

INVESTMENT GUIDE

Your investment is as
individual as you are

1 JUNE 2017

We offer you flexibility and choice when it comes to investing your savings. You have the flexibility of choosing from a selection of:

- pre-mixed options, or
- sector-specific options

or you can tailor your investment by participating in our

- **NGS Self-Managed option**, which provides a direct investment gateway for you to access ASX-listed companies, exchange traded funds and term deposits. This gives you the freedom to choose your investment strategy in the same way as a self-managed super fund. Please refer to the *NGS Self-Managed Guide* for further information about this option.

You have the flexibility to choose different investment strategies for your:

- existing account balance
- future contributions in the *Accumulation account*
- future income payments in the *Income account*.

There are **four sections** in this fact sheet that will help you make your investment choice decision.

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4. Choosing your options	Page 8

Seek some advice before you choose your investment strategy

Seek advice: It's a good idea to seek financial advice when making major investment decisions, such as choosing how to invest your savings. As a member, you're entitled to free single issue phone advice about your investment options. We also offer a financial planning service through NGS Financial Planning. To make an appointment or speak with a planner, contact us on **1300 133 177**.

Make an investment choice: If you would like to change your investment option(s), read this fact sheet carefully, and consider seeking appropriate financial advice.

If you don't make an investment choice, your *Accumulation account* will be invested in the Diversified (MySuper) option. Likewise, your *Income account* and *Transition to retirement account*¹ will be invested in the Moderate Growth option.

¹ The default investment option for the *Transition to retirement account* is currently Moderate Growth. From 1 July 2017, the tax exemption on *Transition to retirement accounts* will be removed and earnings will be concessional taxed at 15%, the same rate that applies to the *Accumulation account*. This means the default option for the *Transition to retirement account* will be the Diversified (MySuper) option from 1 July 2017.

1. THINGS TO CONSIDER⁺

An understanding of your particular circumstances and the risk profile of each option is useful in deciding which investment option, or options, might be best for you.

What other investments do you have?

The answer to this may influence:

- the amount you need to save in your *Accumulation account*
- the investment options you select for your retirement savings. You can diversify your retirement savings by investing in asset classes you do not already invest in.
- how you structure your finances in your retirement.

How old are you now and what is your life expectancy?

When you plan to retire can have an influence on the level of risk you are prepared to accept.

If you are younger, you may decide to pursue higher long-term returns and be prepared to accept the occasional negative return in the short term because you have time on your side.

If you are close to or in retirement, you may not be prepared to take the risk of a market downturn and so may choose to accept the lower returns of a more conservative investment strategy.

When choosing your investment options for your *Income account* or *Transition to retirement account*, your level of income payments and your investment timeframe are also important considerations.

How long will you be retired for?

Of course, this is generally impossible to know but the longer you are retired, the more money you will need.

In the *Accumulation account*, this may mean considering a strategy that is less conservative because of the potential for higher returns.

In the *Income* or *Transition to retirement accounts*, this may mean adjusting your strategy to ensure your retirement money is invested in such a way that it will last for the duration of your retirement.

Even if you've already retired (or are considering retiring), your money may still be invested for 10–20 years or even longer, which means it's invested for the long term.

What is your objective?

In general, every member's objective is to provide for a comfortable retirement, however, the way this is achieved changes with time and your risk tolerance.

Risk is best described as the chance that your retirement objectives may or may not be met. In assessing the risk of an investment option, your timeframe, your investment objective and how involved you are, and how much risk you are willing to tolerate are all important.

How much control do you want?

Decide how involved you want to be in managing your super. This will influence the options that are appropriate for you. Do you want to decide upon the mix of assets in your portfolio or would you prefer to let NGS Super decide for you?

Make your choice

To change your investment options you can login to your secure Member Online account or you can complete an *Investment Switching form* (*Accumulation account* or *Income account*) available at www.ngssuper.com.au/forms or call **1300 133 177** for a copy.

If you have either an *Income account* or *Transition to retirement account*, you can request to have your income payments drawn from one or more of your chosen **pre-mixed or sector-specific** investment options.

If you don't make this choice, your payments will be drawn from across all your options **except in the case of our tailored options.**

Do you want to have more control over your super and income in retirement?

- You can choose the level of choice and control you want over your savings.
- Whether you invest in a
 - single option,
 - a combination of options, or
 - our NGS Self-Managed direct investment gateway,
 there's an investment strategy suitable for your needs and goals.

Level of choice and control	Investment options
If you don't choose	<p>Default option</p> <p>If you don't make a choice, your super savings will be invested in the default investment option:</p> <ul style="list-style-type: none"> · Diversified (MySuper) (page 12) – <i>Accumulation account</i> · Moderate Growth (page 10) – <i>Income account</i> and <i>Transition to retirement account</i>².
Select from our pre-mixed choices and leave the rest to us	<p>Pre-mixed choices – a selection of options that combine various investment types (also known as 'asset classes'), which NGS Super manages the mix of, along with fund managers to manage the investments.</p>
Build your own strategy by selecting from our range of sector-specific options	<p>Sector-specific choices – a selection of asset class options that you can choose how much to invest in, which are managed by fund managers. Suitable if you wish to choose your investment sectors but not your individual investments.</p>
DIY through NGS Self-Managed – your choice your way	<p>The NGS Self-Managed option allows members greater choice and control when investing. This direct investment gateway includes a choice of ASX-listed companies, exchange traded funds (ETFs) and term deposits giving you the freedom to structure your own investment strategy in much the same way as a self-managed fund allows.</p> <p>NGS Self-Managed provides the greatest level of choice and flexibility for your savings. While managing your own investment strategy increases your flexibility and control, this option is not suitable for everyone, especially those who do not want a high level of involvement when investing their retirement savings. If you're interested in the NGS Self-Managed direct investment gateway, you should refer to the <i>NGS Self-Managed Guide</i> available at www.ngssuper.com.au or call us on 1300 133 177.</p>

² The default investment option for the *Transition to retirement account* is currently Moderate Growth. From 1 July 2017, the default option for this account will become the Diversified (MySuper) option.

2. UNDERSTANDING RISK AND YOUR INVESTMENT⁺ TIMEFRAME

There are various risks associated with investing and as each investment option has a different mix of investments, the risk of investing in each option is different. Each investment option has details of its risk profile, but here we take a look at some general types of investment risk.

Inflation price increases due to inflation can erode the real value of investments.

Adequacy the risk of your savings not being sufficient at retirement to support your preferred retirement lifestyle.

Legislative the risk that future changes in legislation will impact your retirement savings, both positive and negative. Examples of this include increases in minimum retirement age, changes to minimum pension payments, etc.

Agency the value of the assets within an asset class can fall for many reasons including changes in the internal operations or management of a fund or company, or in its business environment.

Market factors such as investor sentiment, economic impacts, regulatory conditions and political events will affect market performance.

Interest rate changes in interest rates can have a positive or negative impact directly or indirectly on the value of investment returns. This is of special concern in cash and fixed interest investments.

Currency the risk that overseas investments gain or lose value resulting from rises or falls in the Australian currency.

Derivatives the risk that the value of the derivative contract may not move in line with the underlying asset exposure or the risk that the counterparty to the derivative contract cannot meet its obligations under the contract.

Liquidity the risk that investments may not be able to be converted to cash within the necessary time frames.

Market timing the risk that you will invest money into the market at the wrong time. For example, you invest into Australian shares after seeing it rise 15%. It then subsequently drops 10%.

Risk and your investment timeframe

Risk from a member's perspective can be viewed as the chance that your retirement objectives will not be met — for example the return you receive on an investment will be less than the one you need to sustain a comfortable level of income throughout your retirement. In assessing the risk of an investment option, your timeframe, objective, how involved you are, and how much risk you are willing to tolerate are all important.

One way of measuring risk is by looking at volatility, which describes the degree to which investment returns move up and down over time. In general, assets like shares are highly volatile in the short term. Their value fluctuates significantly so that in the short term the risk of a lower than expected return is high, leading to a high chance of not meeting your objective.

Assets such as fixed interest and cash are less volatile (their value fluctuates less over periods of time), so that in the short term, the chance of a lower than expected return or a negative return is less. However, in the long term, your chance of not meeting a return objective above inflation is higher.

Different members will have different objectives and investment timeframes and therefore face different risks.

Investment time horizon

Short – 5 years

For a member with a short investment horizon, preserving the capital value of the investment is the likely objective. The key risk to preserving the capital value is volatility of investment returns. For investment options with a short term objective, we focus on measuring each option's short term volatility through the use of the **Standard Risk Measure (SRM)**.

Medium – 10 years

For a member with a medium investment horizon, inflation begins to have an impact on the investment. For investment options with a medium term objective, we focus on measuring a balance of volatility and inflation risk. The risk level is derived from a mixture of each option's SRM score and their probability of exceeding inflation over the medium term.

Long – 20 years

For a member with a long investment horizon, inflation is a key risk in determining if your retirement objectives will be met. Our methodology therefore focuses on inflation risk. The risk level is derived from each option's probability of exceeding inflation over the long term.

Our range of pre-mixed and sector-specific investment options have different levels of risk according to different time horizons. The table above shows the level of risk for the different investment time horizons. It is also important to note that the potential range of returns for each option will vary as a result of the level of growth versus defensive asset mix. Refer to Section 3 *Understanding your options* and Section 4 *Choosing your options* for more information on growth and defensive assets.

