure	10%
Growth alternatives	5%
Property	10%
Bond alternatives	5%
Corporate bonds	7%
Government bonds	7%
Cash and term deposits	20%
Total growth assets	53.5%
Total defensive assets	46.5%
Foreign currency exposure	9%

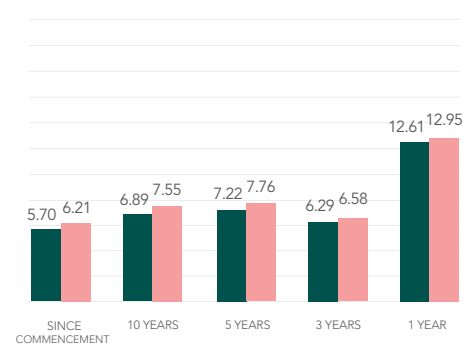
Investment performance objective

To achieve a net return 2% above CPI p.a. over rolling 3-year periods.

Minimum investment timeframe

Be prepared to stay invested in this option for at least 7 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



Key: ■ Accumulation and Transition to retirement accounts ■ Income account

Investment options at 30 June 2021 – Asset allocation and investment performance

DEFENSIVE



STRATEGIC ASSET ALLOCATION

Australian shares	10%
International shares	11%
Infrastructure	10%
Growth alternatives	4%
Property	8.5%
Bond alternatives	9.5%
Corporate bonds	11%
Government bonds	8%
Cash and term deposits	28%
Total growth assets	39%
Total defensive assets	61%
Foreign currency exposure	7%

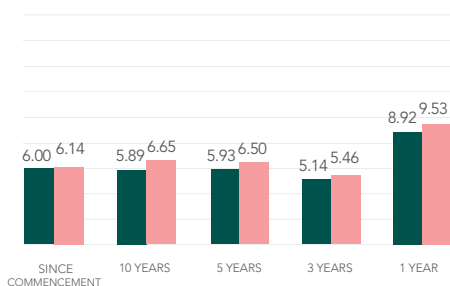
Investment performance objective

To achieve a net return 1% above CPI p.a. over rolling 3-year periods.

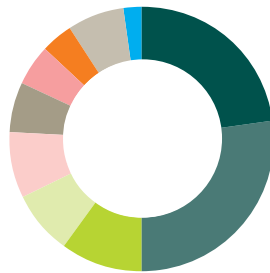
Minimum investment timeframe

Be prepared to stay invested in this option for at least 5 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



SOCIALLY RESPONSIBLE DIVERSIFIED



STRATEGIC ASSET ALLOCATION

Australian shares	23%
International shares	27%
Infrastructure	10%
Growth alternatives	8%
Property	8%
Bond alternatives	6%
Corporate bonds	5%
Government bonds	4%
Cash and term deposits	7%
Social impact bonds	2%
Total growth assets	70%
Total defensive assets	30%
Foreign currency exposure	15%

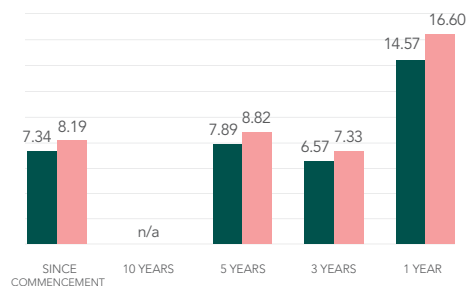
Investment performance objective

To achieve a net return 3% above CPI p.a. over rolling 10-year periods.

Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



Key: ■ Accumulation and Transition to retirement accounts ■ Income account

Investment options at 30 June 2021

– Asset allocation and investment performance

INDEXED GROWTH



STRATEGIC ASSET ALLOCATION

Australian shares	25.5%
International shares	29.5%
Listed property	9%
Listed infrastructure	9%
Growth alternatives	0%
Bond alternatives	0%
Corporate bonds	0%
Government bonds	10%
Cash and term deposits	17%
Total growth assets	73%
Total defensive assets	27%
Foreign currency exposure	18%

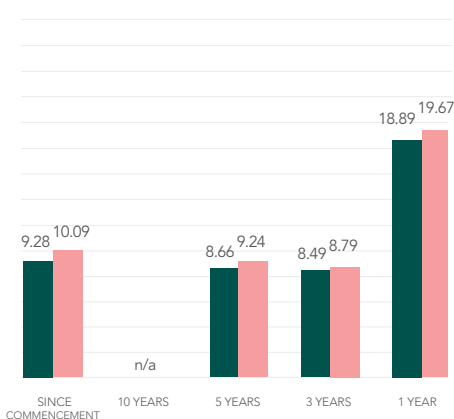
Investment performance objective

To achieve a net return 3% above CPI p.a. over rolling 10-year periods.

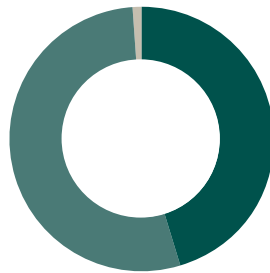
Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



SHARES PLUS



STRATEGIC ASSET ALLOCATION

Australian shares	45.5%
International shares	53.5%
Growth alternatives	0%
Cash and term deposits	1%
Total growth assets	99%
Total defensive assets	1%
Foreign currency exposure	20%

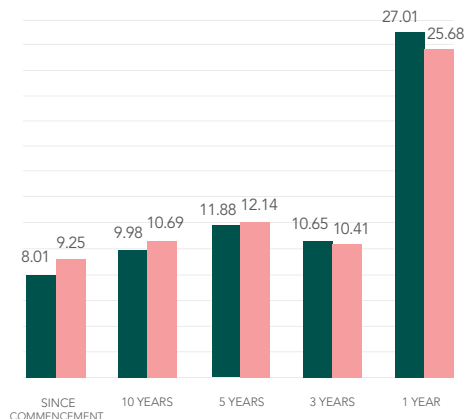
Investment performance objective

To achieve a net return 4% above CPI p.a. over rolling 10-year periods.

Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



Key: ■ Accumulation and Transition to retirement accounts ■ Income account

Investment options at 30 June 2021 – Asset allocation and investment performance

MODERATE GROWTH



STRATEGIC ASSET ALLOCATION

Australian shares	22%
International shares	26%
Infrastructure	10%
Growth alternatives	5%
Property	9%
Bond alternatives	5%
Corporate bonds	7%
Government bonds	5.5%
Cash and term deposits	10.5%
Total growth assets	65%
Total defensive assets	35%
Foreign currency exposure	14%

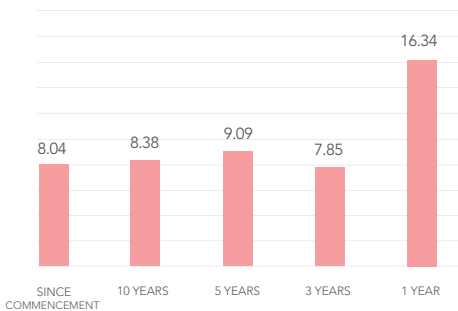
Investment performance objective

To achieve a net return 3% above CPI p.a. over rolling 5-year periods.

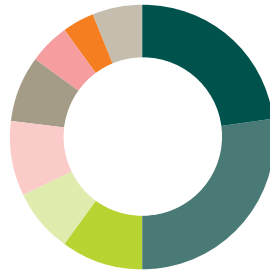
Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



DIVERSIFIED



STRATEGIC ASSET ALLOCATION

Australian shares	23%
International shares	27%
Infrastructure	10%
Growth alternatives	8%
Property	9%
Bond alternatives	8%
Corporate bonds	5%
Government bonds	4%
Cash and term deposits	6%
Total growth assets	71.5%
Total defensive assets	28.5%
Foreign currency exposure	15%

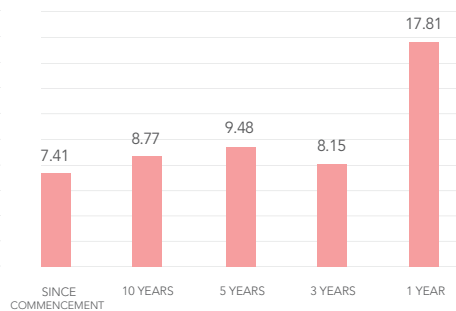
Investment performance objective

To achieve a net return 3% above CPI p.a. over rolling 10-year periods.

