



ngs super[™]

THE EDUCATED CHOICE



An Industry
SuperFund

Annual Trustee Report

FOR THE YEAR ENDED 30 June 2009



YOUR EDUCATION INDUSTRY FUND



PETER FOGARTY – CHAIR OF TRUSTEE BOARD

Report from the Chair

The last year has been one of considerable challenge for the Fund, with investment market volatility absorbing significant amounts of Board and Management time. Against this backdrop, however, the Board has also focussed on a number of new and value-adding initiatives which are designed to improve member and employer experience of the Fund and position us as the leading provider of superannuation and associated services to the non-government education sector.

Before reviewing the last twelve months, however, we would like to thank all members and employers for their loyalty and trust in us over the last twelve months of uncertainty. Please rest assured that while we have put in place plans to incrementally improve our service and product offerings going forward, **our major focus during this period** has been to protect and, where possible, position members' retirement savings for future growth in what has been the most uncertain investment environment in living memory.

Investment performance

The last financial year has seen massive upheaval in world economies and investment markets. Not only did we experience an almost unparalleled downturn, we have also recently experienced one of the most stunning market reversals in recent memory. These events reinforce the fact that markets are unpredictable, but by sticking to the fundamentals of sound investing, you can survive times of turbulence.

The beauty of a long-term investment is that periods of negative returns are usually balanced out by times of good growth. The performance of our investment options over the last five years and beyond demonstrates this well. Even though the returns for the past year were disappointing, with the **NGS Super Diversified option** losing ground over the 2008–09 year (*minus* 10.35% p.a.), the average return for the last five years is 5.12% s.o. This compared to the median return of 4.24% p.a. for similar investments offered by other funds (SuperRatings SR50 Balanced 60–76 Index to 30 June 2009) placed us in the top quartile of results.

The performance of our **Australian Shares option** also reinforces the need to look long term. For the 2008–09 financial year, this option was one of the most affected by the downturn posting a return of *minus* 15.47% p.a. however, stellar returns achieved in previous years mean that the average return of 7.05% p.a. for the option over five years is the highest of all the options. Since the option became available to members in 2003, it has returned an average of 9.73% p.a.

The NGS Super Board has been especially vigilant during this difficult time, ensuring we managed our risks as effectively as possible, while seeking to take advantage of the quality investment opportunities that were also available, to position NGS Super to continue to deliver sound investment returns into the future. It is worth noting that two major reviews of NGS portfolios have occurred in the last eighteen months: firstly, the Australian Equities portfolio in early 2008 and, secondly, the International Equities portfolio in the latter half of 2008. These reviews resulted in tactical changes to NGS investment managers which have so far yielded top quartile returns in both these asset classes.

You will find full details of returns for each option on pages 7 to 10 of this *Annual Report*, and returns for pension investment options on page 6.

NGS Super's financial condition

In keeping with the Board's commitment to ongoing innovation, and consistent with industry leading governance practice, the Board has commissioned Mercer Actuarial to conduct a review of the Fund as at 30 June 2009, and report on the Fund's Financial Condition.

This *Financial Condition Report* is attached to this *Annual Report*, and it provides members with independent comfort that the Board and management have guided the Fund through the past twelve months of challenge in a prudent and responsible manner. The detailed Report (when complete) will also assist the Board and management to continue to develop and implement best practice risk management processes and ensure

that the Fund continues to be in a sound financial condition going forward.

Continuing our commitment to members – a new fund administrator

At NGS Super, we know you want more than just a place to keep your superannuation savings. We know that you expect services to help you better manage your financial and retirement future. In keeping with our commitment to provide our members with excellent member service and products, we have taken significant steps in this direction during the year.

We are pleased to announce that, following an extensive evaluation process over the course of the year, from 1 November 2009 the Board will commence a strategic partnership with our new administrator, Mercer. This will result in improved administration and services for members. NGS Super and Mercer have enjoyed a long-standing relationship of over 20 years and Mercer was chosen based on its proven record for high quality service, strong local and global presence and 30 years' experience in the Australian superannuation industry.

This partnership confirms our commitment to member satisfaction, loyalty and financial literacy, positioning us as the fund of choice for the non-government education sector. In partnership with Mercer the range of services we provide you will expand, helping you make informed decisions about your retirement savings and wealth management. This partnership will allow a seamless integration between way the Fund is run and the services we provide

and the Chief Executive Officer

you, which include professional telephone financial advice and face to face financial planning.

