

2009/10

ANNUAL REPORT

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your request and email details to
nsf@psigroup.com.au



your fund at a glance

The Nationwide Superannuation Fund (NSF) was established in April 1987 and is a multi-industry superannuation fund (that is, run only for the benefit of members) providing exceptional service to members. NSF is committed to keeping fees low, providing simple to understand super and providing members with value-added products and services that they can take advantage of today whilst their super grows for the future.

NSF has earned a reputation for exceptional service, which has attracted members from all over Australia from a diverse range of industrial, manufacturing, retail, service and professional industries. NSF's commitment to helping members maximise their superannuation entitlements remains unchanged.

At 30 June 2010, NSF declared the following rates of return*:

■ NSF Cash	3.37% p.a.
■ NSF Prudent	10.77% p.a.
■ NSF SRI/Ethical	16.53% p.a.
■ NSF Diversified (Core option)	11.29% p.a.
■ NSF High Growth	13.32% p.a.

* Past performance is no indication of future performance.





chairman's report

Welcome to the 2009/10 Nationwide Superannuation Fund (NSF) Annual Report.

The year again proved challenging. However, with the commitment shown by the Trustee Board, NSF has performed well for the benefit of all members.

NSF Keeping On Track To Benefit Members

It can be easy during times of uncertainty to make decisions for the short-term, ignoring the possible long-term implications. Your NSF Trustee has ensured that during these times, our long-term focus has not been lost. For information on how investment markets performed during the last 12 months, please see page 8, "Market Update". The Trustee is confident that NSF is well-placed for the future to ensure we maximise member benefits.

Personal Service You Can Rely On

In a time where organisations are moving away from providing the personal service so many of us seek, I am pleased to inform all members that NSF's focus on providing exceptional personal service has not and will not change.

Our Client Services team take great pride in providing members with the assistance they need. Member enquiries are answered by a real person – every time. Notwithstanding this, we continue to advance new technology and during the year launched our new website. Going forward, we will continue to develop the ways we communicate with you, to help you make the most of your superannuation and receive the service you deserve.

Maximising Your Superannuation Through NSF

NSF provides assistance to members in a number of ways to help you maximise your superannuation. We continue to help members take advantage of the Federal Government Co-Contribution Scheme and find any superannuation you may have lost track of with other providers.

Additionally, members aged 60 years and over who are retired and wish to receive their superannuation in convenient, regular, tax-free payments can do so through our Regular Payment Plan.

Going forward, NSF will be introducing more ways to help you maximise your superannuation.

NSF Provides Other Super Benefits

While superannuation is a long-term investment, NSF is pleased to offer other value-added products and services for members to take advantage of today whilst their superannuation grows for the future. Members are able to take advantage of discounted financial services through ME Bank and discounted health insurance through nib.

We will continue to look for other ways you can benefit from your NSF membership and will tell you about these in future editions of the NSF Member Newsletter.

Thank You For Your Membership

I would like to thank you for your continued membership. The NSF team look forward to being of service to you in the future. I would also like to thank my fellow Trustee Board Members for their outstanding commitment and assistance in helping our members reach their retirement goals.

Here To Answer All Your Questions

If you have any questions regarding your annual member statement, this annual report, or your entitlements in NSF, please contact us on 1800 025 241, or by viewing information on, or sending us a message through the website at www.nsfsuper.com.au

Owen Kilpatrick

Chairman of NSF Nominees Pty Limited
(ABN 29 053 228 667 • AFSL 253129)
Trustee of the Nationwide Superannuation Fund
(ABN 15 201 768 813)

market update

Background

The 2009/10 financial year was one of economic recovery and rebuilding following the devastating impact of the Global Financial Crisis (GFC) around the world.

The second half of 2009 saw economic growth turn negative in most major economies. Despite stimulus spending by governments, world economic growth contracted sharply. Australia was spared much of the economic hardship, thanks to its relative fiscal strength and effective action by the Reserve Bank and Federal Government. Our economy slowed but avoided a recession.