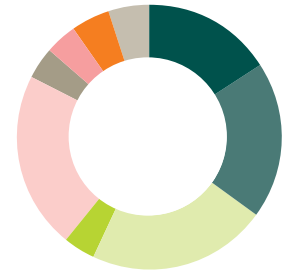
Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



RETIRE PLUS



STRATEGIC ASSET ALLOCATION

Australian shares	16%
International shares	19%
Infrastructure	22%
Growth alternatives	4%
Property	21.5%
Bond alternatives	4%
Corporate bonds	4%
Government bonds	4.5%
Cash and term deposits	5%
Total growth assets	62.8%
Total defensive assets	37.2%
Foreign currency exposure	9%

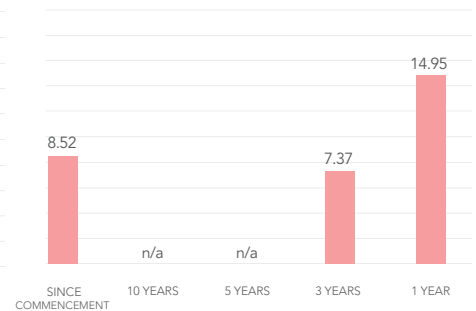
Investment performance objective

To achieve a net return 4% above CPI p.a. over rolling 10-year periods.

Minimum investment timeframe

Be prepared to stay invested in this option for at least 5 to 7 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



Key: ■ Accumulation and Transition to retirement accounts ■ Income account

Investment options at 30 June 2021

– Asset allocation and investment performance

AUSTRALIAN SHARES



STRATEGIC ASSET ALLOCATION

Australian shares	100%
Cash and term deposits	0%
Total growth assets	100%
Total defensive assets	0%
Foreign currency exposure	0%

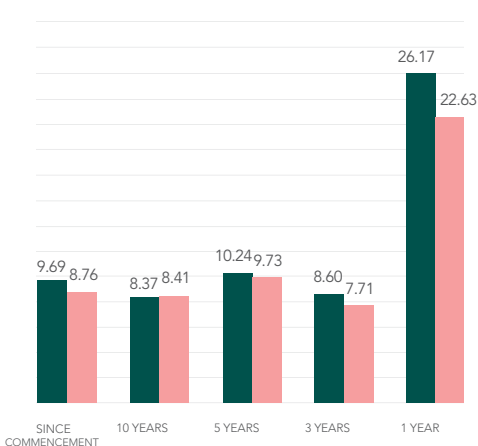
Investment performance objective

To achieve a net return 1% p.a. above ASX300 Accumulation Index over rolling 10-year periods.

Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



INTERNATIONAL SHARES



STRATEGIC ASSET ALLOCATION

International shares	100%
Cash and term deposits	0%
Total growth assets	100%
Total defensive assets	0%
Foreign currency exposure	100%

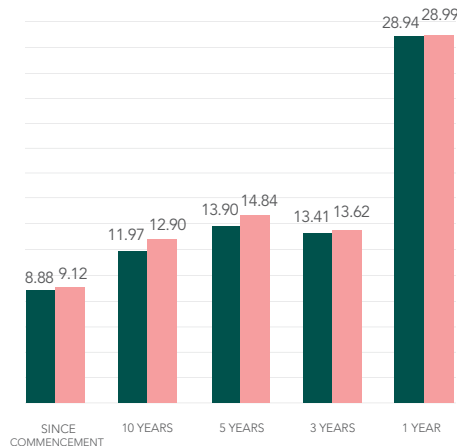
Investment performance objective

To achieve a net return 1% p.a. above MSCI All Countries World Index (ACWI) in \$A (net dividends) over rolling 10-year periods.