We will keep you informed of any further changes and new initiatives that may result from the change to the new administrator.

An award winning, top rated fund

An award winning, top rated fund
In early 2009, we were very pleased to be chosen to receive the *Money* magazine's **Best of the Best** award for "Best-value insurance in super". We believe our insurance cover is unmatched amongst most other funds in the industry in terms of value for money and flexibility and this award confirms this. Not content to rest on our laurels, more insurance improvements will be coming in November 2009 and more information will be provided closer to the time.

NGS Super has also been awarded the top rating of "five apples" by independent ratings company Chant West, based on the full range of our offering to members, from investment returns and fees to insurance, education and communication.

We're pleased that the Fund has been rated so highly, but the rating brings with it an additional benefit for members. You can see how your fund compares with many others in Australia through Chant West AppleCheck. Just click on the AppleCheck logo on the home page of our website and follow the instructions to get an AppleCheck report comparing NGS Super with two other funds, which shows that our member services, investments and low fees are among the best in the business. Normally you would pay a fee for each comparison you run, but we offer this as a free service to members (up to three reports a year).

Our new look website

March saw the launch of our fresh, new NGS Super website. Again, we believe we are leading the way among super funds with our site. The site is designed to be easy to use, giving you the information and tools you need to learn about, understand and manage your super.

Register for online access to your NGS Super account 24/7. You can check your account balance and insurance cover, update your personal details and nominated beneficiaries and even make extra payments into your account using BPAY®.

You can also access our online financial literacy program, *Taking control of your finances*, which offers 24 modules, covering topics from 'Starting work' to 'Retirement' and everything in between. We've designed these interactive modules to help you to understand the basics for budgeting, setting up a financial plan, investing, growing your wealth and super, amongst other things.

Using the website, you can also get monthly investment return updates plus tools and calculators to help you to make informed decisions for your super.

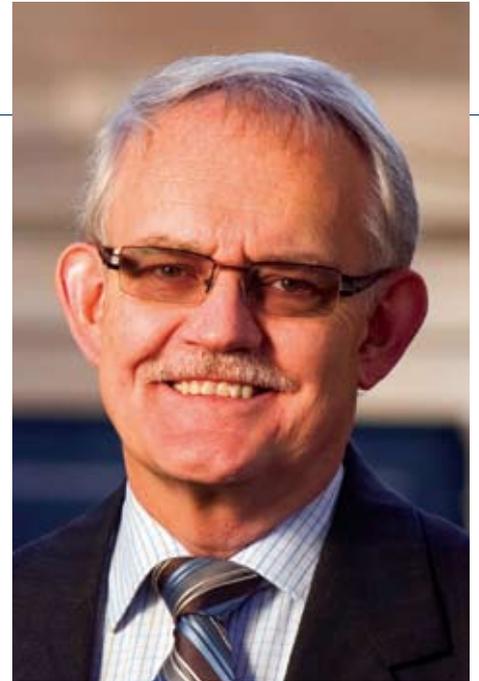
NGS Financial Planning services

The Board is very pleased to announce that we now offer financial planning services to our members through NGS Financial Planning. These services are based in NSW and South Australia, and will regularly service Victoria and ACT. You can receive a range of services, from advice about a single issue relating to your super right through to a full financial plan to build your wealth with specific goals in mind. Our planners will work with you to determine a plan that suits your stage of life in light of your goals and priorities for now and over the long term. We have made sure that the costs for our financial planning services are very competitive, and advice for a single issue that relates to NGS Super is free of charge. You can make an appointment to meet with a planner or speak to them over the phone by calling our Customer Service Team.

Education and communication

We have continued to deliver an extensive communication program to you, most significantly through our *MoneyWise* magazine. Your response to *MoneyWise* has been overwhelmingly positive, with feedback telling us that you find the magazine useful, informative and easy to read.

As you will have noticed, we are providing regular updates on Board activities and decisions which are to be found on our website. These reports are supplemented by a monthly 'Investment Update' which reviews markets and the economic environment, as well as providing regular education on investment terminology and concepts. We encourage you to visit <www.ngssuper.com.au> to keep abreast of Board deliberations and developments in investing.