Investment option	Risk level for the time invested		
	Short term If savings are required in 5 years or less	Medium term If savings are required after 10 years	Long term If savings are required after 20 years or more
Pre-mixed options			
Moderate Growth – default for: – <i>Income account</i> – <i>Transition to retirement account</i> ³	Medium to high	Medium	Low
Diversified (MySuper) – default for: – <i>Accumulation account</i> – <i>Transition to retirement account</i> ⁴	Medium to high	Medium	Low
Diversified ⁵	Medium to high	Medium	Low
High Growth	Medium to high	Medium	Low
Balanced	Medium	Low to medium	Low
Defensive	Low to medium	Low	Low
Socially Responsible Diversified	Medium	Low to medium	Low
Indexed Growth	High	Medium	Low
Retire Plus ⁶	Medium	Low to Medium	Low
Shares Plus	High	Medium	Low to medium *Low (for <i>Income account</i>)
Sector-specific options			
Australian Shares	Very high	Medium	Low to medium
International Shares	High	Medium	Low to medium
Property	Medium to high	Medium	Low to medium *Low (for <i>Income account</i>)
Diversified Bonds	Very low	Low to medium	High *Medium (for <i>Income account</i>)
Cash and Term Deposits	Very low	Low *Very low (for <i>Income account</i>)	Medium *Low (for <i>Income account</i>)
Tailored option			
NGS Self-Managed	This option includes a choice of ASX-listed companies, exchange traded funds (ETFs) and term deposits. For further information about this option please refer to the <i>NGS Self-Managed Guide</i> available at www.ngssuper.com.au/PDS .		

* These standard risk measures in the *Income account* differ from the equivalent investment option in the *Accumulation account* due to differing tax treatment of the *Income account*.

The **SRM** measures the probability of a negative return in any particular year, and then multiplies this by the number of years in the period to arrive at the expected number of years with negative returns. The **SRM** will be reviewed if the Trustee believes there has been a material change to the underlying risk and return assumptions.

³ This option will not be available for the *Transition to retirement account* from 1 July 2017.

⁴ The default option for the *Transition to retirement account* is currently Moderate Growth. From 1 July 2017, the default option for this account will become the Diversified (MySuper) option.

⁵ This option is available for the *Income account* only.

⁶ This option will become available for the *Income account* only from 1 August 2017.

3. UNDERSTANDING YOUR OPTIONS⁺

Asset classes are a key component of investing. Each investment option is broken down into various asset classes which can be classified as being either defensive or growth assets. An asset class refers to a particular group of assets that have similar characteristics such as shares, property and fixed interest.

Defensive assets

Defensive assets are generally included in an option to stabilise returns. These types of assets typically receive a large component of their return as income. Defensive assets are lower-volatility investments, but this means they generally produce lower returns over the long term.

Cash and term deposits

These assets are deposits held at Australian banks which pay interest monthly or at maturity.

This asset class does not have negative returns and provides stable short-term returns that are unlikely to exceed inflation over the long term.

Fixed interest duration

A mix of quality medium to long term debt. This asset is held for its stable income stream and low volatility.

Fixed interest yield

A mix of quality loans to global companies spread over a range of geographies around the world.

These assets pay regular interest and are held for the income they provide.

This asset class is less volatile than shares however, unlike cash and term deposits, fixed interest securities may have negative returns.

Property income

A portfolio of high quality Australian properties focused on generating high levels of income and with the potential to provide medium term growth. The portfolio is expected to be less volatile than shares.

Defensive alternatives

Defensive alternative investments are those with low correlations to growth assets and relatively consistent returns above the cash rate. Such assets have useful diversifying characteristics.

Growth assets

Growth assets are used in our investment options to provide capital growth to an investment portfolio, along with some investment income. Growth assets are riskier than defensive assets but over the long term are expected to produce higher returns.

Australian shares

This asset class invests in companies listed on the Australian Securities Exchange. There is exposure to large and small companies across a range of industries. Returns from shares have historically outperformed inflation. The returns from shares are a combination of capital growth and dividends.

International shares

This asset class invests in companies listed on global stock exchanges. International shares provide the opportunity for geographic, economic, industry and currency diversification in an equity portfolio. International Shares have similar risk and return characteristics as Australian shares, with the exception of dividend franking, but provide exposure to other currencies.

Listed property

This asset class invests in securities listed on the Australian and global stock exchanges which provide exposure to the rental income and/or capital growth of real estate assets. Returns from listed property have historically outperformed inflation. Despite the underlying asset being real estate, the risk of this asset class is similar to shares due to the use of leverage within the underlying companies and trusts as well as the impact of sentiment and flows on the prices of listed assets.

Infrastructure

This asset class invests in assets that provide essential services to communities and industry and in doing so provide core functions which allow economies to grow.

Infrastructure investments tend to demonstrate stable returns over an extended period of time, with highly predictable cash flows and revenue streams that are generally linked to inflation. Infrastructure investments have the additional benefit that they generally demonstrate a low correlation, if any, to equity markets.

Private equity

This asset class invests in unlisted private companies. This asset class has a higher return and risk expectation, as compared to listed equities. They can also offer significant diversification benefits.

Growth alternatives

This asset class generates medium to high returns through medium to high risk investments or trading strategies that do not fit easily into the standard asset classes. These strategies can include: unlisted property, asset class specific hedge funds, multi-asset class hedge funds, insurance-linked strategies, leveraged credit and commodities. The major role of these assets is to provide a return seeking diversification away from equity risk. As such, investments with relatively low expected correlations to equities could be expected to be favoured within this asset class.

Asset allocations and ranges

The tables on pages 10-23 outline how each of the options vary in relation to the asset classes they are invested in.

Strategic asset allocation

The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments. The strategic asset allocation is the primary driver of the option's long term investment performance. Investments are selected based on one or more of the following characteristics:

- capital preservation
- regular stable income
- inflation offset
- capital growth
- risk mitigation.

Dynamic asset allocation

The **dynamic allocation range** is used to respond to changes in the investing environment. The strategy moves asset allocations dynamically, seeking primarily to manage risk, but also to improve returns.

4. CHOOSING⁺ YOUR OPTIONS

You have the flexibility of choosing from a selection of pre-mixed options, develop your own investment strategy by choosing any combination of the five sector-specific options or you can invest in the NGS Self-Managed direct investment gateway.

Here is a checklist for making your investment choice:

What is your risk tolerance?

Risk tolerance refers to how well you can cope with the trade-off between risk and return. In making investments, you must consider both aspects. As a general rule, it's unrealistic to expect an investment to be both low risk and provide high returns at the same time.

You need to decide how much risk (or loss) you can tolerate in pursuit of higher returns. If you want low risk, will you be satisfied with the lower returns that accompany it? The answer will usually be different for everybody and there is no single correct answer. It is worth taking the time to assess your individual tolerance for risk.

Diversify to reduce volatility

All asset classes fluctuate in value over time but it's unusual for them all to perform poorly at the same time. Diversification means having different investments in different asset classes as well as within each asset class (e.g. different shares), with the expectation that if one or more investments are performing poorly the others may be doing better. Whilst diversification reduces the risk of a negative return on your investment, it doesn't eliminate it completely.

While shares are expected to have the highest average return over the long term, they cover a very wide range of one-year returns, which include significant negative returns. On the other hand, whilst cash is unlikely to provide a negative return, it is expected to have a low long-term return relative to other asset classes.

Past short-term performance may not be indicative of future long-term performance

When you select your investment strategy, you may find yourself considering past performance. While this could be a potential guide to future performance, it is not necessarily a good guide. You should consider performance over a number of years because short-term returns can be very misleading.

Avoid market timing

Not even investment experts can predict when markets will rise or fall. Super is a long-term investment so making frequent changes to your investment options to try to anticipate which asset class will perform best in the short term may be unwise. It is often better to stick to a long-term investment strategy that suits your needs and only change it if there is a long-term fundamental change in investment markets or your personal circumstances dictate that a change is needed.

Seek some advice before you choose an option

Seek advice: It's a good idea to seek financial advice when making major investment decisions, such as choosing how to invest your super. As a member, you're entitled to free single issue advice about your investment options. We also have NGS Financial Planning who offer fee for service advice. You can seek advice face to face or over the phone.

To make an appointment or speak with a planner, contact us at www.ngssuper.com.au/financial-advice or by phone on **1300 133 177**.

Make an investment choice: If you're a new member or you're an existing member and would like to change your investment option(s), read this Guide carefully, and consider seeking appropriate financial advice.

Once you've made your investment choice, you can either login to your secure *Member Online* account to select your investment options or you can complete an *investment switching form* which is also available on the website at www.ngssuper.com.au/Forms.

NGS Self-Managed

NGS Self-Managed offers a new level of choice and direct control over the investment of your retirement savings through an online direct investment gateway. NGS Self-Managed will allow you to invest in a wide range of shares, exchange traded funds (ETFs) and term deposits.

The NGS Self-Managed direct investment gateway provides you with access to real-time trading as well as market information through *Morningstar* investment profiles to help you make informed decisions and manage your account.

What you can invest in

- the top 300 Australian Securities Exchange (**ASX**) listed companies available on the S&P/ASX 300 Index.
- a range of **ASX-Listed ETFs**. Please refer to the *Online investment list*.
- a choice of term deposit options that provide **1, 3, 6 and 12 month term deposits** and you can select from a list of term deposit providers.

For the full list of providers and their current rates, please refer to the *Online investment list* available at www.ngssuper.com.au/investment-options/ngs-self-managed.

Who can invest in this option?

The NGS Self-Managed direct investment gateway is available to members with at least \$7,000 invested in their account. You are required to keep a minimum of 20% of your total account balance or \$2,000, whichever is higher, in pre-mixed or sector-specific investment options. In addition, an NGS Self-Managed cash account minimum of \$500 applies.

A maximum of 80% of your account can be invested in your NGS Self-Managed account.

Warning

While managing your own investments increases your control and flexibility, the NGS Self-Managed investment option is not for everyone.

If you choose to invest in this option, you need to be aware of the following risks:

- short-term share price volatility
- transaction costs associated with trading frequently, and
- too little diversification.

To participate in this option you need to:

- log in to your *Member Online* account at www.ngssuper.com.au/login. Once you have logged in, you can actively trade via the NGS Self-Managed direct investment gateway by transferring investments in your pre-mixed or sector-specific options to your NGS Self-Managed cash account; and
- have a valid email address to receive any term deposit, corporate actions or other important notifications.

