



ngs superTM

THE EDUCATED CHOICE



An Industry
SuperFund

Annual Trustee Report

for the year ended **30 June 2008**



YOUR EDUCATION INDUSTRY FUND

Report from the Chair and the CEO



PETER FOGARTY, CHAIR OF TRUSTEE BOARD

ANTHONY RODWELL-BALL, CEO OF NGS SUPER

Our twentieth birthday

In 2008 we celebrate twenty years of service to staff in non-government schools. The Non-Government Schools Superannuation Fund was established in 1988 to provide high-quality, low-cost superannuation and retirement benefits to employees in New South Wales non-government schools. Since then the fund has become a national public offer fund and amalgamated with the Independent Schools Superannuation Trust (ISST) in 2005 and the Catholic Church Staff Superannuation Fund (CCSSF) in 2006. Today we have more than 80,000 members, just over 3,000 contributing employers and \$2.8 billion in assets.

Changes to the Board during the year

During the year, Trustee directors Judith McGregor and Barry Morrison resigned from the Board. We would like to thank both Judith, for the years of dedication and commitment she gave NGS Super, and Barry, who served for many years with distinction on the ISST Board and then the NGS Super Board, for their contribution to running NGS Super. We welcome in their place Ray Whitfield and Margaret Sansom, who were appointed to the Board in August 2007 and May 2008 respectively.

Our new CEO

With our twentieth anniversary we also welcome a new CEO for NGS Super, Anthony Rodwell-Ball. Anthony looks forward to continuing to invest in new and better ways to serve both our members and employers, enhance and improve our products, and continue to engage with members in relevant communication, and financial education and literacy programs. As the only national fund serving the education industry, NGS Super understands the unique workplace and needs of teachers and other education industry professionals.

Supporting your industry

NGS Super continued to support the non-government schools sector throughout the year. Your Fund supported a variety of education conferences and events at both state and national levels, and will continue to do so in the coming year.

Investment performance

Following four years of reporting very high investment returns, when markets were

thriving, for 2007–08, when markets fell, we had to report negative earnings for our Diversified option. This result, however, has been a consistent theme across all comparable options offered by Australian super funds.

Despite the disappointing result, our performance has exceeded that of the average fund manager, as measured by the SuperRatings Fund Crediting Survey.* With a return of -4.68%, our Diversified option was ranked in the top quartile of funds, compared with the median result of -6.39% for Diversified options in all super funds measured in the survey. Most of NGS Super's investment options were ranked in the top quartile of their peers in the SuperRatings survey over 2007–08.

The Fund's exceptional returns over the previous four years mean that, overall, our longer-term returns remain significantly higher than the investment objectives for each option. The Diversified option, for instance, in which almost 90% of our members are invested, has provided an average annual return of 8.5% over three years and 10.3% over five years. Because your super is a long-term investment, it's the performance over the longer term that really matters. You will find full details of returns for each option on pages 3 and 5–8 of this annual report, and returns for pension investment options on page 4.

The NGS Super Board continually examines the way we manage investments. We regularly consider investment managers and asset allocations, and conduct reviews to ensure the fund is performing at an optimal level. Over the past year, we have employed additional internal investment staff and have reviewed the Fund's investment policy to ensure continuing efficiency in changing market conditions.

Education and communication

You told us in last year's member survey that communication from the Fund was important to you, and we have aimed to improve communication over the past year.

The investment update we sent out in August is just one aspect of how we have sought to improve communication. We sent our first e-newsletter last December, to introduce our new financial literacy program. We will continue to send email alerts and newsletters this year to keep you up to date with the changing world of super.

We also created a new member magazine, *MoneyWise*, which aims to keep all members

informed not only about their super but also about all aspects of personal finance. Financial literacy is increasingly recognised as the secret to controlling your money – instead of allowing your money to control you! This year we launched our online financial literacy program, *Take Control of Your Finances*, and in the coming year we will add more modules to this entertaining, interactive program. As a fund for educators, NGS Super will continue to take a leadership role in providing financial literacy education tailored for our very broad membership.