ANTHONY RODWELL-BALL – CEO, NGS SUPER

As well as our ever-expanding financial literacy program on the website, hundreds of members attended our program of free financial planning seminars during the year, aimed at keeping you up to date and informed about your super. Seminar information is available on the website or the back cover of each edition of *MoneyWise*.

In addition to this, we have commenced a programme of member and employer briefings in each of the major states in which we operate, with a view to providing face to face communication of NGS Super's activities and the state of the markets. We encourage you to participate in these as they are held.

Peter Fogarty
Chair
TRUSTEE BOARD

Anthony Rodwell-Ball
Chief Executive Officer
NGS SUPER

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Investment performance

The 2008–09 financial year was one of most challenging and difficult for investors in living memory. Over the year, markets experienced three distinctly different periods of performance reflecting dramatic changes in financial and economic conditions. The year started with a period of consolidation after the volatility of the previous year. However September saw a collapse in investor confidence and the start of the worst global economic downturn since the Great Depression, starting with the fall of US investment banking giant Lehman Brothers. However the downturn slowed in March 2009 and the return of investor confidence drove a rapid market rise for the remaining part of the year to 30 June 2009.

A majority of NGS Super members are invested in the **Diversified option**, which delivered *minus* 10.35% over the past year. The Diversified option is invested across all the full range of asset classes and investment types used by NGS Super. These include shares, property, private equity, infrastructure, absolute return funds, fixed interest and cash. Unfavourable market conditions affected all asset classes, particularly the share and property markets, resulting in the negative return. However, over five years, the average return from this option was 5.12% p.a. And despite the negative return for the last year, research house SuperRatings ranked us in the top quartile over the 1, 3 and 5 year period as at 30 June 2009, and over five years, we rank 10th out of 49.

The **Defensive option** has a large allocation to more defensive assets, such as cash, fixed interest, absolute return funds and unlisted property investments. The option was relatively sheltered from global and Australian share markets which were the major contributors to negative returns, but this year even defensive assets were not left unaffected by the severity of market conditions. The option returned *minus* 3.57% over the past year. Over five years, the average return from this option was 4.82% p.a. and 5.03% p.a. since it first became available in 2003.

NGS Super's **Australian Shares option** returned *minus* 15.47% over the 12 months to 30 June 2009, performing significantly better than its benchmark. The Australian share market was savaged by the global financial crisis, however the positive surge starting in March 2009 recovered almost half of its earlier losses, giving a final result of *minus* 20.10% (as measured by the ASX 200). Over five years, the average return from the Australian Shares option was 7.05% p.a. and 9.73% p.a. since it was first offered to members in 2003.

Returns to investors in international shares were also affected by the decline in market values, and the benchmark MSCI World (ex Australia) Index

returned *minus* 16.2% over 2008-09. NGS Super's **International Shares option** outperformed the benchmark, returning *minus* 10.87% over the past year. Over five years, the average return from this option was 1.38% a year and 4.85% since its inception in 2003.

The **Shares Plus option**, which invests in a mixture of Australian and international shares, as well as private equity, returned *minus* 12.90%. Over five years, the average return from this option was 4.70% a year and 5.15% a year since 1999.

The **Green Shares option** invests in both Australian and international shares in companies that choose their investments on the basis of social and/or environmental responsibility. Over the past year it returned *minus* 16.16%. Over five years, the average return from this option was 3.26% a year.

Property investments were also affected by the decline in market values, with the **Property option** returning *minus* 21.45% over the period. This option consists of a mixture of investments listed on the share market as well as unlisted investments. The unlisted investments mainly include 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 3.30% p.a. and 6.11% p.a. over the longer term since it was first offered in 2002.

The Fund's **Cash option** returned 4.31% (the average return over five years was 5.03% per year) and the **Diversified Bonds option** returned 4.14% (5.61% per year over five years).

On 1 July 2007 the Fund introduced two new options. The **High Growth option** returned *minus* 10.40% over the past year and *minus* 8.33% p.a. over the past two years. The **Conservative option** returned *minus* 5.07% in 2008-09 and *minus* 3.29% a year for the two years since inception. These returns reflect the investment mix for the options.

High Growth, which invests primarily in shares, was affected by falling share markets. The Conservative option as a fairly even spread of investments between growth and defensive assets, the latter providing some protection against the big falls in share market values.