Fees and charges

The fees and charges applicable to this investment option are outlined in the *NGS Self-Managed Guide*.

You should read this guide before investing in this option. The NGS Self-Managed Guide is available at www.ngssuper.com.au/PDS or call our customer service team to request a copy on **1300 133 177**.

MODERATE GROWTH¹

Asset allocation Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	62%	50 – 80%
Australian shares	25%	15 – 35%
International shares	25%	15 – 35%
Infrastructure	10%	0 – 20%
Growth alternatives	2%	0 – 10%
Defensive	38%	20 – 50%
Fixed interest yield	7%	0 – 15%
Property (direct)	10%	0 – 20%
Defensive alternatives	0%	0 – 10%
Cash and Term Deposits	5%	0 – 25%
Fixed interest duration	16%	0 – 25%
Foreign currency exposure	18%	0 – 40%

Indicative asset allocation and ranges

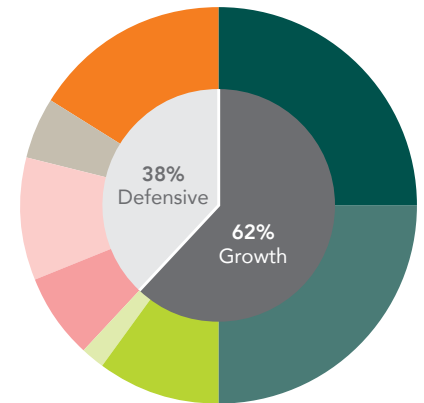
* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.

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

Availability:

✗ **Accumulation account**

✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



Risk over each time horizon

5 years	Medium to high
10 years	Medium
20 years	Low

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

Minimum investment timeframe:

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

What type of investment is it?

Includes most of the asset classes that NGS Super uses but has a higher weighting to investments in assets with the potential for medium to long-term growth, such as shares, infrastructure and property, and assets that provide greater levels of liquidity to meet the income needs during retirement. **N.B. This is the option your money will be invested in (for the accounts shown above) if you do not advise us of your investment choice.**

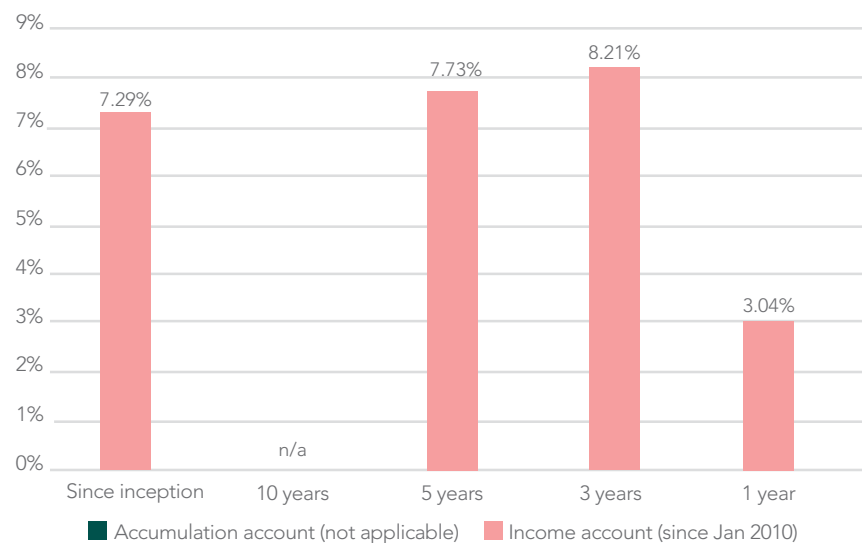
Expected frequency of negative return over 20 year period: Approximately three years in 20.

This option may be right for you if you seek:

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

Recent effective rates of investment returns[§]

Period ending 30 June 2016% p.a.



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

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

¹ This is the default investment option for the *Income* and *Transition to retirement* accounts. From 1 July 2017 the Diversified (MySuper) option will become the default option for the *Transition to retirement* account, and the Moderate Growth option will no longer be available for this account.

DIVERSIFIED¹

Asset allocation

Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	72%	55 – 85%
Australian shares	27%	15 – 40%
International shares	27%	15 – 40%
Infrastructure	10%	0 – 20%
Growth alternatives	8%	0 – 20%
Defensive	28%	15 – 45%
Fixed interest yield	5%	0 – 20%
Property (direct)	10%	0 – 20%
Defensive alternatives	0%	0 – 20%
Cash and Term Deposits	3%	0 – 25%
Fixed interest duration	10%	0 – 20%
Foreign currency exposure	15%	0 – 40%

Indicative asset allocation and ranges

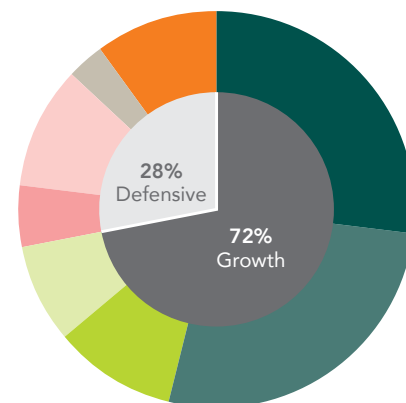
* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.

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

Availability:

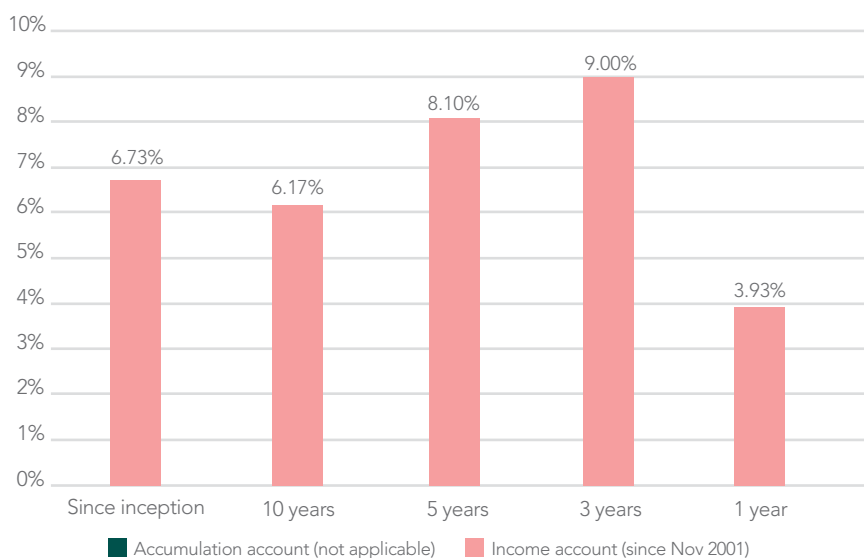
✗ **Accumulation account**

✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

Risk over each time horizon

5 years	Medium to high
10 years	Medium
20 years	Low

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

Minimum investment timeframe:

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

What type of investment is it?

Includes most of the asset classes that NGS Super uses but has a higher weighting to investments in assets with the potential for medium to long-term growth, such as shares, infrastructure and property.

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

This option may be right for you if you seek:

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

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

DIVERSIFIED (MYSUPER)¹

Asset allocation Long term target allocation

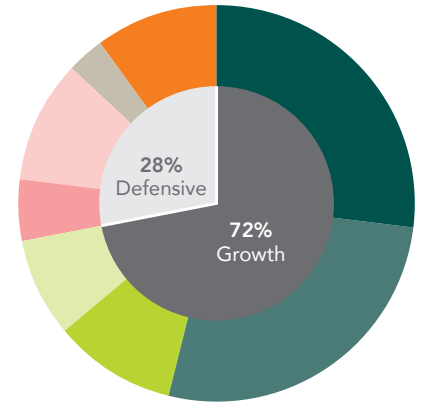
	Strategic asset allocation*	Dynamic allocation range†
Growth	72%	55 – 85%
Australian shares	27%	15 – 40%
International shares	27%	15 – 40%
Infrastructure	10%	0 – 20%
Growth alternatives	8%	0 – 20%
Defensive	28%	15 – 45%
Fixed interest yield	5%	0 – 20%
Property (direct)	10%	0 – 20%
Defensive alternatives	0%	0 – 20%
Cash and Term Deposits	3%	0 – 25%
Fixed interest duration	10%	0 – 20%
Foreign currency exposure	15%	0 – 40%

Indicative asset allocation and ranges

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

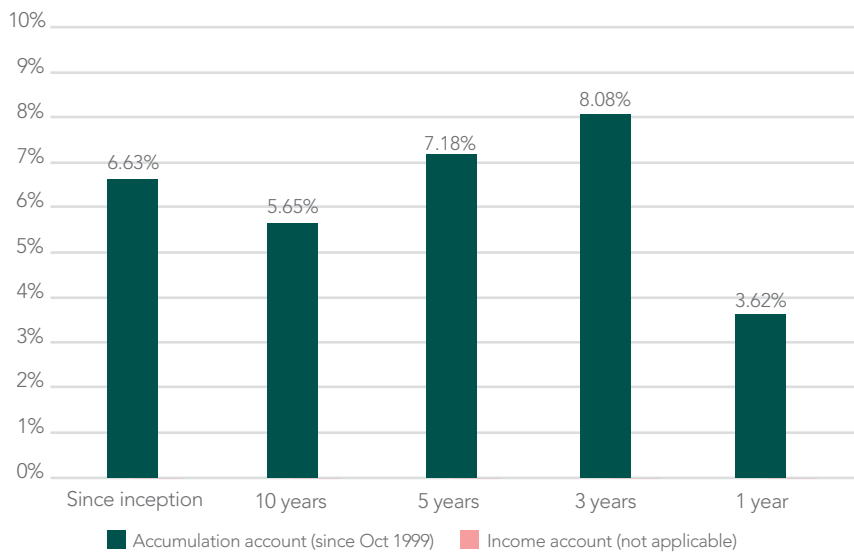
Availability:

- ✓ **Accumulation account**
(including *Transition to retirement* account to 30 June 2017)¹
- ✗ **Income account**



Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

¹ This is the default option for the *Accumulation account*. From 1 July 2017 this option will become the default option for the *Transition to retirement account*.