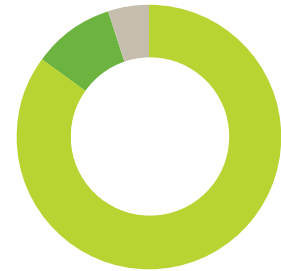
Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



INFRASTRUCTURE



STRATEGIC ASSET ALLOCATION

Unlisted infrastructure	85%
Listed infrastructure	10%
Cash and term deposits	5%
Total growth assets	52.5%
Total defensive assets	47.5%
Foreign currency exposure	0%

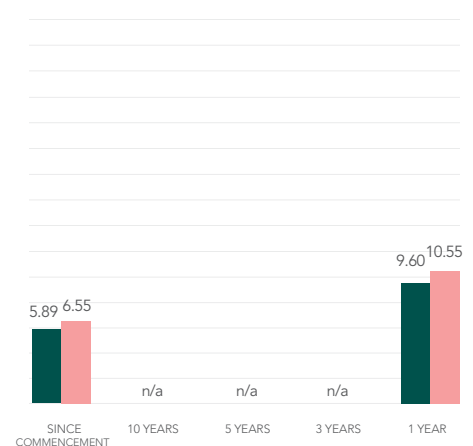
Investment performance objective

To achieve a net return 3% p.a. above CPI over rolling 5-year periods.

Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

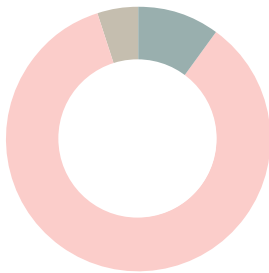
RETURNS TO 30 JUNE 2021 % P.A.



Key: ■ Accumulation and Transition to retirement accounts ■ Income account

Investment options at 30 June 2021 – Asset allocation and investment performance

PROPERTY



STRATEGIC ASSET ALLOCATION

Listed property	10%
Property	85%
Cash and term deposits	5%
Total growth assets	52.5%
Total defensive assets	47.5%
Foreign currency exposure	0%

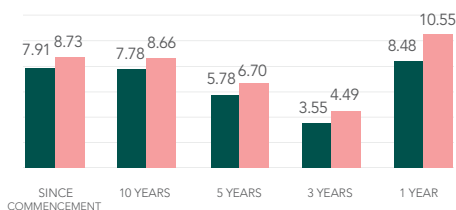
Investment performance objective

To achieve a net return 3% above CPI p.a. over rolling 5-year periods.

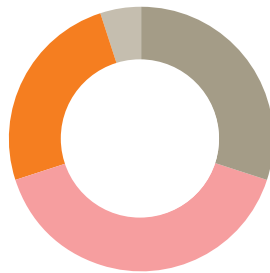
Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



DIVERSIFIED BONDS



STRATEGIC ASSET ALLOCATION

Bond alternatives	30%
Corporate bonds	40%
Government bonds	25%
Cash and term deposits	5%
Total growth assets	15%
Total defensive assets	85%
Foreign currency exposure	0%

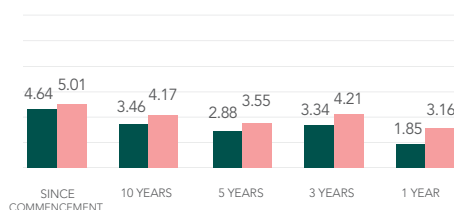
Investment performance objective

To achieve a net return 0.5% above CPI p.a. over rolling 3-year periods.

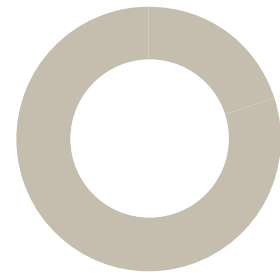
Minimum investment timeframe

Be prepared to stay invested in this option for at least 3 years before it meets its objectives.

RETURNS TO 30 JUNE 2021 % P.A.