Our free financial planning seminars for members and school visits aim to keep people up to date and informed about their super.

How we rate

SuperRatings has ranked our Industry super in the top 15% of funds, with the highest rating of Platinum, for some time now. This year both our Personal and Pension plans were also awarded Platinum ratings.

We have also subscribed this year to the AppleCheck superannuation comparison service run by independent rating company, Chant West. We are pleased to say that we have just been awarded the top rating of Five Apples, based on the full range of our services to members. For members, that brings an assurance of the quality of the Fund's offering, but it also means you can compare other funds with NGS Super through AppleCheck. There's more about this service in the latest *MoneyWise*.

Our commitment to you

The Fund continues to aim for quality service for members and to help you build your super while you're working so you can enjoy the kind of retirement you want in the future. Alongside those aims, we want to help you build your financial knowledge through member seminars and education, and give you access to sound financial advice at an affordable price. Our aim in the coming years is to continue to deliver excellent service, not only while you are building your super but also once you start to draw on it through an NGS Super pension.

* SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index.

Peter Fogarty
Chair
TRUSTEE BOARD

Anthony Rodwell-Ball
Chief Executive Officer
NGS SUPER

Investment performance

After four years of delivering extraordinarily high returns to members, in 2007–08 most super funds across Australia, including NGS Super, have experienced negative returns. The decline was due to weak returns across the entire investment market over the past year. Over the longer term, however, you will find that the options that have been invested for at least five years have produced very strong returns.

Most NGS Super members are invested in the **Diversified option**, which delivered –4.68% over the past year. This option has money in the full array of investments that NGS Super uses, including shares, property, private equity, infrastructure, absolute return funds, fixed interest and cash. The negative return was the result of unfavorable market conditions across all asset classes. Despite the negative return, SuperRatings recorded NGS Super's Diversified investment as the eleventh best performing balanced option over 2007–08. And over five years, the average return from this option was 10.30% per year.

The **Defensive option** has a large allocation to the more defensive assets, such as cash, fixed interest, absolute return funds and unlisted property investments. The option was sheltered from the major contributors of negative returns – the global and Australian share markets, but this year even defensive assets experienced trouble. The option returned –1.69% over the past year. Over five years, the average return from this option was 6.95% per year.

NGS Super's **Australian Shares option** returned –13.25% over the past year. The Australian share market, having achieved great highs in early 2007, fell by 13.40% over the year and recorded its first negative return for a financial year since 2002–03. That meant this investment option fell by a comparable amount. Over five years, the average return from this option was 15.10% per year.

Returns to investors in international shares were also affected by the decline in market values, and the benchmark MSCI World – ex Australian Index returned –21.30% over 2007–08. NGS Super's **International Shares option** outperformed the benchmark, returning –14.74% over the past year. Over five years, the average return from this option was 7.20% per year.

The **Shares Plus option**, which invests in a mixture of Australian and international shares, as well as private equity, absolute return funds and cash, returned –12.91%. Over five years, the average return from this option was 11.76% per year.

The **Green Shares option** invests in both Australian and international shares in companies that exercise social and/or environmental responsibility. Over the past

year it returned –12.73%. Over five years, the average return from this option was 11.11% per year.

Property investments were also affected by the decline in market values, with the **Property option** returning –6.07%. This option contains a mixture of investments listed on the share market and unlisted investments. The unlisted investments focus mainly on high-quality retail and industrial property assets with low levels of debt, and they have a low correlation to returns from share markets. Over five years, the average return from this option was 11.80% per year.

The Fund's **Cash option** returned 5.39% (the average return over five years was 5.00% per year) and the **Diversified Bonds option** returned 6.23% (5.43% per year over five years).

On 1 July 2007 the Fund introduced two new options. The **High Growth option** returned –6.22% over the past year, and the **Conservative option** returned –1.47% in 2007–08. These returns reflect the investment mix for the options. High Growth, which invests primarily in shares, was affected by falling share markets. Conservative spreads its investments fairly evenly between growth and defensive assets – the defensive assets provided some protection against the big falls in share market values.