The last decade has proven a tough one for investors, with 10 year returns for balanced funds averaging only low single digit returns per year. Investment markets are expected to fluctuate in the short term, but provide opportunities to create wealth in the longer term. Members should take this into account when determining which investment options to invest in.

The Economic Recovery

As a result of the massive government stimulus spending, many European countries and the US now have excessive levels of debt, and the resulting downgrades and sovereign debt issues could lead to the possible bankruptcy of some countries.

Countries with unsustainable levels of debt have been identified as the PIIGS (namely Portugal, Ireland, Italy, Greece and Spain). Greece required a financial bail-out by the European Union (EU) and the International Monetary Fund, while many other European countries have put in place austerity measures designed to cut deficits and raise revenues.

China faced a sudden economic slowdown as a result of the GFC and also had to provide massive stimulus to its economy. Australia, as supplier of commodities such as iron ore and coal, benefited greatly from China's spending and this, together with the stimulus spending and interest rate cuts, helped Australia to again be called "the lucky country".

Equity markets began their recovery in March 2009 and continued to soar until October 2009, gaining over 56% in that time.

The market then faltered and the Australian All Ordinaries Index fell away at the end of the financial year to post a return of 9.5% for the year. International equity markets followed a similar pattern, but the volatile (generally strengthening) Australian Dollar meant currency hedging played an important role for International share returns in 2009/10.

Looking Ahead

The global economic outlook for 2010/11 remains uncertain and clouded as the US faces persistent high unemployment, unsustainable levels of government debt and doubts about the level of economic growth that is achievable.

The GFC has highlighted that the EU's failure to address ongoing highly divergent individual member country fiscal positions has threatened its very existence. The highly indebted countries now face a prolonged period of low growth or recession and enforced fiscal austerity. The present governance of the EU requires major changes that will require agreement by EU member countries.

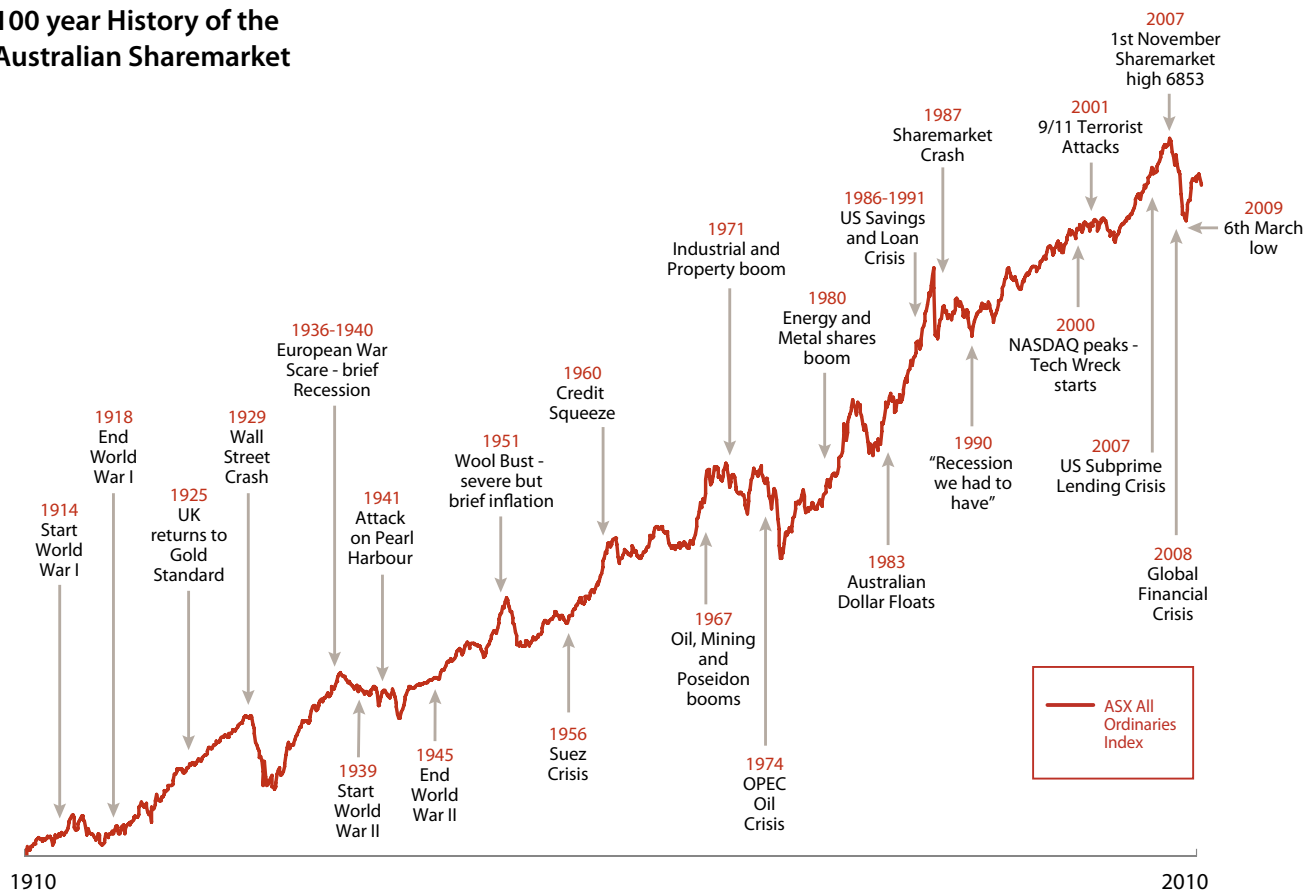
China faces its own problems with slightly lower growth rates projected than previously and the prospect of lower US and European demand for its exports.