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 7–10 of this *Annual Report*.

How we invest your money

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

Weekly changes to NGS Super unit prices reflect the gain (or loss) on the underlying investments 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. This means that investment market movements and valuations are translated into your account balance.

The investment returns quoted in this report reflect the return (after fees and taxes have been deducted) that would have been achieved if you had been invested in a particular option for the twelve months to 30 June 2009. If you made contributions during the year, those contributions would receive the investment return equal to the change in the unit price only between the contributions being allocated to your account and the end of the financial year. If you change investment options during the year, your investment returns would differ from the returns shown in this *Annual Report* because they would be based on the changes in the relevant unit prices of each option selected for the period you were invested.

Your personal super account

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

The money in your account (your benefit) is then invested according to the investment option(s) you select. Each time we receive a contribution from you or your employer we allocate units to your account at the 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.

Whilst your money is held in the Fund, we deduct government taxes and member fees from your account, as well as insurance premiums if you have insurance cover. Your investment in NGS Super – your benefit – is calculated by multiplying the number of units allocated to your account from each investment option by their 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 2009 was \$16.498 million or 0.61% of Fund assets.

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

The reserve levels for 30 June 2009 and preceding years are shown below.

AS AT	\$M	% OF ASSETS
30 June 2005	\$5.057	0.44%
30 June 2006	\$7.328	0.33%
30 June 2007	\$4.797	0.16%
30 June 2008	\$15.477	0.55%
30 June 2009	\$16.498	0.61%

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.

How we invest your money (cont.)

Investment management fees

Information on these fees can be found in the *Product Disclosure Statements* on the website. During the year, the investment managers' fees changed for all options and are shown in the following table.

INVESTMENT OPTION	INVESTMENT MANAGEMENT FEE
Diversified (default)	0.80%
Shares Plus	0.92%
High Growth	0.89%
Conservative	0.71%
Defensive	0.69%
Australian Shares	0.70%
International Shares	1.16%
Green Shares	0.94%
Property	0.74%
Diversified Bonds	0.35%
Cash	0.15%

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 7–10 and discussed on page 4). In normal circumstances, where investment earnings are positive, pensioners benefit as no tax is deducted from the gross earnings. When investment earnings are negative, the opposite effect can occur.

Pension investment performance

INVESTMENT PORTFOLIO	YEAR ENDING 30 JUNE 2009	5 YEARS % P.A.	SINCE INCEPTION % P.A.	INCEPTION DATE
Diversified	-11.85%	5.38%	4.64%	Nov 2001
Shares Plus	-15.48%	n/a	4.56%	Sep 2004
High Growth	-12.28%	n/a	-10.35%	Jul 2007
Conservative	-6.22%	n/a	-4.25%	Jul 2007
Defensive	-4.59%	5.75%	4.79%	Nov 2001
Australian Shares	-18.05%	n/a	6.52%	Sep 2004
International Shares	-13.25%	n/a	1.10%	Sep 2004
Green Shares	-19.87%	n/a	1.54%	Dec 2004
Property	-22.49%	3.74%	6.53%	Dec 2002
Diversified Bonds	5.14%	6.14%	6.26%	May 2004
Cash	5.16%	5.58%	5.81%	Jul 2004

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

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

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

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	<table border="1"> <thead> <tr> <th></th> <th>Benchmark[†]</th> <th>Range</th> </tr> </thead> <tbody> <tr> <td>Global fixed interest</td> <td>85%</td> <td>50–100%</td> </tr> <tr> <td>Cash</td> <td>15%</td> <td>10–50%</td> </tr> <tr> <td>Foreign currency</td> <td>0%</td> <td>0–10%</td> </tr> </tbody> </table>		Benchmark [†]	Range	Global fixed interest	85%	50–100%	Cash	15%	10–50%	Foreign currency	0%	0–10%	<table border="1"> <thead> <tr> <th></th> <th>Benchmark[†]</th> <th>Range</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>		Benchmark [†]	Range	Cash	100%	100%						
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Investment managers