Risk over each time horizon

5 years	Medium to high
10 years	Medium
20 years	Low

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

Minimum investment timeframe:

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

What type of investment is it?

Includes most of the asset classes that NGS Super uses but has a higher weighting to investments in assets with the potential for medium to long-term growth, such as shares, infrastructure and property.

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

This option may be right for you if you seek:

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

HIGH GROWTH

Asset allocation

Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	78%	70 – 95%
Australian shares	32.5%	20 – 45%
International shares	32.5%	20 – 45%
Listed property	0%	0 – 10%
Infrastructure	9%	0 – 15%
Growth alternatives	4%	0 – 10%
Defensive	22%	5 – 30%
Fixed interest yield	8%	0 – 15%
Property (direct)	9%	0 – 15%
Defensive alternatives	0%	0 – 10%
Cash and Term Deposits	1%	0 – 20%
Fixed interest duration	4%	0 – 15%
Foreign currency exposure	25%	0 – 55%

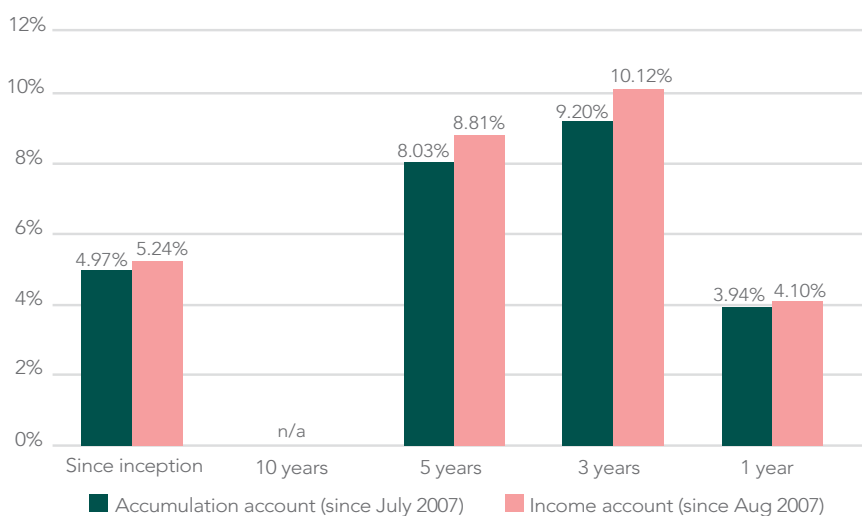
Indicative asset allocation and ranges

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

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

Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



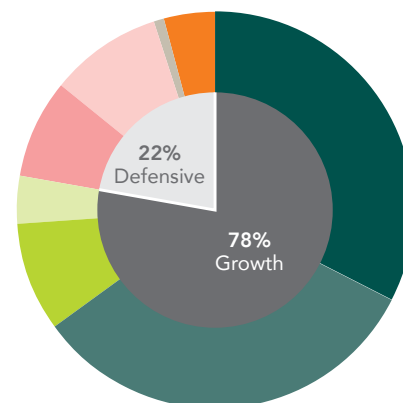
§ This table shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator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

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

¹ From 1 July 2017 *Transition to retirement* accounts must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

Availability:

- ✓ **Accumulation account**
(including *Transition to retirement* account from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement* account to 30 June 2017)¹



↑ PRE-MIXED OPTIONS ↓

Risk over each time horizon

5 years	Medium to high
10 years	Medium
20 years	Low

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

Minimum investment timeframe:

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

What type of investment is it?

A diversified investment option with a substantial weighting towards those assets which will potentially produce superior returns over the longer term.

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

This option may be right for you if

you seek: To grow your super and desire a diversified range of assets in your portfolio whilst tolerating a high level of volatility of returns.

BALANCED

Asset allocation Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	54%	35 – 65%
Australian shares	20%	10 – 30%
International shares	20%	10 – 30%
Infrastructure	10%	0 – 20%
Growth alternatives	4%	0 – 10%
Defensive	46%	35 – 65%
Fixed interest yield	5%	0 – 20%
Property (direct)	10%	0 – 20%
Defensive alternatives	0%	0 – 10%
Cash and Term Deposits	16%	0 – 30%
Fixed interest duration	15%	0 – 20%
Foreign currency exposure	15%	0 – 40%

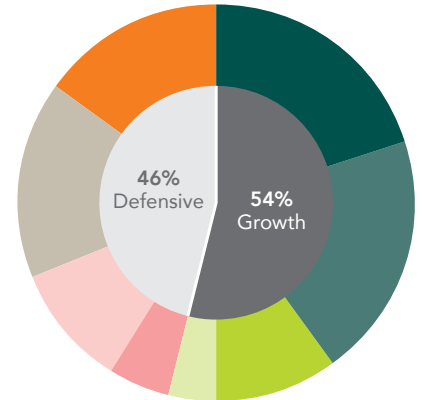
Indicative asset allocation and ranges

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

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

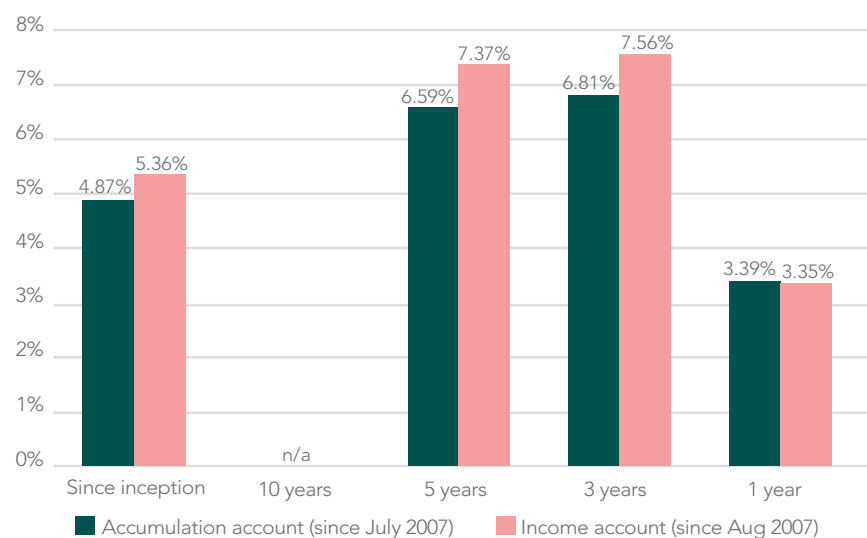
Availability:

- ✓ **Accumulation account**
(including *Transition to retirement account* from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

Risk over each time horizon

5 years	Medium
10 years	Low to medium
20 years	Low

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

Minimum investment timeframe:

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

What type of investment is it?

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

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

This option may be right for you if

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

DEFENSIVE

Asset allocation

Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	37%	15 – 50%
Australian shares	12%	0 – 20%
International shares	12%	0 – 20%
Infrastructure	10%	0 – 20%
Growth alternatives	3%	0 – 15%
Defensive	63%	50 – 85%
Fixed interest yield	7%	0 – 30%
Property (direct)	16%	0 – 30%
Defensive alternatives	0%	0 – 20%
Cash and Term Deposits	20%	5 – 35%
Fixed interest duration	20%	5 – 35%
Foreign currency exposure	8%	0 – 20%

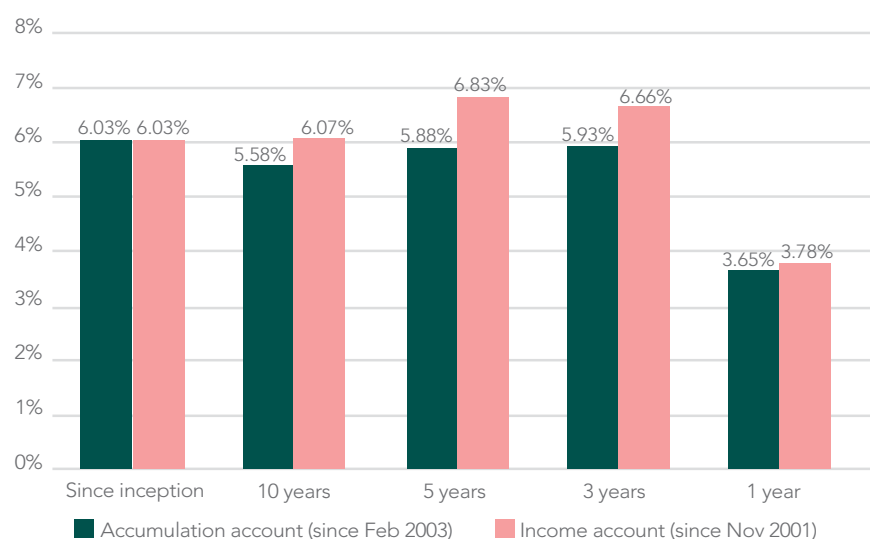
Indicative asset allocation and ranges

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

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

Recent effective rates of investment returns§

Period ending 30 June 2016 % p.a.



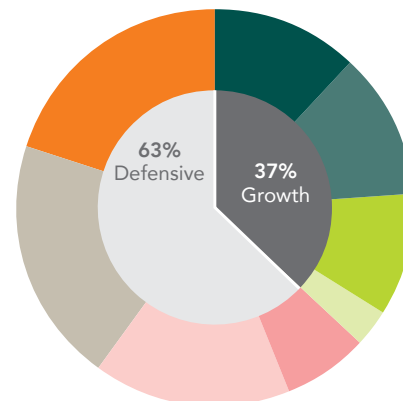
§ This graph shows this investment option's annual effective rate of net return (i.e. the actual rate of return net of tax and investment expenses) over the past ten years or for the period which the investment option has been offered if less than ten years. Past performance is not a reliable indicator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

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¹ From 1 July 2017 *Transition to retirement* accounts must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

Availability:

- ✓ **Accumulation account**
(including *Transition to retirement* account from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement* account to 30 June 2017)¹



Risk over each time horizon

5 years Low to medium

10 years Low

20 years Low

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

Minimum investment timeframe:

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

What type of investment is it?