Emerging markets, like China and India, with their growing demand for raw materials (especially coal, iron ore and energy) and high levels of economic growth, will continue to have a major impact on the ongoing growth and prosperity of Australia. Australia's terms of trade continue to rise, boosting its national income and keeping pressure on its labour market and domestic interest rates – in contrast to so many other struggling indebted developed nations. With a strong pipeline of development projects, Australia's economy remains in excellent shape with low unemployment, contained inflation and strong economic growth.

Your NSF Trustee will continue to closely monitor global events and remain firmly committed to assisting members to meet their retirement goals through prudent investment management. If you would like further information regarding market commentary, please visit www.nsfsuper.com.au

Australian sharemarket history can also be of assistance in putting returns into perspective. History shows that downturns are a normal event in the economic cycle and that the market will inevitably bounce back.

100 year History of the Australian Sharemarket



Data Source: ASX All Ordinaries Monthly Average from July 1910 to June 2010, www.wrenresearch.com.au
Past performance is no indication of future performance.



results for the year

NSF Cash Option – Benchmark – annual rate of inflation¹

Year	NSF Return (% pa)	5yr Avg. Return	Annual Inflation Rate	Target Benchmark Return	Excess Return Over Target Benchmark
2004	3.52	N/A ²	2.48	2.48	1.04
2005	3.54	N/A ²	2.49	2.49	1.05
2006	4.36	N/A ²	3.98	3.98	0.38
2007	5.04	N/A ²	2.07	2.07	2.97
2008	5.88	4.46	4.51	4.51	1.37
2009	4.23	4.61	1.46	1.46	2.77
2010	3.37	4.57	3.05	3.05	0.32
Option commenced 1 July 2003					

NSF Compound Annual Average Rate of Interest to 30 June 2010 calculated for the life of the NSF Cash option was 4.27%

NSF Prudent Option – Benchmark – 2% in excess of average rate of inflation over a 5 year period¹