Investment Manager	Market Value as at 30 June 2009	Percentage of total	Market Value as at 30 June 2008	Percentage of total
Adam Smith Asset Management	\$36,588,332	1.37%	\$36,986,242	1.31%
AMP Capital Investors	\$76,810,319	2.88%	\$487,269,347	17.29%
Ausbil Dexia Ltd	—	—	\$857,107	0.03%
Baillie Gifford Overseas Limited	\$118,554,858	4.44%	—	—
Barclays Global Investors	—	—	\$163,656,164	5.81%
Campus Living Funds Management	\$21,484,270	0.81%	\$23,132,742	0.82%
Charlemagne Capital	\$52,734,190	1.98%	—	—
Colonial First State Global Asset Management	\$127,036,184	4.76%	\$123,904,004	4.40%
Contango Asset Management Ltd	\$24,033,604	0.90%	\$28,676,560	1.02%
Deutsche Asset Management (Australia) Limited	\$120,441,312	4.51%	\$16,557,064	0.59%
Goodman Management Limited	\$40,473,282	1.52%	\$49,928,271	1.77%
GPT Funds Management Limited	\$26,725,932	1.00%	\$32,434,943	1.15%
Hastings Funds Management	\$73,070,048	2.74%	\$72,856,053	2.58%
Holowesko Partners Limited	\$27,990,256	1.05%	—	—
Industry Funds Management	\$90,121,001	3.38%	\$105,736,232	3.75%
Industry Super Holdings	\$2,695,375	0.10%	\$2,822,343	0.10%
Integrity Funds Management	\$101,807,612	3.82%	\$82,770,638	2.94%
ISPT Pty Ltd	\$16,190,039	0.61%	\$15,325,671	0.54%
L1 Capital Pty Ltd	\$87,724,920	3.29%	\$83,899,915	2.98%
Lend Lease Investment Management	\$99,640,136	3.73%	\$119,159,363	4.23%
Macquarie Investment Management	\$503,757,272	18.88%	\$415,279,383	14.73%
Macquarie Specialised Asset Mangement	\$57,986,548	2.17%	\$55,726,025	1.98%
Members Equity Super Loans Trust	\$7,742,397	0.29%	\$7,023,106	0.25%
NGS Property (99 Bathurst Street, Sydney)	\$3,110,000	0.12%	\$4,200,000	0.15%
Orbis Investment Advisory Pty Ltd	\$198,143,716	7.43%	\$67,355,087	2.39%
Orion Asset Management Limited	\$146,420,143	5.49%	\$180,849,852	6.42%
Pantheon Ventures Ltd	\$7,284,804	0.27%	\$10,514,226	0.37%
Paradice Investment Management Pty Ltd	\$138,054,247	5.17%	\$157,388,801	5.58%
Paragon Equity Limited	\$2,585,627	0.10%	\$1,540,247	0.05%
Pareto Investment Management Limited	\$6,875,413	0.26%	\$1,233,622	0.04%
Pzena Investment Management	\$96,213,947	3.61%	—	—
Quay Partners Pty Ltd	\$41,905,000	1.57%	\$38,769,802	1.38%
Sigular Guff & Company, LLC	\$6,694,160	0.25%	\$6,925,082	0.25%
Solaris Investment Management Limited	\$135,646,986	5.08%	\$131,699,160	4.67%
State Street Australia Limited	\$59,607,059	2.23%	\$82,400,325	2.92%
Sustainable Asset Management	—	—	\$746,953	0.03%
THS Partners	\$25,351,159	0.95%	—	—
UBS Global Asset Management	\$37,326,760	1.40%	\$98,380,640	3.49%
WARAKIRRI Asset Management	—	—	\$97,752,321	3.47%
Wellington Investment	\$23,420,081	0.88%	—	—
Westpac Bank	\$23,996,684	0.90%	\$13,024,007	0.46%
Wilshire International	\$2,127,376	0.08%	\$2,218,800	0.08%
Total	\$2,668,371,049	100%	\$2,819,000,097	100%

Abridged financial statements as at 30 June 2009

Non-Government Schools Superannuation Fund
Abridged Financial Statements as at 30 June 2009

Operating statement

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

PLUS

Contributions from members	24,321	43,391
Contributions from employers	291,982	277,930
Rollovers received	50,786	66,317
Insurance proceeds	5,359	4,143
Investment earnings	(307,164)	(176,969)

LESS

Benefits paid	140,091	201,356
Investment expenses	7,406	5,231
Administration expenses	10,997	10,889
Insurance premiums	9,486	8,443
Taxation expense	8,393	16,402