A relatively conservative investment option with a high weighting towards the more defensive types of assets such as cash, fixed interest, defensive alternative funds and direct property. There is a smaller weighting to assets such as shares and infrastructure which provides the prospect for some capital growth.

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

This option may be right for you if

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

SOCIALLY RESPONSIBLE DIVERSIFIED

Asset allocation Long term target allocation

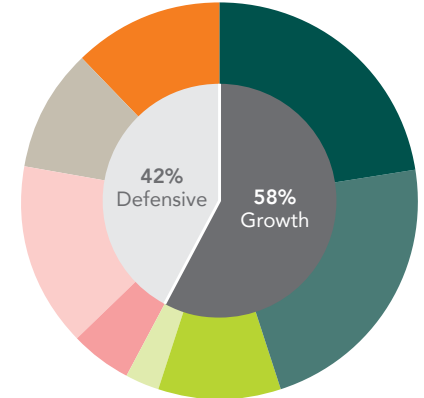
	Strategic asset allocation*	Dynamic allocation range†
Growth	58%	45 – 75%
Australian shares	22.5%	10 – 30%
International shares	22.5%	10 – 30%
Infrastructure	10%	0 – 20%
Growth alternatives	3%	0 – 10%
Defensive	42%	25 – 55%
Fixed interest yield	5%	0 – 20%
Property (direct)	15%	0 – 30%
Defensive alternatives	0%	0 – 10%
Cash and Term Deposits	10%	0 – 20%
Fixed interest duration	12%	0 – 20%
Foreign currency exposure	15%	0 – 40%

Indicative asset allocation and ranges

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

Availability:

- ✓ **Accumulation account**
(including *Transition to retirement* account from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement* account to 30 June 2017)¹



Risk over each time horizon

5 years	Medium
10 years	Low to medium
20 years	Low

Investment performance objective is to achieve a net return¹: 3% above CPI over rolling 10 year periods.

Minimum investment timeframe:

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

What type of investment is it?

Includes higher weighting to investments in assets with the potential for medium to long-term growth such as shares, infrastructure and property, than fixed interest and cash. Shares in this option are predominantly invested in sectors and companies that have ranked highly when considering environmental, social and governance factors. This option screens out investments in companies deemed to have a high social impact such as those in the tobacco and armaments industries.

This option is designed for members seeking medium to long-term growth who are willing to accept short-term fluctuations in returns.

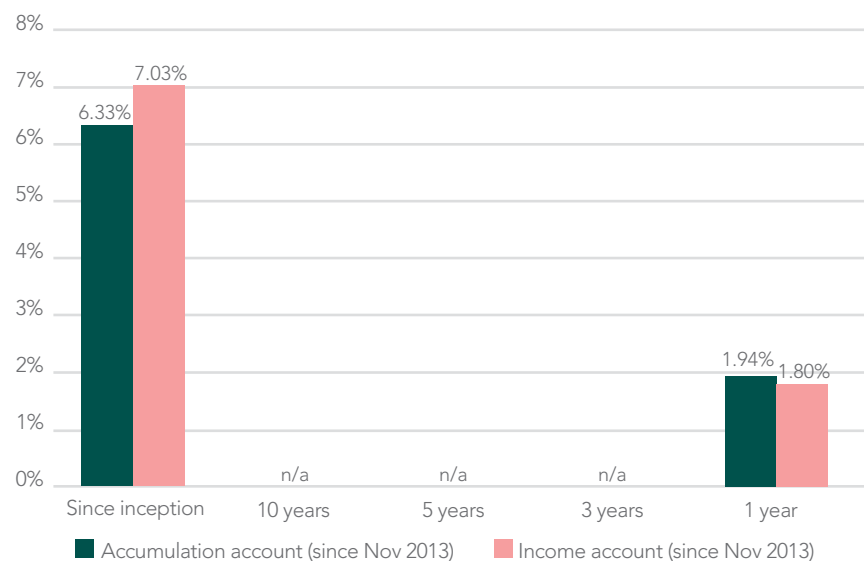
Expected frequency of negative return over 20 year period: Approximately three years in 20.

This option may be right for you if you seek:

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

Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

¹ From 1 July 2017 *Transition to retirement* accounts must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

INDEXED GROWTH

Asset allocation

Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	67%	50 – 80%
Australian shares	27.5%	15 – 40%
International shares	27.5%	15 – 40%
Listed property	6%	0 – 20%
Infrastructure	6%	0 – 20%
Growth alternatives	0%	0 – 10%
Defensive	33%	20 – 50%
Fixed interest yield	0%	0 – 15%
Defensive alternatives	0%	0 – 10%
Cash and Term Deposits	5%	0 – 20%
Fixed interest duration	28%	0 – 40%
Foreign currency exposure	20%	0 – 50%

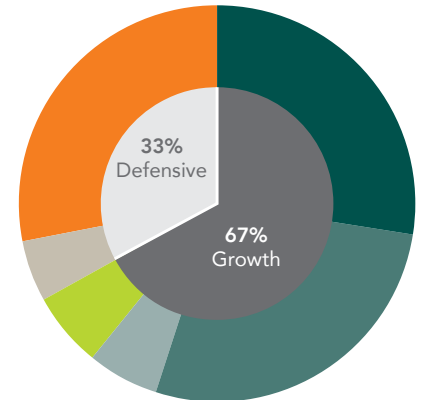
Indicative asset allocation and ranges

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

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

Availability:

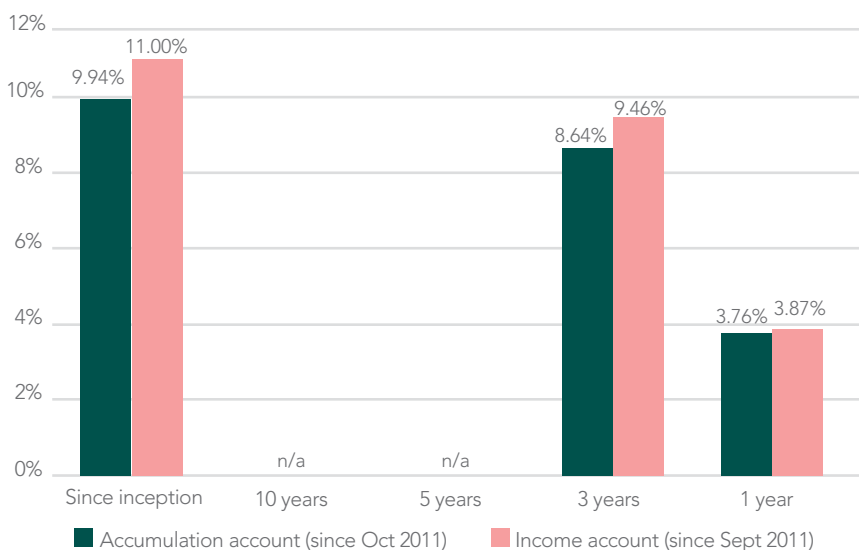
- ✓ **Accumulation account**
(including *Transition to retirement account* from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



↑ PRE-MIXED OPTIONS ↓

Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

Risk over each time horizon

5 years	High
10 years	Medium
20 years	Low

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

Minimum investment timeframe:

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

What type of investment is it?

Includes asset classes where a broad market index is available and investible. The option will aim to provide exposure to these asset classes through the use of passive indexing strategies. There are no investments in unlisted assets.

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

This option may be right for you if you seek:

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

RETIRE PLUS¹

Asset allocation

Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
Growth	63%	5 – 95%
Australian shares	26%	5 – 40%
International shares	13%	5 – 40%
Private equity	0%	0 – 7%
Infrastructure	22%	0 – 30%
Growth alternatives	2%	0 – 10%
Defensive	37%	5 – 95%
Fixed interest yield	4%	0 – 20%
Property	22%	0 – 30%
Defensive alternatives	0%	0 – 10%
Cash and Term Deposits	2%	0 – 10%
Fixed interest duration	9%	0 – 20%
Foreign currency exposure	15%	0 – 100%

Indicative asset allocation and ranges

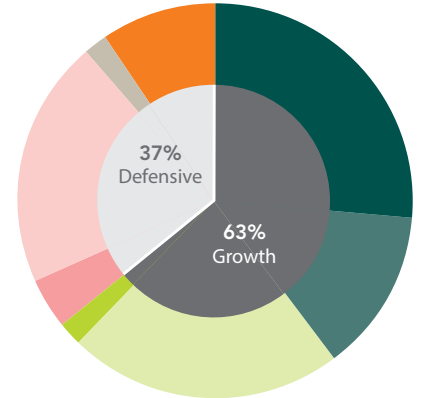
* The **strategic asset allocation** is indicative of the expected asset allocation during stable market environments.

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

Availability:

✗ Accumulation account

✓ Income account¹



Risk over each time horizon

5 years Medium

10 years Low to medium

20 years Low

Investment performance objective of new investment option is to achieve a net return: 4% above CPI over rolling 10 year periods.

Minimum investment timeframe:

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

What type of investment is it?

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

Expected frequency of negative return over 20 year period:

Approximately two years in 20.

This option may be right for you if you seek:

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

Recent effective rates of investment returns

Period ending 30 June 2016 % p.a.

This option will become available from 1 August 2017, therefore no performance history is available.

¹ This option will become available from 1 August 2017. It is not available for *Transition to retirement accounts*.