Year	NSF Return (% pa)	5yr Avg. Return	5yr Avg. Inflation	Target Benchmark Return	Excess Return Over Target Benchmark
2004	7.83	N/A ²	3.44	5.44	N/A ²
2005	7.26	N/A ²	3.29	5.29	N/A ²
2006	10.19	N/A ²	2.89	4.89	N/A ²
2007	10.33	N/A ²	2.74	4.74	N/A ²
2008	-9.50	4.94	3.10	5.10	-0.16
2009	-9.88	1.24	2.89	4.89	-3.65
2010	10.77	1.89	3.01	5.01	-3.12
Option commenced 1 July 2003					

NSF Compound Annual Average Rate of Interest to 30 June 2010 calculated for the life of the NSF Prudent option was 3.48%

NSF SRI/Ethical Option – Benchmark – 3% in excess of the average rate of inflation over a 7 year period¹

Year	NSF Return (% pa)	7yr Avg. Return	7yr Avg. Inflation	Target Benchmark Return	Excess Return Over Target Benchmark
2005	4.22 [#]	N/A ²	2.96	5.96	N/A ²
2006	16.75	N/A ²	3.38	6.38	N/A ²
2007	20.43	N/A ²	3.22	6.22	N/A ²
2008	-14.66	N/A ²	3.00	6.00	N/A ²
2009	-14.88	N/A ²	2.80	5.80	N/A ²
2010	16.53	N/A ²	2.86	5.86	N/A ²
# 01/05/05 to 30/06/05 - Option commenced 1 May 2005					

NSF Compound Annual Average Rate of Interest to 30 June 2010 calculated for the life of the NSF SRI/Ethical option was 6.89%

With investment choices available - have your super invested the way you want!

NSF Diversified Option (Core option) – Benchmark – 3% in excess of the average rate of inflation over a 7 year period¹

Year	NSF Return (% pa)	7yr Avg. Return	7yr Avg. Inflation	Target Benchmark Return	Excess Return Over Target Benchmark
1988	15.00				
1989	15.30				
1990	13.82				
1991	13.73				
1992	10.59				
1993	13.86				
1994	2.37	12.01	4.34	7.34	4.67
1995	3.71	10.37	3.97	6.97	3.40
1996	11.27	9.81	3.34	6.34	3.47
1997	17.91	10.37	2.30	5.30	5.07
1998	10.52	9.92	1.91	4.91	5.01
1999	11.40	10.03	1.89	4.89	5.14
2000	16.51	10.39	2.08	5.08	5.31
2001	2.76	10.45	2.68	5.68	4.79
2002	-2.91	9.42	2.44	5.44	3.98
2003	-1.03	7.60	2.39	5.39	2.21
2004	14.23	7.12	2.70	5.70	1.42
2005	11.35	7.23	2.96	5.96	1.27
2006	14.43	7.64	3.38	6.38	1.26
2007	16.77	7.68	3.22	6.22	1.46
2008	-14.35	4.91	3.00	6.00	-1.09
2009	-13.41	3.21	2.80	5.80	-2.59
2010	11.29	4.95	2.86	5.86	-0.91

NSF Compound Annual Average Rate of Interest to 30 June 2010 calculated for the life of the NSF Diversified option was 8.09%

NSF High Growth Option – Benchmark - 4% in excess of the average rate of inflation over a 7 year period¹

Year	NSF Return (% pa)	7yr Avg. Return	7yr Avg. Inflation	Target Benchmark Return	Excess Return Over Target Benchmark
2004	18.28	N/A ²	2.70	6.70	N/A ²
2005	11.48	N/A ²	2.96	6.96	N/A ²
2006	21.63	N/A ²	3.38	7.38	N/A ²
2007	17.47	N/A ²	3.22	7.22	N/A ²
2008	-15.56	N/A ²	3.00	7.00	N/A ²
2009	-15.44	N/A ²	2.80	6.80	N/A ²
2010	13.32	6.21	2.86	6.86	-0.65

Option commenced 1 July 2003

NSF Compound Annual Average Rate of Interest to 30 June 2010 calculated for the life of the NSF High Growth option was 6.21%

1 Rate of Inflation measured by the Consumer Price Index for Australia.
2 As these Member Investment Choice options were introduced from 1 July 2003 onwards, performance history is limited/unavailable.
Refer to page 16 for Investment Objectives and Strategies for all investment options.