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

Statement of financial position

Investments	2,614,896	2,772,362
Cash	53,475	46,638
Deferred tax asset	62,025	21,982
Other assets	1,615	1,384

LESS

Creditors and accruals	4,516	5,730
Liability for taxation	18,536	16,588

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

	2009 \$'000	2008 \$'000
Net market value of assets available to pay benefits at beginning of year	2,820,048	2,847,557
PLUS		
Contributions from members	24,321	43,391
Contributions from employers	291,982	277,930
Rollovers received	50,786	66,317
Insurance proceeds	5,359	4,143
Investment earnings	(307,164)	(176,969)
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Net market value of assets available to pay benefits at end of year	2,708,959	2,820,048

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 2009.

Mercer financial condition report

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Financial Condition Report

Mercer has been engaged by the Trustee of NGS Super to prepare a Financial Condition Report. The goals of this report are to:

1. Provide an objective assessment of the overall financial condition of the Fund
2. Provide an assessment of the material risks and issues impacting on the financial condition of the Fund

Financial condition is a measure of the financial strength of the Fund and its ability to withstand risk events.

The Financial Condition Report is currently being finalised and based on our investigation to date, we believe the fund was in a sound financial condition at 30 June 2009.

By sound financial condition Mercer believes that the Fund has:

- an appropriate level of operational reserves
- an appropriate risk management plan and procedures
- sufficient level of liquidity to withstand most adverse movements in investment markets and or fund cash flows
- a unit pricing process which meets industry standards and has appropriately accounted for asset valuation and tax liabilities.

This is not a guarantee that the Fund will not suffer a loss in the future due to a risk event. However, it is our opinion, based on matters within the scope of our review and as an overall assessment, that the Trustee has controls and procedures in place that are consistent with industry best practice.

Taking into account the impact of the Global Financial Crisis on NGS Super we believe the Fund's Trustee and executive has managed its risks and operations in a prudent and sound manner in order to best protect the interests of the members of the Fund.

Darren Wickham

15 September 2009

Russell Mason

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 non-binding beneficiary, send us a completed *Change of Details Form*, which can be found on our website at <www.ngssuper.com.au>.

Trustee liability insurance

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

The Trust Deed

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

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

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

Changes in 2008-09

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

Service providers

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

Administrator

Precision Administration Services Pty Limited

Adviser

Mercer Human Resources Consulting

Investment consultant

JANA

Auditor

Ernst & Young

Bank

Westpac Banking Corporation

Custodian

State Street Australia Limited

Insurer

CommInsure

Legal adviser

Kemp Strang Lawyers

The NGS Super Board

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-appointed and employer-appointed Trustee directors. The Trustee directors represent the interests of all members and are responsible for making decisions on the strategic management of the Fund.

Your CEO and the Trustee Board as at 30 June 2009



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, Ray Whitfield
Appointed by the AIS NSW

Heather Walsh
Appointed by the AIS NSW, representing ACT

Peter Fogarty (Chair)
Appointed by the Catholic Hierarchy NSW

Daniel Watson
Appointed by the SA Commission for Catholic Schools

Member-representative directors

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

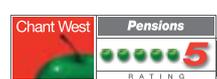
Margaret Sansom,
Glen Seidel (Deputy Chair)
Appointed by the IEU SA

Cathryn Hickey
Appointed by the 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.



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

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)

Dee Duke

Relationship Manager

Jorjet Issavi

Relationship Manager

Level 16, 99 Bathurst Street

SYDNEY NSW 2000

Phone: (02) 9273 7900

Fax: (02) 9283 8783

South Australian Office

Elaine Santos Facchino

Relationship Manager

John Pedersen

Relationship Manager

Level 1, 104 Frome Street

ADELAIDE SA 5000

Phone: (08) 8418 2400

Fax: (08) 8418 2401

Victorian Office

Laurie Buchanan

Relationship Manager

Level 5

737 Burwood Road

HAWTHORN VIC 3122

Phone: (03) 9811 0555

Fax: (03) 9882 6355

Members Equity (ME Bank)

Phone: 13 15 63

Website: www.mebank.com.au

NGS Financial Planning

Phone: 1300 133 177

Website: www.ngssuper.com.au



ngs superTM

THE EDUCATED CHOICE