CASH AND TERM DEPOSITS



STRATEGIC ASSET ALLOCATION

Cash and term deposits	100%
Total growth assets	0%
Total defensive assets	100%
Foreign currency exposure	0%

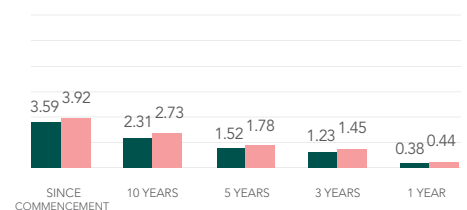
Investment performance objective

To achieve a net return that matches or exceeds the RBA cash rate.

Minimum investment timeframe

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

RETURNS TO 30 JUNE 2021 % P.A.



Key: ■ Accumulation and Transition to retirement accounts ■ Income account

Investment managers at 30 June 2021

The following table details the names of the investment managers appointed by NGS Super. As at 30 June 2021, Macquarie Treasury Fund represented more than 5% of total fund assets.

Investment Manager listing	
abrdn Australia Ltd	Janus Henderson Investors (Australia) Funds Management Limited
Adamantem Capital Management Pty Ltd	Kapstream Capital Pty Limited
Alcentra Limited	Lendlease Funds Management Limited
Alceon Group Pty Limited	Lennox Capital Partners Pty Limited
Allan Gray Australia Pty Limited	LGT Capital Partners AG
AllianceBernstein Investment Management Australia Limited	Macquarie Investment Management Ltd
Altius Asset Management Pty Ltd	Madison Realty Capital LP
American Century Investment Management Inc.	Maj Invest Asset Management
AMP Capital Investors Limited	ME Portfolio Management Limited
Amundi Asset Management Australia Limited	Mesirow Financial Investment Management, Inc
Antipodes Partners Limited	Monroe Capital LLC
Ardian France S.A.	Morgan Stanley Investment Management (Australia) Pty Limited
Bell Asset Management Limited	Morrison & Co Utilities Management (Australia) Pty Ltd
Blackbird Ventures Pty Limited	Newbury Partners LLC
Brandywine Global Investment Management, LLC	Neuberger Berman Australia Ltd
Bridgepoint Advisers Limited	Oaktree Capital Management, L.P.
Campus Living Villages Pty Limited	Pantheon Investments LLC
Challenger Investment Solutions Management Pty Limited	Peak Rock Capital LLC
ClariVest Asset Management LLC	Pimco Australia Pty Limited
Continuity Capital Partners Pty Limited	Potentia Capital Management Pty Ltd
Copenhagen Infrastructure Partners	Prima Mortgage Investment Trust LLC
EQT Funds Management Ltd	QIC Limited
Ethical Partners Funds Management Pty Limited	Qiming Venture Partners
Fermat Capital Management LLC	Resolution Life Group Holdings L.P.
Fife Capital Group Pty Limited	Roc Capital Pty Limited
Firetrail Investments Pty Limited	Russell Investment Management Limited
First Sentier Investors (Australia) IM Limited	Shubh Property Ltd
Gardior Pty Ltd	Siguler Guff & Company LP
General Atlantic Investment Partners	Social Ventures Australia Limited
Global Evolution Fondsmæglerselskab A/S	Solaris Investment Management Limited
Godrej Fund Management Pte. Ltd	Stafford Capital Partners Limited
GPT Fund Management Limited	State Street Global Advisors Australia Limited
Graham Capital Management, L.P.	Stewart Investors
HarbourVest Partners LLC	Stride Consumer Partners LLC
Hyperion Asset Management Limited	UBS Securities Australia Limited
Hull Street Energy, LLC	Uniting Ethical Investors Limited
IFM Investors Pty Ltd	Valueinvest Asset Management S.A.
Industry Super Holdings Pty Ltd	Vinva Investment Management Limited
Invesco Australia Limited	Wilshire Investments LLC
Investors Mutual Limited	Yarra Funds Management Limited

Our Trustee Board



The NGS Super Trustee Board

Your Trustee Board as at 30 June 2021

NGS Super is governed on behalf of its members by a corporate trustee, **NGS Super Pty Limited (ABN 46 003 491 487)**, which is structured on a model of equal representation by employer and member Trustee Directors. The Trustee Directors represent the interests of all members and are responsible for making decisions on the strategic management of the Fund. Further information about the Trustee Directors is available on our website at ngssuper.com.au/policies under the **Trustee tab**.