NSF's investment objectives have been met by:

- a) Ensuring sufficient investment diversification across a wide range of assets, as shown on page 20, for each investment option;
- b) As at 30 June 2010 more than 75% of NSF's assets were held in assets that were capable of being redeemed for Cash within 30 days; and
- c) Achieving investment returns for each investment option according to the timeframes shown in the 'Results for the Year' tables – commencing on page 12. The exception is noted for the NSF Prudent, NSF Diversified and NSF High Growth options.

The NSF Cash option exceeded its benchmark by 0.32% for the year ended 30 June 2010.

The objective for the NSF Prudent, NSF Diversified and NSF High Growth options relating to excess return was not achieved during 2009/10 due to the impact of the Global Financial Crisis that followed the near collapse of the world's banking system in late 2008.

The NSF SRI/Ethical option has not yet been available for the timeframe which will allow measurement of its return compared to its benchmark for the year ended 30 June 2010.

Interim Rate of Interest

Interest is applied to your account annually at a net rate determined once the annual audit of NSF is completed. This rate of interest is set having regard to the actual rate of earnings of NSF net of any investment management fees and other NSF expenses. (Refer to page 25 for details.)

The audit is generally completed in October of the next financial year. Should you withdraw or transfer any of your benefit prior to the completion of the audit, an interim rate of interest will be applied to your benefit, as determined by the Trustee on a regular basis. The interim rate of interest may be less than the final audited rate of interest.

Please remember that past performance is no indication of future performance.

investment objectives and strategies



There are a number of Member Investment Choice options available to members: NSF Cash, NSF Prudent, NSF SRI/Ethical, NSF Diversified and NSF High Growth. The NSF Diversified option is the Core option.

Unless an investment choice has been made by the member, individual member benefits will remain in the NSF Diversified (Core) option.

To obtain more information and to make an investment choice, please obtain a “Member Investment Choice - Information and Application” form by contacting NSF on 1800 025 241 or by visiting www.nsfsuper.com.au

Objectives

The Trustee has developed the following overall investment objectives for NSF:

- a) To provide sufficient investment diversification by investing across a wide range of asset types;
- b) To at all times retain sufficient liquidity within NSF to meet immediate liabilities; and
- c) To invest 75% of NSF’s assets in assets that are capable of being redeemed for Cash within 30 days.

In addition, the Trustee has developed the following specific objectives for each of the Member Investment Choice options:

NSF Cash: (Low Risk*)	Aims to produce an investment return of at least the annual rate of inflation for the current year (measured by the Consumer Price Index for Australia as at 30 June).
NSF Prudent: (Low to Moderate Risk*)	Aims to produce an investment return of at least 2% in excess of the average rate of inflation (measured by the Consumer Price Index for Australia) over a 5 year period (as at 30 June).
NSF SRI/ Ethical: (Moderate Risk*)	<p>Aims to produce an investment return of at least 3% in excess of the average rate of inflation (measured by the Consumer Price Index for Australia) over a 7 year period (as at 30 June).</p> <p>This option provides investment in funds which are designated as Socially Responsible Investments (SRI)/Ethical Investments by the relevant fund managers and are, furthermore, considered by NSF to be suitable for inclusion in an SRI/Ethical investment option.</p>

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NSF Diversified: (Core option) (Moderate Risk*) Aims to produce an investment return of at least 3% in excess of the average rate of inflation (measured by the Consumer Price Index for Australia) over a 7 year period (as at 30 June).

This option provides investment diversification by investing across a wide range of asset types, namely Australian and International Shares, Property, Fixed Interest, Infrastructure and Alternative Investments and Cash.