Over the long term – that's five years and more – nine of NGS Super's eleven investment options have delivered returns better than the investment objective (the other two options have been invested for only one year). This stronger performance is particularly marked in the options that have higher proportions of growth assets (look at the Investment Options and Performance tables on pages 5–8 for the full story). The higher returns show the benefit of the strong investment markets of the previous four years. For a long-term investment like your super, it's important to focus on these long-term results.

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 5–8 of this *Annual Report*.

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How we invest your money

Investment earnings are allocated to your account balance by changes to the NGS Super unit prices, which are calculated weekly and can be accessed through the NGS Super website at <www.ngssuper.com.au>. In accordance with regulatory requirements, the Fund's investments are held in custody. The custodian 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, which are maintained by the administrator.

Weekly changes to NGS Super unit prices reflect the gain (or loss) on the underlying investments of each of the eleven options. Your account balances are calculated by multiplying the units on issue to you by the unit price current at that time. In this way, 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 twelve months to 30 June 2008. 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.

Pension investment performance

Investment portfolio	Year ending 30 June 2008	Year ending 30 June 2007	Year ending 30 June 2006	Rolling return p.a.	Inception date
Diversified	-5.81%	19.37%	16.03%	11.21%*	Nov 2001
Shares Plus	-13.82%	23.53%	21.70%	10.52%†	Sep 2004
High Growth	-7.55%	n/a	n/a	-7.55%†	Jul 2007
Conservative	-1.89%	n/a	n/a	-1.89%†	Jul 2007
Defensive	-0.37%	15.11%	9.98%	8.33%*	Nov 2001
Australian Shares	-13.37%	26.76%	27.10%	14.06%†	Sep 2004
International Shares	-18.91%	18.47%	17.57%	5.22%†	Sep 2004
Green Shares	-15.20%	19.44%	26.43%	8.47%†	Dec 2004
Property	-7.19%	20.94%	15.84%	12.82%*	Dec 2002
Diversified Bonds	5.19%	6.86%	2.97%	6.54%†	May 2004
Cash	6.30%	6.29%	6.14%	5.97%†	Jul 2004

Note: The NGS Super Account Based Pension commenced in October 2001.

* 5-year rolling return. † Return since inception.

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, are placed into your personal account, after any administration fees, insurance premiums and government taxes have been deducted.

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 issue, or buy, price for the investment option you invest in. Your account balance increases or decreases according to the collective performance of the underlying assets.

While your money is held in the Fund, we deduct 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 withdrawal, or sell, 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 2008 was \$15.377 million or 0.55% 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. This reserve is known as the **administration reserve**.

The reserve levels for 30 June 2008 and preceding years are shown below.

As at	\$ million	Percentage of assets
30 June 2004	8.179	0.89
30 June 2005	5.057	0.44
30 June 2006	7.328	0.33
30 June 2007	4.697	0.16
30 June 2008	15.377	0.55

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.

Investment management fees

Information on these fees can be found in the *Product Disclosure Statements* on the website. During the year the investment management fee for the Diversified option was reduced to 0.68%.

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 5–8 and discussed on page 3). 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.