SHARES PLUS

Asset allocation

Long term target allocation

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

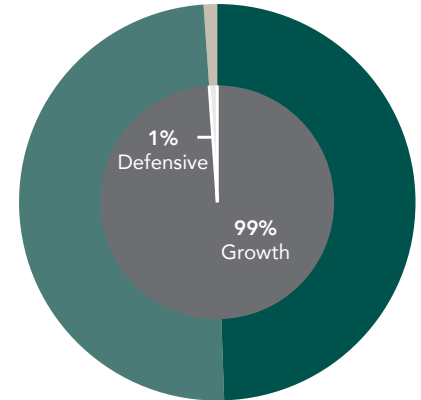
Indicative asset allocation and ranges

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

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

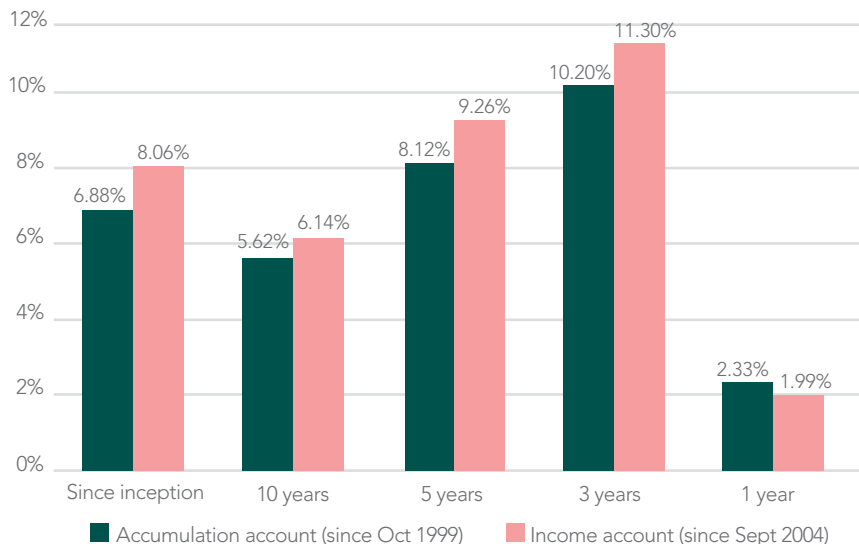
Availability:

- ✓ **Accumulation account**
(including *Transition to retirement account* from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

Risk over each time horizon

5 years	High
10 years	Medium
20 years	Low to medium
	*Low (for <i>Income account</i>)

Investment performance objective is to achieve a net return[¶]: 4.5% above CPI over rolling ten year periods.

Minimum investment timeframe:

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

What type of investment is it?

Invested predominantly in companies listed on Australian and major international stock exchanges, but with small exposures to other assets which offer potentially higher levels of return, but potentially high levels of variability in returns.

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

This option may be right for you if

you seek: To grow your super over the long term through exposure purely to equities. Returns are likely to be very volatile.

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

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

AUSTRALIAN SHARES

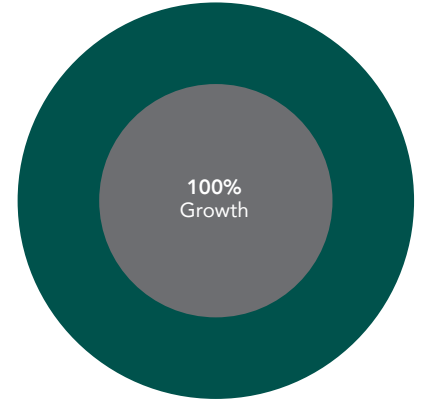
Asset allocation

Long term target allocation

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

Availability:

- ✓ **Accumulation account**
(including *Transition to retirement* account from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement* account to 30 June 2017)¹



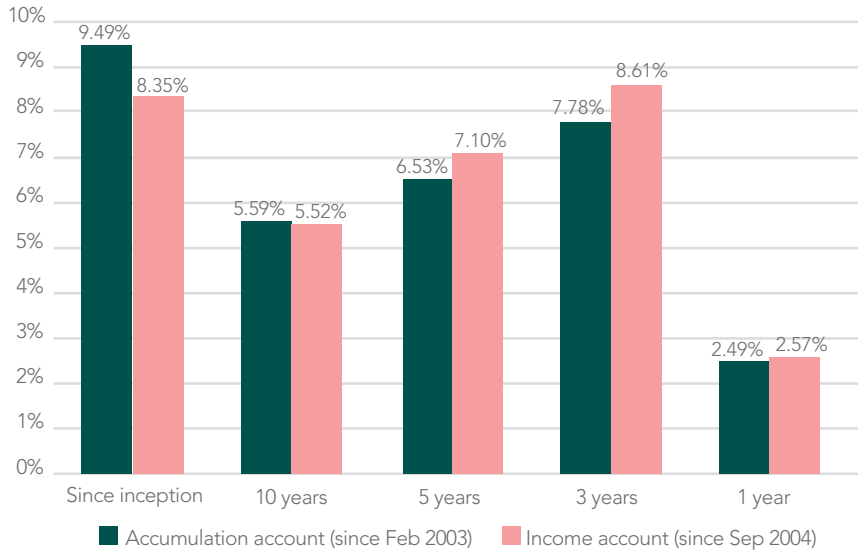
Indicative asset allocation and ranges

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

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

Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

Risk over each time horizon

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

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

Minimum investment timeframe:

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

What type of investment is it?

Predominantly invested in companies listed on the Australian Securities Exchange.

Expected frequency of negative return over 20 year period:

Approximately six years in 20.

This option may be right for you if you seek:

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

¹ From 1 July 2017 *Transition to retirement* accounts must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

INTERNATIONAL SHARES

Asset allocation

Long term target allocation

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

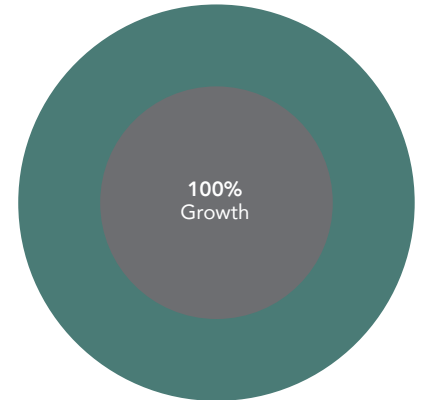
Indicative asset allocation and ranges

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

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

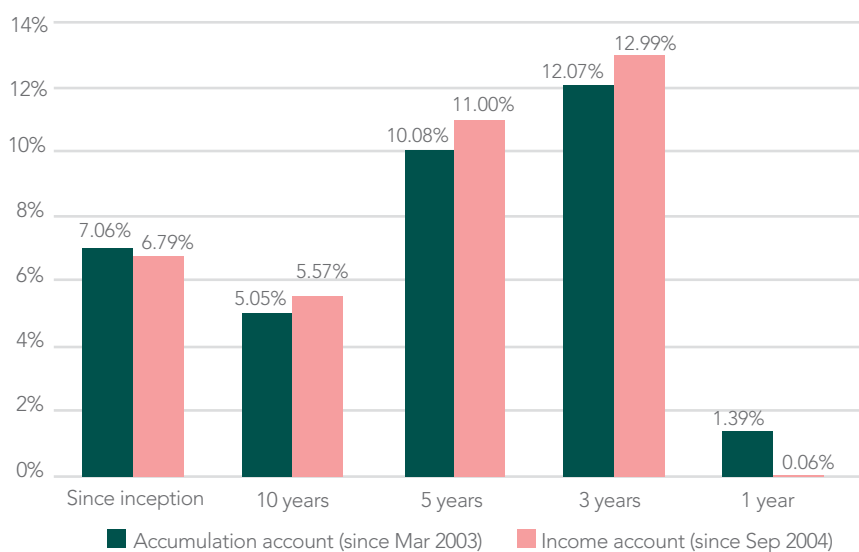
Availability:

- ✓ **Accumulation account**
(including *Transition to retirement account* from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

Risk over each time horizon

5 years	High
10 years	Medium
20 years	Low to medium

Investment performance objective is to achieve a net return[¶]: 1% above MSCI All Countries World Index (ACWI) in \$A (net dividends) over rolling ten year periods.

Minimum investment timeframe:

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

What type of investment is it?

Predominantly invested in companies listed on major international stock exchanges.

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

This option may be right for you if

you seek: To maximise long term investment returns through a diversified investment in overseas companies. Returns are likely to be very volatile and it is anticipated that members will invest in this option in combination with other Sector-specific options.

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

PROPERTY

Asset allocation

Long term target allocation

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

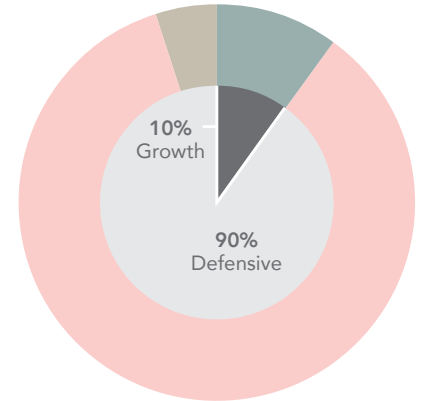
Indicative asset allocation and ranges

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

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

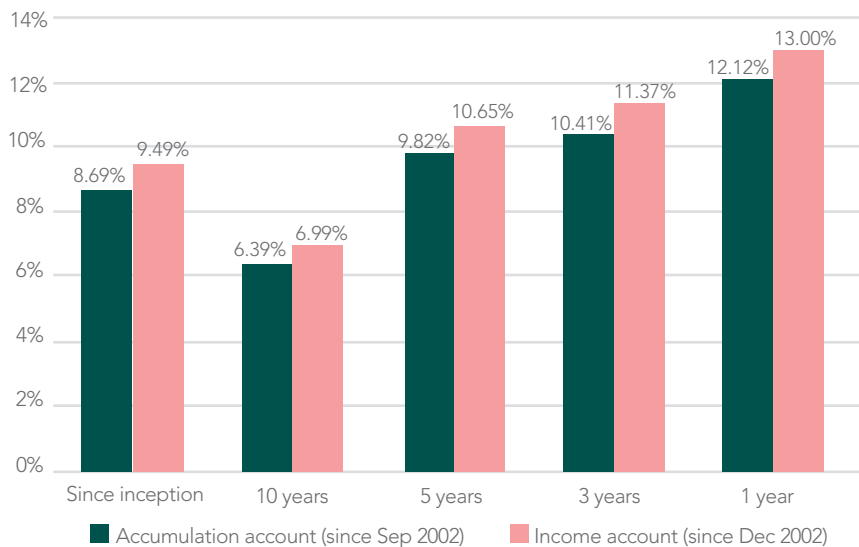
Availability:

- ✓ **Accumulation account**
(including *Transition to retirement account* from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

Risk over each time horizon

5 years	Medium to high
10 years	Medium
20 years	Low to medium
	*Low (for <i>Income accounts</i>)

Investment performance objective is to achieve a net return¹: 3.0% above CPI over rolling five year periods.