NSF High Growth: (High Risk*) Aims to produce an investment return of at least 4% in excess of the average rate of inflation (measured by the Consumer Price Index for Australia) over a 7 year period (as at 30 June).

Suggested Investment Timeframes

NSF Cash:	Less than 1 year
NSF Prudent:	2 to 5 years
NSF SRI/Ethical:	At least 5 years
NSF Diversified (Core option):	At least 5 years
NSF High Growth:	At least 8 years

**Historically, growth assets such as shares and property carry a higher level of investment risk over shorter periods, with the possibility of higher returns over the longer term. Returns may be negative in some years. Defensive assets such as bonds, cash and deposits have a lower investment risk, but usually offer lower returns in the long term.*

The Trustee recognises that members of NSF have different retirement goals and therefore not everyone will want to have the same type of investment with the same level of volatility or risk and return. You are encouraged to seek independent professional advice if you are unsure about your risk profile or any other investment issue.

Please note, as with all investments, past performance is no indication of future performance.

Strategies

Investment Options	Asset Classes	Option Benchmarks
NSF Cash:	Cash	100%
NSF Prudent:	Australian Shares	15%
	International Shares	10%
	Property	15%
	Total Growth Assets	40%
	Diversified Fixed Interest	30%
	Cash	30%
	Total Defensive Assets	60%
NSF SRI/Ethical:	Australian Shares	35%
	International Shares	25%
	Property	10%
	Total Growth Assets	70%
	Diversified Fixed Interest	15%
	Infrastructure & Alternative Investments	5%
	Cash	10%
	Total Defensive Assets	30%
NSF Diversified: (Core option)	Australian Shares	35%
	International Shares	25%
	Property	10%
	Total Growth Assets	70%
	Diversified Fixed Interest	15%
	Infrastructure & Alternative Investments	10%
	Cash	5%
	Total Defensive Assets	30%
NSF High Growth*:	Australian Shares	60%
	International Shares	40%
	Total Growth Assets	100%

** Note: Some Investment Managers will hold cash at certain times. Please refer to page 22 for details on Investment Managers.*

The Trustee will monitor the performance of the current Investment Managers on an ongoing basis and implement changes to the strategy, as it deems appropriate.

The following table indicates the asset allocation for all Member Investment Choice options as at 30 June 2010.

Asset Class	Allocation (%)	Amount (\$'000)	Allocation (%)	Amount (\$'000)
	30 June 2010		30 June 2009	
NSF Cash				
Cash & Deposits	100	4,733.0	100	5,755.8
	100	4,733.0	100	5,755.8
NSF Prudent				
Australian Shares	15	112.1	20	133.5
International Shares	9	69.2	10	63.6
Property	15	107.9	10	64.7
Diversified Fixed Interest	31	223.6	30	195.8
Cash & Deposits	30	222.3	30	192.5
	100	735.1	100	650.1
NSF SRI/Ethical				
Australian Shares	31	221.8	34	158.8
International Shares	28	199.1	26	122.3
Property	10	69.3	10	46.4
Diversified Fixed Interest	16	107.8	15	70.2
Infrastructure & Alternative Investments	5	35.7	0	0
Cash & Deposits	10	71.4	15	68.8
	100	705.1	100	466.5
NSF Diversified (Core option)				
Australian Shares	41	151,882.0	39	123,830.3
International Shares	24	91,134.7	30	95,509.9
Property	2	8,942.8	2	6,954.3
Diversified Fixed Interest	16	58,339.6	16	51,813.2
Infrastructure & Alternative Investments	8	31,522.3	5	15,215.1
Cash & Deposits	9	32,149.7	8	25,420.3
	100	373,971.1	100	318,743.1
NSF High Growth				
Australian Shares	62	2,093.7	61	1,787.9
International Shares	38	1,292.7	39	1,135.0
	100	3,386.4	100	2,922.9

Close to retirement?
Call NSF about our
Regular Payment Plan
to help maximise
your savings.