Investment options and performance

	DIVERSIFIED (DEFAULT OPTION)	SHARES PLUS	HIGH GROWTH																																																																																																																								
Investment performance objectives*	Target = CPI + 3% To achieve a return of 3% above inflation per annum over rolling 5 year periods.	Target = CPI + 4% To achieve a return of 4% above inflation per annum over rolling 7 year periods.	Target = CPI + 4% To achieve a return of 4% above inflation per annum over rolling 7 year periods.																																																																																																																								
Investment time frame	Medium to long term 5 years +	Long term 7 years +	Long term 7 years +																																																																																																																								
Risk profile (if historical patterns are repeated)	Medium to high risk Likelihood of a negative return in any year is approximately 1 in 5.	Medium to high risk Likelihood of a negative return in any year is approximately 1 in 4.	Medium to high risk Likelihood of a negative return in any year is approximately 1 in 4.																																																																																																																								
What is it?	This is the option in which your money will be invested if you do not advise us of your investment choice. This option includes allocations to the full array of investments that NGS Super uses but has a higher weighting towards assets with the potential for medium to long term growth, such as shares, infrastructure and property.	An investment 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.	A diversified investment option which has a substantial weighting towards those assets which will potentially produce superior returns over the longer term.																																																																																																																								
Is it right for you?	Suitable for members who seek to earn a moderate to high level of capital growth over the medium to longer term. Members should have a medium-term time horizon of at least five years and be comfortable with moderate to high levels of variability in returns over some years, including the possibility of a negative return.	Suitable for members who seek capital growth over the longer term and are willing to accept the risks associated primarily with fluctuations in share markets. Members should have a longer-term time horizon of at least seven years and be comfortable with potentially high levels of variability in returns over some years, including the possibility of negative returns.	Suitable for members who seek capital growth over the longer term. Members should have a longer-term time horizon of at least seven years and be comfortable with potentially high levels of variability in returns in some years, including the possibility of a negative return.																																																																																																																								
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Investment options and performance (cont.)

	CONSERVATIVE	DEFENSIVE	AUSTRALIAN SHARES																																																																																													
Investment performance objectives*	Target = CPI + 2% To achieve a return of 2% above inflation per annum over rolling 3 year periods.	Target = CPI + 1% To achieve a return of 1% above inflation per annum over rolling 3 year periods.	Target = CPI + 4% To achieve a return of 4% above inflation per annum over rolling 7 year periods.																																																																																													
Investment time frame	Medium term 3 years +	Medium term 3 years +	Long term 7 years +																																																																																													
Risk profile (if historical patterns are repeated)	Medium risk Likelihood of a negative return in any year is approximately 1 in 6.	Low to medium risk Likelihood of a negative return in any year is approximately 1 in 9.	High risk Likelihood of a negative return in any year is approximately 1 in 3.																																																																																													
What is it?	An investment which is 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, absolute return funds and direct property. There is a smaller relative weighting to assets such as shares and infrastructure which provides the prospect for some capital growth.	An investment predominantly in companies listed on the Australian Stock Exchange.																																																																																													
Is it right for you?	Suitable for members seeking an investment which is balanced in terms of allocations to both growth and defensive types of assets. Members should have a medium-term time horizon of at least three years and be comfortable with moderate levels of variability in returns over some years, including the possibility of a negative return.	Suitable for members who 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. Members should have a medium-term time horizon of at least three years and be comfortable with the expectation that this option will offer a comparatively modest level of capital growth.	Suitable for members who seek capital growth over the longer term and are willing to accept the risks associated with fluctuations on the Australian Stock Exchange. Members should have a longer-term time horizon of at least seven years and be comfortable with potentially high levels of variability in returns over some years, including the possibility of negative returns.																																																																																													
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Investment options and performance (cont.)

	INTERNATIONAL SHARES	GREEN SHARES	PROPERTY																																							
Investment performance objectives*	Target = CPI + 4% To achieve a return of 4% above inflation per annum over rolling 7 year periods.	Target = CPI + 3% To achieve a return of 3% above inflation per annum over rolling 7 year periods.	Target = CPI + 2% To achieve a return of 2% above inflation per annum over rolling 5 year periods.																																							
Investment time frame	Long term 7 years +	Long term 7 years +	Medium to long term 5 years +																																							
Risk profile (if historical patterns are repeated)	High risk Likelihood of a negative return in any year is approximately 1 in 3.	Medium to high risk Likelihood of a negative return in any year is approximately 1 in 4.	Medium to high risk Likelihood of a negative return in any year is approximately 1 in 4.																																							
What is it?	An investment predominantly in companies listed on major international stock exchanges.	An investment predominantly in assets listed on Australian and major international stock exchanges chosen on the basis of companies which exercise social and/or environment responsibility.	An investment predominantly 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.																																							
Is it right for you?	Suitable for members who seek capital growth over the longer term and are willing to accept the risks associated with fluctuations in world share markets and currencies. Members should have a longer-term time horizon of at least seven years and be comfortable with potentially high levels of variability in returns over some years, including the possibility of negative returns.	Suitable for members who seek capital growth over the longer term and are willing to accept the risks associated with fluctuations in share markets and currencies. Members should have a longer-term time horizon of at least seven years and be comfortable with potentially high levels of variability in returns over some years, including the possibility of negative returns.	Suitable for members who seek an investment with a stable income stream and with the potential for capital growth over the longer term. Members should have a medium-term time horizon of at least five years and be comfortable with the possibility of a negative return over some years.																																							
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Investment options and performance (cont.)