Member Representatives



Dick Shearman (Chair)
Appointed by the
NSW/ACT IEU



Terry Burke
Appointed by the
IEU Qld



Cathryn Hickey
Appointed by the
IEU Vic/Tas

The composition of the Board is determined by the Constitution of the Trustee, which outlines the power of:

- the shareholders and
- appointing entities

to appoint and remove Trustee directors to the Board. The Trustee's Constitution is available on our website at ngssuper.com.au/policies under the **Governance tab**.



John Quessy
Appointed by the
NSW/ACT IEU



Margaret Sansom
Appointed by the
IEU SA



Glen Seidel
Appointed by the IEU SA
(Retired 30 June 2021)



Christine Wilkinson
Appointed by the
NSW/ACT IEU

Employer Representatives



**Geoff Newcombe
(Deputy Chair)**
Appointed by the AIS NSW



David Buley
Appointed by the AIS NSW
(Retired 30 June 2021)



Michelene Collopy
Appointed by the Roman
Catholic Province of Sydney



Kathy Dickson
Appointed by the
AIS NSW



Patrick Ponting
Appointed by ACSEA



Georgina Smith
Appointed by the SA Commission
for Catholic Schools



Wendy Wills
Appointed by the
AIS SA

Abridged financial statements 2021

Statement of financial position

	30/06/2021 \$'000	30/06/2020 \$'000
Assets		
Cash and cash equivalents	23,012	12,430
Receivables	134,171	59,713
Investments	13,827,278	11,562,844
Other assets	4,277	4,933
Total assets	13,988,738	11,639,920
Liabilities		
Creditors and accruals	168,713	65,590
Current tax liabilities	60,013	28,988
Deferred tax liabilities	210,171	83,349
Total liabilities	438,897	177,927
Net assets available for member benefits	13,549,841	11,461,993
Member benefits		
Defined contribution member liabilities	13,275,481	11,285,144
Defined benefit member liabilities	79,703	77,525
Total member benefits	13,355,184	11,362,669
Net assets	194,657	99,324
Equity		
Trustee operating reserve	36,254	33,042
Operational risk reserve	39,092	32,559
Defined benefit surplus	13,723	11,634
Unallocated surplus	105,588	22,089
Total equity	194,657	99,324

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.

Abridged financial statements 2021

Income statement

	30/06/2021 \$'000	30/06/2020 \$'000
Revenue from superannuation activities		
Interest	58	255
Investment income	322,152	454,562
Net gains/(losses) on assets measured at fair value	1,895,370	(522,658)
Sundry income	1,820	1,720
Total superannuation activities revenue	2,219,400	(66,121)
Expenses		
Direct investment expenses	(47,019)	(40,289)
Indirect investment expenses	(6,076)	(4,958)
Administration expenses	(28,172)	(27,358)
Other expenses	(1,324)	(1,223)
Total expenses	(82,591)	(73,828)
Results from superannuation activities		
Before income tax	2,136,809	(139,949)
Income tax expense/(benefit)	173,276	(46,004)
Results from superannuation activities after income tax	1,963,533	(93,945)
Allocation to member benefits		
Net benefits allocated to defined contribution (DC) member accounts	(1,887,265)	52,345
Net benefits allocated to defined benefit (DB) member liabilities	(15,539)	6,127
Total allocation to member benefits	(1,902,804)	58,472
Net operating result	60,729	(35,473)

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.