Minimum investment timeframe:

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

What type of investment is it?

Predominantly invested in Australian property, but with some international exposure. The listed property investments (which can be bought and sold on the share market) can be subject to equity-like returns and risk. The direct property funds are primarily focused on high quality property assets in the retail and industrial sectors, and will have a low correlation to share market returns.

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

This option may be right for you if you seek:

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

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

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

DIVERSIFIED BONDS

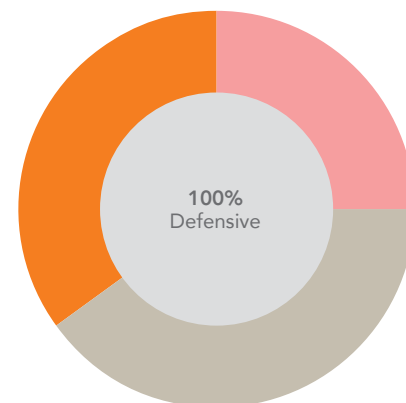
Availability:

- ✓ **Accumulation account**
(including *Transition to retirement account* from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹

Asset allocation

Long term target allocation

	Strategic asset allocation*	Dynamic allocation range†
■ Growth	0%	0 – 0%
■ Defensive	100%	100%
■ Fixed interest yield	25%	0 – 100%
■ Cash and Term Deposits	40%	0 – 100%
■ Fixed interest duration	35%	0 – 100%
■ Defensive alternatives	0%	0 – 45%
Foreign currency exposure	0%	0 – 25%



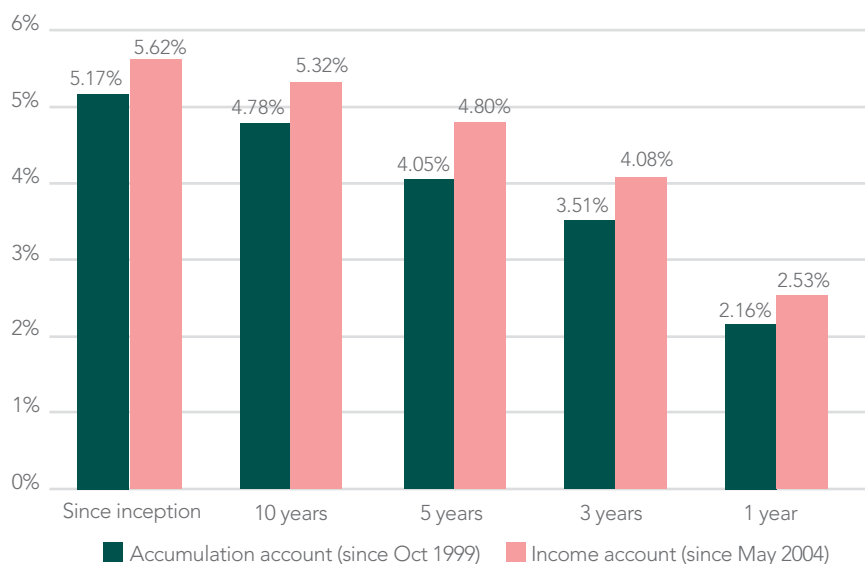
Indicative asset allocation and ranges

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

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

Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

Risk over each time horizon

5 years	Very low
10 years	Low to medium
20 years	High *Medium (for <i>Income accounts</i>)

Investment performance objective is to achieve a net return[¶]: 2.0% above CPI over rolling three year periods.

Minimum investment timeframe:

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

What type of investment is it?

An investment in cash and fixed interest investments, which include securities issued by both Australian and International governments and corporations.

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

This option may be right for you if you seek:

To achieve reasonable returns over short to medium time periods and with lower volatility than is typical of equity options. This is suitable if you have low risk tolerances or are seeking higher than cash returns and lower than equity volatility.

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

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

CASH AND TERM DEPOSITS

Asset allocation

Long term target allocation

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

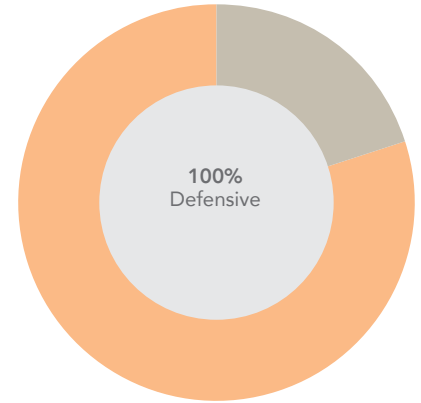
Indicative asset allocation and ranges

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

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

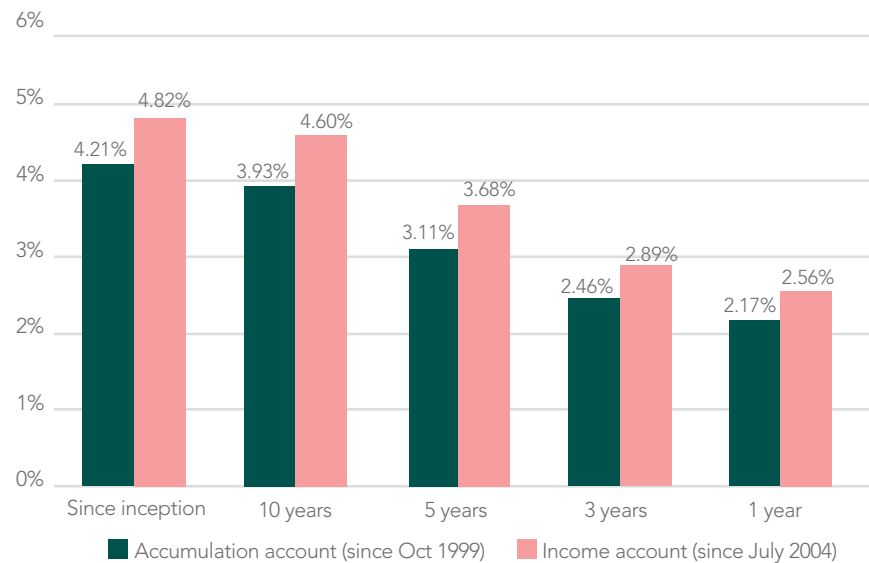
Availability:

- ✓ **Accumulation account**
(including *Transition to retirement account* from 1 July 2017)
- ✓ **Income account**
(including *Transition to retirement account* to 30 June 2017)¹



Recent effective rates of investment returns[§]

Period ending 30 June 2016 % p.a.



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

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

Risk over each time horizon

5 years	Very low
10 years	Low *Very low (for <i>Income accounts</i>)
20 years	Medium *Low (for <i>Income accounts</i>)

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

Minimum investment timeframe:

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

What type of investment is it?

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

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

This option may be right for you if

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

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

¹ From 1 July 2017 *Transition to retirement accounts* must be invested in an *Accumulation account* investment option where earnings are taxed at up to 15%.

Changing your investment options

You can make an investment choice at any time. If you decide not to make an investment choice, your super savings will automatically be invested in the default investment option:

- Diversified (MySuper) for the *Accumulation* and the *Transition to retirement account*⁷
- Moderate Growth option for the *Income account*

We believe these investment options best meets the long term needs of most of our members in these accounts, but it's impossible for one investment mix to be suitable for all members at all times.

If the default investment option doesn't meet your objectives or if your circumstances change, you should consider choosing a different investment option or mix of options.

You can make one free investment switch (to change the investment option(s) you're invested in) each financial year. Each additional switch in the same financial year costs \$30 and will be deducted from your account.

There is no charge if you change your investment options for future contributions into your *Accumulation account*.

If you request a switch, it will be processed using the unit price determined at the close of business on the last business day of the week in which the switch request was received. Your form must be completed and received by 5:00pm (AEST or AEDT) on the last business day of the week. If we receive your form after that, your switch will be processed using the unit price determined the following week, effective to the last business day of that week.

If you change your investment options for your future contributions, these will be invested in your new options from the week after your change request is processed.

You can change your pre-mixed and sector-specific investment options applying to your:

- account balance for both the *Accumulation, Transition to retirement and Income accounts*;
- future contributions and rollover amounts for your *Accumulation account*
- future income payments for your *Transition to retirement or Income accounts*.

You can make your investment changes, including a request to rebalance your account, through *Member Online* or if you prefer, you can download an *Investment switching form* for the *Accumulation account* or *Income account* available on the website at www.ngssuper.com.au/forms or call us on **1300 133 177** to request a copy.

Rebalancing your investment mix

If you have chosen a mix of investment options, the proportions will change over time as the different investment options grow at different rates.

We do not automatically rebalance your account balance back to your original chosen proportions. You can choose to allow the better performing option(s) to increase as a proportion of your total account balance or you can periodically review and switch your investment options to keep the proportions you originally selected.

Redirecting your future contributions

In the *Accumulation account*, you have the option of having one investment strategy for your account balance and a different investment strategy for your future contributions (including transfers in from other super funds). This means you can keep your existing account balance in your current investment option(s) and direct any future contributions into an entirely different investment option(s).