	DIVERSIFIED BONDS (WITH CASH)		CASH	
Investment performance objectives*	Target = CPI + 0.5% To achieve a return of 0.5% above inflation per annum over rolling 3 year periods.		Target = CPI To achieve a return above inflation over rolling 1 year periods.	
Investment time frame	Short to medium term 3 years +		Short term 1 year +	
Risk profile (if historical patterns are repeated)	Low risk Likelihood of a negative return in any year is approximately 1 in 10.		Low risk Likelihood of a negative return in any one year is less than 1 in 50.	
What is it?	An investment in cash and fixed interest investments, which includes 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.	
Is it right for you?	Suitable for members who seek an investment with a secure income stream but are comfortable with the potential for a loss in capital value when interest rates rise and a gain in capital value when interest rates fall. Members should have a medium-term time horizon of at least three years.		Suitable for members who seek an investment with a high level of security of capital value over short-term periods. Over the longer term this investment could be expected to offer relatively low returns.	
Strategic Asset allocation	Benchmark† Range		Benchmark† Range	
	Global fixed interest	85% 50-100%	Cash	100% 100%
	Cash	15% 10-50%		
	Foreign currency	0% 0-10%		
Recent effective rates of investment returns‡	Year ending 30/6/08	6.23%	Year ending 30/6/08	5.39%
	Year ending 30/6/07	5.98%	Year ending 30/6/07	5.44%
	Year ending 30/6/06	2.20%	Year ending 30/6/06	4.71%
	Year ending 30/6/05	9.66%	Year ending 30/6/05	5.30%
	Year ending 30/6/04	3.21%	Year ending 30/6/04	4.14%
	5 year rolling return	5.43% p.a.	5 year rolling return	5.00% p.a.