Abridged financial statements 2021

Statement of changes in members' benefits

	30/06/2021 \$'000	30/06/2020 \$'000
Liability for accrued benefits beginning of period	11,362,669	11,326,160
Contribution revenue		
Employer contributions	567,914	556,336
Member contributions	168,999	151,440
Government co-contributions	673	674
Transfers in	184,215	284,619
Income tax on contributions	(92,065)	(81,307)
Net after tax contributions	829,736	911,762
Benefits paid		
Rollovers	(387,333)	(436,050)
Cash benefits paid	(180,870)	(198,518)
Pensions paid	(110,470)	(124,456)
Net benefits paid	(678,673)	(759,024)
Insurance		
Insurance premiums charged to members' accounts	(61,334)	(56,042)
Claims credited to members' accounts	25,416	25,210
Tax benefit on insurance premiums	9,170	8,406
Net insurance (cost)/benefit	(26,748)	(22,426)
Income and expenses		
Investment earnings/(losses) applied to members	1,887,265	(52,345)
Net change in defined benefit member accrued benefits	15,539	(6,127)
Fees paid by members	(34,604)	(35,331)
Net income/(expenses)	1,868,200	(93,803)
Liability for accrued benefits end of period	13,355,184	11,362,669

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.

Abridged financial statements 2021

Statement of changes in reserves

	Trustee Operating Reserve \$'000	Operational Risk Reserve \$'000
Year ended 30 June 2019		
Opening balance	27,036	22,675
Transfer in from QIEC Super	3,228	4,103
Net income/(loss) applied	(22,003)	1,757
Fees paid by members	21,708	1,899
Closing balance	29,969	30,434
Year ended 30 June 2020		
Opening balance	29,969	30,434
Adoption of AASB 16	(40)	–
Net income/(loss) applied	(29,878)	(215)
Fees paid by members	32,991	2,340
Closing balance	33,042	32,559
Year ended 30 June 2021		
Opening balance	33,042	32,559
Net income/(loss) applied	(30,595)	5,736
Fees paid by members	33,807	797
Closing balance	36,254	39,092

Reserves (How we manage your money)

The Trustee maintains a Trustee Operating Reserve and an Operational Risk Reserve. The Trustee's Reserving Policy governs the amount, use, investment, monitoring and review of the reserves in accordance with superannuation law. The reserve accounts are invested across a number of NGS Super investment options.

The Trustee Operating Reserve is used to meet the operating costs of running the Fund, including investment in initiatives aimed at improving operational efficiencies or introducing new products and services for members. The reserve is funded by fees and other costs and investment earnings.

The Operational Risk Reserve is used to protect members against costs which may arise from operational risk events. The reserve is funded by retaining a small portion of the fees charged to members together with investment earnings.

The Trustee sets the reserve levels based on the anticipated operating expenses of the Fund and an allowance for contingent liabilities. The total reserve at 30 June 2021 was \$75.35 million or 0.56% of assets under management. The levels of reserves for 30 June 2021 and preceding years are shown below:

As at 30 June	\$M	% of assets
2021	\$75.35	0.56
2020	\$65.60	0.57
2019	\$60.40	0.53

Things you need to know

Providing feedback or making a complaint

If you are dissatisfied with us, we would like you to let us know as soon as possible so that we can work to resolve your enquiry or complaint quickly. Contact us on **1300 133 177** or online at ngssuper.com.au/contact-us

If we have not responded to your complaint within the timeframe prescribed in our [complaints process](#) or you are not satisfied with our decision, you may be able to take the matter to the Australian Financial Complaints Authority (AFCA) at afca.org.au or on **1800 931 678**.

Internal complaints contact	External complaints contact
<p>NGS Super Complaints Officer</p> <p>Mail: PO Box 21236 World Square NSW 2002</p> <p>Phone: 1300 133 177 Monday to Friday, 8am–8pm (AEST/AEDT)</p> <p>Overseas: +61 3 8687 1818</p> <p>Online: ngssuper.com.au/contact-us</p>	<p>Australian Financial Complaints Authority (AFCA)</p> <p>Mail: GPO Box 3 Melbourne VIC 3001</p> <p>Phone: 1800 931 678 (free call)</p> <p>Email: info@afca.org.au</p> <p>Online: afca.org.au</p>

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

A copy of NGS Super's **Complaint and dispute resolution process** is available at ngssuper.com.au/complaints or by contacting us on **1300 133 177** or by emailing ngsadminteam@ngssuper.com.au

Eligible Rollover Fund (ERF)

AUSfund was an eligible rollover fund where lost and unclaimed member accounts could be transferred and managed. These are now managed by the ATO.