This can be a great way to increase the diversification of your investment portfolio as you can invest in any of the investment options available. There is no fee for redirecting future contributions.

⁷ The default investment option for the *Transition to retirement account* is currently Moderate Growth. From 1 July 2017, the default option for this account will become the Diversified (MySuper) option.

Socially Responsible Diversified option

The “Socially Responsible Diversified” option may be suitable as a core investment option for members to meet their future retirement goals, while also supporting positive change.

This option includes investments with companies that are ranked highly when considering their financial as well as environmental, social and governance (ESG) factors.

For many years, we have been committed to ethical practices and initiatives. This is an area that we take seriously, continuously striving to influence change in the areas of global sustainability, social and environmental responsibility.

One example is our investment in social benefit bonds (SBBs) which we have been actively investing in since 2013.

Our investments in SBBs are not donations, they are investments that generate a competitive financial return, while providing the Fund with the unique opportunity to make a lasting difference in the lives of people participating in the social benefits programs.

The government actively supports the development of SBBs in Australia with outcomes including an increase in the restoration of children in out-of-home care to care for their families by creating and supporting safe family environments and reducing the rate of incarceration, hospitalisation and emergency care for homeless people and people with mental illnesses, through the provision of additional support services.

This type of investment provides a 'win-win', because it provides:

1. social support services with a funding source
2. the government with a services savings
3. positive social outcomes, and
4. investors with attractive returns while supporting positive social outcomes.

Who manages our socially responsible investments?

For many, knowing that their super is invested according to socially responsible values is important. We offer members a socially responsible investment (SRI) option – *Socially Responsible Diversified*, that allows you to invest all or part of your super in a way that takes these values into consideration.

Our approach is that we appoint specialist investment managers to evaluate companies that demonstrate best-of-sector environmental, social and governance (ESG) practices. The managers select investments in companies based on various labour standards or environmental, social or ethical considerations determined by or approved by the Trustee from time to time. These considerations are taken into account in the selection, retention and realisation of Australian and international shares. The Trustee has absolute discretion to change the underlying managers and the socially responsible investment (SRI) considerations that are taken into account in the investment process.

The Trustee selects underlying investment managers for the Socially Responsible Diversified option who include ethical and sustainable criteria in their investment process, and as a minimum exclude companies in the coal, tobacco, controversial weapons and armaments industry. Beyond these exclusions the Trustee allows the underlying investment managers some flexibility to determine the manner in which SRI considerations are implemented or achieved. For example, the underlying investment managers usually exclude companies from consideration where their products or business practices have a negative impact on society, health or the environment.

Furthermore, the underlying investment managers are typically active in engaging with companies via direct meetings, proxy voting and letters to management to effect positive change where environmental, social or governance standards can be improved.

Calculation of risk labels

Calculating Standard Risk Measure and short term risk

Our methodology for calculating the SRM and short term risk of each option is as follows:

We calculate the forward-looking return distribution of each option. From this distribution, we then calculate the probability of a negative return over one year and then multiply this probability by 20 to obtain the likelihood of a negative return over 20 years.

Each option is then assigned a risk band according to the following table:

Number of expected negative returns over any 20-year period	Short-term risk level
Less than 0.5	Very low
0.5 to less than 1	Low
1 to less than 2	Low to medium
2 to less than 3	Medium
3 to less than 4	Medium to high
4 to less than 6	High
6 or greater	Very high

Calculating medium term risk

Over a ten-year period (medium term), both volatility and inflation can pose risks to your portfolio. While you have more time to recover from a market fall, negative returns can still significantly impact your balance, as you're unlikely to have a full business cycle to recover. At the same time, over a ten year period, inflation starts to have an impact on your balance, and you may need to choose an option that will grow above inflation.

The medium term risk band of each option is a combination of the short term risk measure (SRM from above) and the long term risk measure (probability of exceeding inflation) below. The rating for each measure is combined together to arrive at a rating for each option.

Calculating long term risk

Over a 20 year period (long term), each option's probability of underperforming inflation is calculated and the following categories applied:

Probability of not exceeding inflation	Long term risk level
Less than 10%	Low
10% to 18%	Low to medium
18% to 27%	Medium
27% to 35%	Medium to high
35%+	High

NGS Super's investment policy

The following principles apply for the investment objective and strategy for each of our investment options:

- we employ professional investment consultants and external investment managers to assist us with selecting and managing our investments
- we ensure sufficient liquidity is maintained in order to meet our requirements for expected cash-flow
- we ensure investment risk is limited by diversifying our investments – both by investing in different asset classes and by diversifying within the asset classes we select, and between the different investment managers we employ
- our Trustee Directors regularly review the performance of each investment manager with the assistance of our asset consultant and custodian.

Investment returns

You can find up-to-date monthly investment returns for each investment option in the Investment section of the NGS Super website at www.ngsuper.com.au.

How your account is invested

The money in your *Accumulation*, *Transition to retirement* or *Income* account, is invested either in our default investment options (if you haven't made an active choice) or according to your chosen investment option(s). While money is held in your account we deduct member fees, insurance premiums (if you have insurance cover) and any taxes required by the government.

In the *Accumulation* account, when we receive a contribution for you, we allocate units of your chosen investment option(s) to your account at the current unit price.

In the *Income* and the *Transition to retirement* accounts, we deduct units from your account from your drawdown investment option(s) when we pay your income payments, at the current unit price.

Over time, and taking into account any contributions and withdrawals you make from your account, your account balance will rise or fall according to the performance of the investment options which you invested in and the income payments drawn from it.

Units and unit prices

How do units work?

Your account is valued by multiplying the number of units allocated from each investment option by their unit prices and then adding (if applicable) your NGS Self-Managed account holding.

How this works: the assets of each pre-mixed and sector-specific investment option is divided into units of equal value. Every dollar you invest 'buys' units in your chosen investment option(s) and if you receive a payment (generally for *Income* account members), you 'sell' units in your chosen investment option(s). Unit prices are generally the current ones at the time your transaction occurs. Please note that we can only allocate units when we receive all the information needed to make the investment.

The value of units in each investment option and the unit prices change with the value of the underlying assets in each option.

How are unit prices calculated?

Unit price calculation generally takes place on a weekly basis and is a two-step process:

- First, we calculate the value of the underlying assets of the investment option and take away the value of the liabilities we attribute to that option.
- Then we divide this value by the number of units we have on issue in the option to provide a per unit price.

When a withdrawal or income payment is processed from your account, the unit price applicable on the day the payment is processed will apply.

To find current unit prices, please visit the NGS Super website at www.ngssuper.com.au/investments.

In certain circumstances, for instance if investment markets become volatile, we may temporarily suspend unit pricing. This means that any transactions, including switches, will be suspended until we are satisfied that a fair unit price can be determined. Requests for transactions received during a period where unit prices are suspended will be processed once unit pricing resumes, and will generally use the unit price applicable on the date the transaction is processed.

This process is consistent with general industry practice and is only undertaken during periods of extreme market volatility.

How can unit prices go down?

Your account is different from a bank account. Excluding the Cash and Term Deposits option, your account is invested in financial markets and receives the returns (positive or negative) generated by those markets. Markets are cyclical and often experience volatility and so short-term rises and falls in your balance are inevitable when your investments are market-linked.

This also means that unit prices will rise and fall on a regular basis even if the long-term performance trend is upwards. Remember, super is a long-term investment and short-term performance doesn't always give you a complete picture of long-term performance. Unless you are retiring in the near future, three and five year returns are more relevant than returns for shorter periods.

While defensive investments are usually expected to provide consistent positive returns, these returns are likely to be relatively low. Over the longer term, market-linked investments such as shares and property are likely to provide higher returns.

You can find weekly unit prices for each of the pre-mixed and sector-specific investment options on our website at www.ngssuper.com.au/investments.

Environmental, social and governance issues

Environmental, social and governance (ESG) issues are important considerations in our investment process as they can impact the future value and performance of the assets in our portfolios.

There are no universally accepted definitions of ESG and the term is interpreted broadly. We consider ESG issues to be non-financial risks and opportunities that can affect the long-term value of investments.

Our dedicated investments team pro-actively identifies ESG issues and engages with various stakeholders to influence outcomes that are in the best interests of our members. We approach ESG issues in terms of relevance and materiality. Consideration of these issues is used as a framework to avoid risk, including reputational risk, and to identify opportunities.

Our ESG due diligence requires that investments should not cause environmental damage, breach human rights, be liable of gross corruption or be culpable of other violations of fundamental ethical norms. Governance risks are considered in terms of shareholder rights, board composition, director skills and alignment of performance with remuneration.

United Nations Principles for Responsible Investment (UNPRI)

We are a signatory to the United Nations Principles for Responsible Investment (UNPRI). The UNPRI recognises that environmental, social and corporate governance (ESG) issues can impact on the performance of investment portfolios across companies, sectors, regions, and asset classes over time. The Principles promote sustainable investment and provide an important framework for institutional investors to consider the impact of these issues in their investment decisions. We are committed to sustainable investment practices which have regard to these high-level Principles.

More information?

If you are thinking about choosing or changing investment options, you should consider obtaining professional advice to understand how this works for your personal situation. NGS Super offers a financial planning service. To make an appointment or to speak with a planner, call **1300 133 177**.

We also have representatives who can provide you with general advice and explain the options available through the NGS Income Stream.

www.ngssuper.com.au
1300 133 177

Contact us

Our website is your one-stop shop for information about NGS Super.

You can also contact us at www.ngssuper.com.au/contact-us or call our Customer Service Team on **1300 133 177** between 8.00am and 8.00pm (AEST or AEDT), Monday to Friday.

Important information

You should consider all the information contained in the Product Disclosure Statement dated 1 June 2017 and incorporated fact sheets before making a decision about investing in NGS Super.

The information provided in this fact sheet 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.

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