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Investment managers

Investment manager	Market value as at 30 June 2008	Percentage of total	Market value as at 30 June 2007	Percentage of total
Adam Smith Asset Management	\$36,986,242	1.31	—	—
AMP Capital Investors	\$487,269,347	17.29	\$551,322,635	19.02
Ausbil Dexia Ltd	\$857,107	0.03	\$261,448,228	9.02
Barclays Global Investors	\$163,656,164	5.81	\$231,053,084	7.97
BNP Paribas Securities Service	—	—	\$56,505,417	1.95
Campus Living Funds Management	\$23,132,742	0.82	\$11,322,060	0.39
Colonial First State Global Asset Management	\$123,904,004	4.40	\$78,333,625	2.70
Contango Asset Management Ltd	\$28,676,560	1.02	—	—
Deutsche Asset Management (Australia) Limited	\$16,557,064	0.59	\$21,866,722	0.75
GMO (Grantham Mayo Van Otterloo) Australia Ltd	—	—	\$42,030,513	1.45
Goldman Sachs JB Were Investment Management	—	—	\$18,518,000	0.64
Goodman Management	\$49,928,271	1.77	\$32,873,526	1.13
GPT Group	\$32,434,943	1.15	\$28,544,050	0.98
Hastings Funds Management	\$72,856,053	2.58	\$55,139,554	1.90
Industry Funds Management	\$105,736,232	3.75	\$76,848,768	2.65
Industry Super Holdings	\$2,822,343	0.10	—	—
ING Investment Management	—	—	\$198,253,398	6.84
Integrity Funds Management	\$82,770,638	2.94	—	—
ISPT Pty Ltd	\$15,325,671	0.54	\$31,361,197	1.08
L1 Capital Pty Ltd	\$83,899,915	2.98	—	—
Lend Lease Investment Management	\$119,159,363	4.23	\$104,334,771	3.60
Loomis Sales and Company	—	—	\$32,327,081	1.12
Macquarie Investment Management	\$415,279,383	14.73	\$186,916,415	6.45
Macquarie Specialised Asset Management	\$55,726,025	1.98	\$27,252,439	0.94
Members Equity Super Loans Trust	\$7,023,106	0.25	\$8,063,650	0.28
NGS Property (99 Bathurst Street, Sydney)	\$4,200,000	0.15	\$4,200,000	0.14
Orbis Investment Advisory Pty Ltd	\$67,355,087	2.39	—	—
Orion Asset Management Limited	\$180,849,852	6.42	\$135,259,612	4.67
Pantheon Ventures Ltd	\$10,514,226	0.37	\$2,537,018	0.09
Paradice Investment Management Pty Ltd	\$157,388,801	5.58	\$84,411,935	2.91
Paragon Equity Limited	\$1,540,247	0.05	\$387,075	0.01
Pareto Investment Management Limited	\$1,233,622	0.04	\$842,709	0.03
Perennial Investment Partners Ltd	—	—	\$143,880,039	4.96
Portfolio Partners Ltd	—	—	\$86,962,340	3.00
Quay Partners Pty Ltd	\$38,769,802	1.38	\$32,434,675	1.12
Sigular Guff & Company, LLC	\$6,925,082	0.25	—	—
Solaris Investment Management Limited	\$131,699,160	4.67	—	—
State Street Australia Limited	\$82,400,325	2.92	—	—
Sustainable Asset Management	\$746,953	0.03	\$853,181	0.03
Tyndall Asset Management	—	—	\$163,752,004	5.65
UBS Global Asset Management	\$98,380,640	3.49	\$87,286,483	3.01
WARAKIRRI Asset Management	\$97,752,321	3.47	\$76,960,353	2.65
Westpac Bank	\$13,024,007	0.46	\$22,744,310	0.78
Wilshire International	\$2,218,800	0.08	\$1,958,544	0.07
Total	\$2,819,000,097	100.00	\$2,898,785,413	100.00

Abridged financial statements as at 30 June 2008

Non-Government Schools Superannuation Fund
Abridged Financial Statements as at 30 June 2008

Operating statement

Net market value of assets available to pay benefits at beginning of year

PLUS

Contributions from members	43,391	79,881
Contributions from employers	277,930	241,945
Rollovers received	66,317	76,053
Insurance proceeds	4,143	3,041
Investment earnings	(176,969)	455,724

LESS

Benefits paid	201,356	140,541
Investment expenses	5,231	6,311
Administration expenses	10,889	9,789
Insurance premiums	8,443	7,946
Taxation expense	16,402	59,423

Net market value of assets available to pay benefits at end of year

Statement of financial position

Investments	2,772,362	2,855,598
Cash	46,638	43,187
Deferred tax asset	21,982	599
Other assets	1,384	954

LESS

Creditors and accruals	5,730	8,626
Liability for taxation	16,588	44,155

Net market value of assets available to pay benefits at end of year

	2008 \$'000	2007 \$'000
Net market value of assets available to pay benefits at beginning of year	2,847,557	2,214,923
PLUS		
Contributions from members	43,391	79,881
Contributions from employers	277,930	241,945
Rollovers received	66,317	76,053
Insurance proceeds	4,143	3,041
Investment earnings	(176,969)	455,724
LESS		
Benefits paid	201,356	140,541
Investment expenses	5,231	6,311
Administration expenses	10,889	9,789
Insurance premiums	8,443	7,946
Taxation expense	16,402	59,423
Net market value of assets available to pay benefits at end of year	2,820,048	2,847,557
Statement of financial position		
Investments	2,772,362	2,855,598
Cash	46,638	43,187
Deferred tax asset	21,982	599
Other assets	1,384	954
LESS		
Creditors and accruals	5,730	8,626
Liability for taxation	16,588	44,155
Net market value of assets available to pay benefits at end of year	2,820,048	2,847,557

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 2008.