AUSfund closed on 21 May 2021. Up until 30 April 2021, funds were only transferred from NGS Super to AUSfund where we received a Tax File Number refund on exit. These are now transferred to the ATO.

If your account was transferred to AUSfund or the ATO, you are no longer a member of NGS Super and any insurance cover you had with us ceased.

The Federal Government has now assumed sole responsibility for the reunification of unclaimed super accounts via the Australian Tax Office.

ATO contact details

Phone: **13 10 20**
Monday to Friday
8.00am–6.00pm

Website: ato.gov.au

Things you need to know

Transfer to the Australian Tax Office (ATO)

By law, NGS Super must transfer member balances to the ATO if your account meets the following:

ATO exit type	Definition — if you have
Lost member	<ul style="list-style-type: none"> 2 returned mail items and an inactive account a balance less than \$6,000 at 30 June or 31 December.
Inactive member	<ul style="list-style-type: none"> no contributions for 5 years and no contact with NGS for 5 years.
Over age 65	<ul style="list-style-type: none"> no contributions for 2 years and no contact with NGS for 5 years after making reasonable efforts.
Inactive low balance	<ul style="list-style-type: none"> a balance less than \$6,000 at 30 June or 31 December and no insurance on your account and not a defined benefit account and in the last 16 months not: <ul style="list-style-type: none"> received a contribution or a rollin or added or updated a binding beneficiary nomination or made changes to your investment strategy or had an asset switch or requested to change your insurance. <p>You can request that your account is not treated as an Inactive low balance account (for 16 months only) by completing the ATO form available at ngssuper.com.au/keepsuper</p>
Temporary resident	<ul style="list-style-type: none"> you are a former temporary resident and it has been more than 6 months since the later of either you departed Australia or since your visa ceased to be in effect and your visa has expired or been cancelled. <p>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.</p>

Once your money has been transferred, you will need to contact the ATO to claim your benefit. For more information visit ato.gov.au

Fund changes for 2020–21

During the 2020–21 financial year we made several changes to the Fund. Members were notified about these changes in Significant Event Notices and you can find more information about each of these at ngssuper.com.au/sen

NGS Super's governance framework

The Trustee is committed to ensuring that the Fund has sound and effective systems of governance and that it conducts its affairs with a high degree of integrity, ensuring that business operations are competently and prudentially managed.

The governance framework includes the oversight of systems, structures, policies, processes and people that underpin accountability within the business operations of NGS Super.

Information relating to the Fund's Governance Framework including its key policies is available on the Fund's website at ngssuper.com.au/policies under the **Governance tab**.

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. The derivatives charge ratio did not exceed 5% at any time during the 2020–21 year.

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.



Our 2021 awards

An award-winning Industry SuperFund

Putting our members first is at the heart of everything we do, and it shows. At NGS, we're proud to be recognised by multiple independent rating agencies for our high level of customer service, insurance benefits and our commitment to social and environmental responsibility.

To find out more about our awards and ratings, plus our staff's latest achievements, go to ngssuper.com.au/awards



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Important Information

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

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.

Issued by NGS Super Pty Limited ABN 46 003 491 487 AFSL No 233 154 the trustee of NGS Super ABN 73 549 180 515.

Contact details

Contact us

You can contact us at:
ngssuper.com.au/contact-us
or call us on **1300 133 177**
Monday to Friday, 8.00am–8.00pm
(AEST or AEDT).

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

Fax: **(03) 9245 5827**

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
ngssuper.com.au/advice

Our offices

NGS Super Trustee Office (NSW)

Level 4, 14 Martin Place
Sydney NSW 2000

Postal address:
PO Box 21236
WORLD SQUARE NSW 2002

Queensland Office

Level 6, 157 Ann Street
Brisbane Qld 4000

South Australia Office

Level 1, 431-439 King William Street
Adelaide SA 5000

Victoria Office

Level 5, 737 Burwood Road
Hawthorn Vic 3122

ngssuper.com.au
1300 133 177

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