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
Telephone: 1300 361 798
Fax: 1300 366 233
Email: admin@ausfund.net.au
Website: www.unclaimedsuper.com.au
For callers outside Australia:
Phone: +61 8 8205 4953
Fax: +61 8 8205 4990

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 780 808 or write to them at Locked Mail Bag 3060, GPO 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 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.

Service providers

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

Administrator

CitiStreet Australia Pty Limited

Adviser

Mercer Human Resources Consulting

Investment consultant

JANA

Auditor

Deloitte Touche Tohmatsu

Bank

Westpac Banking Corporation

Custodian

State Street Australia Limited

Insurer

CommInsure

Legal adviser

Kemp Strang Lawyers

Changes in 2007–08

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

Last year, insurance cover was made available to our Personal Plan and spouse members, and the asset-based fee provision commenced on 7 April 2008 at the rate of 0.10% per year.

The NGS Super Board

NGS Super is run on behalf of its members by a trustee company, Non-Government Schools Superannuation Fund Pty Ltd (ABN 46 003 491 487), which is run by member- 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.

Your CEO and the Trustee Board as at 30 June 2008



Standing, left to right: Anthony Rodwell-Ball (CEO), John Quessy, Daniel Watson, Stephen Mathwin, Ray Whitfield, Cathryn Hickey, Heather Walsh

Seated, left to right: Gloria Taylor, Kevin Phillips, Glen Seidel (Deputy Chair), Peter Fogarty (Chair), Margaret Sansom, David Buley

Employer-representative directors

Stephen Mathwin
Appointed by the AIS SA

David Buley, Judith McGregor (to 31 July 2007)
Ray Whitford (from 9 August 2007)
Appointed by the AIS NSW

Heather Walsh
Appointed by the AIS NSW representing ACT

Peter Fogarty (Chair)
Appointed by the Catholic Hierarchy NSW

Daniel Watson
Appointed by the SA Commission for Catholic Schools

Member-representative directors

Kevin Phillips, John Quessy, Gloria Taylor
Appointed by the IEU NSW

Barry Morrison (to 31 December 2007)
Margaret Sansom (from 13 May 2008),
Glen Seidel (Deputy Chair)
Appointed by the IEU SA

Cathryn Hickey
Appointed by the VIEU

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 7 3121 0718
Fax: +61 7 3121 0724
Email: administration@ngssuper.com.au
Website: www.ngssuper.com.au

Postal address

PO Box 2095
MILTON BC QLD 4064

NGS Super Trustee Office (NSW)

Bernard O'Connor
Manager, Member Services
Level 16, 99 Bathurst Street
SYDNEY NSW 2000

Phone: (02) 9273 7900
Fax: (02) 9283 8783

South Australian Office

Elaine Facchino
Relationship Manager

John Pederson
Relationship Manager

Level 1, 104 Frome Street
ADELAIDE SA 5000

Phone: (08) 8418 2400
Fax: (08) 8418 2401

Victorian Office

Laurie Buchanan
Relationship Manager

Suite 505
737 Burwood Road
HAWTHORN VIC 3122

Phone: (03) 9811 0555
Fax: (03) 9882 6355

Members Equity

Super Members Home Loans
Phone: 13 15 63
Web: www.membersequity.com.au

Industry Fund Financial Planning

Phone: 1300 138 848
Web: www.iffp.com.au

Mercer Wealth Solutions

Phone: 1300 883 318
Web: www.mercerwealthsolutions.com.au



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 an investment decision based on this information.