Access your account
details, at any
time, via our secure
member access at
www.nsfsuper.com.au

investment managers

The Trustee invests the majority of assets of NSF in collective investment vehicles (such as Unit Trusts and Pooled Superannuation Trusts) managed by professional Investment Managers. Investments held by NSF as at 30 June 2010 were:

Investment	Value (\$)	%
Australian Shares		
Ausbil Australian Active Equity Fund	33,621,915	8.77
Integrity Australian Share Fund	24,148,072	6.30
Perennial Value Australian Shares Trust	32,881,533	8.57
Perpetual Wholesale Australian Fund	29,363,972	7.66
Perpetual Wholesale Ethical SRI Fund	14,132,324	3.68
Vanguard Australian Shares Index Fund	6,500,424	1.69
Bennelong Ex-20 Australian Equities Fund	6,601,504	1.72
International Shares		
GVI Global Industrial Share Fund	15,160,199	3.95
Hunter Hall Value Growth Trust	23,533,256	6.14
Platinum Asia Fund	27,903,196	7.28
Platinum International Fund	22,394,045	5.84
Schroder Global Active Value Fund	10,765,003	2.81
Infrastructure & Alternative Investments		
Vanguard Global Infrastructure Fund	8,157,681	2.13
Vanguard Global Infrastructure Fund (Hedged)	8,613,482	2.25
RARE Infrastructure Value Fund	10,206,173	2.66
Property & Interest Bearing Funds		
High Income Portfolio (managed by Ord Minnett and Structured Credit)	45,692,933	11.91
Super Members Loans Trust	615,191	0.16
Pimco Diversified Fixed Interest Trust	11,481,771	2.99
Perennial Global Property Securities Trust	9,119,926	2.38
Domaine Hunter Fund	2,354,474	0.61

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Investment	Value (\$)	%
Property & Interest Bearing Funds (continued)		
Domaine Diversified Property Fund	2,226,189	0.58
BankWest Term Deposits	15,941,909	4.16
ANZ Term Deposit	4,069,362	1.06
St. George Term Deposits	8,788,579	2.29
National Australia Bank Operating Accounts	8,376,535	2.18
Ord Minnett Cash Management Account	881,063	0.23
Total	383,530,711	100.00

Policy on Derivatives

NSF does not directly invest in derivative securities such as options, futures or swaps. However, Investment Managers may use derivatives to manage the risk and liquidity of their portfolios.

NSF's independence means that we only invest for the benefit of our members.



fees and charges

NSF is committed to keeping fees and charges low.

NSF is committed to keeping fees as low as possible to assist in maximising member savings. NSF only charges fees to help maintain the services provided to members. Some of the key points to note regarding NSF's fees and charges are:

- No Entry Fee
- No Transfer Fee
- No Contribution Fee
- No Exit Fee

Also NSF protects small account balances from being eroded by administration charges.

NSF complies with government legislation that limits the amount of fees and charges that can be applied to certain small superannuation account balances. If a member's account balance at the end of a reporting period (30 June each year or at your date of exit from NSF) is less than \$1,000 (and includes compulsory employer superannuation contributions), member protection is applied to limit the total fees (excluding taxes and insurance premiums) applied to your account during the period. The legislation prevents the amount of direct administration fees deducted in the reporting period from exceeding the investment returns applied in the period plus \$10.

Any fees that cannot be recouped from lost member accounts or small accounts are deducted from the earnings rate. For the individual, the amount of fees offset against earnings cannot exceed the amount held in the member's lost or small account balance.

Please refer to the NSF Product Disclosure Statement (PDS) for full details on NSF's fees and charges.



insurance

NSF provides members with access to value-for-money insurances. With premiums deducted directly from your superannuation account, you can reduce the financial burden on yourself and your loved ones in the case of an unfortunate event occurring. Please contact us on 1800 025 241 or visit the NSF website at www.nsfsuper.com.au for further information on insurance.

Employer Sponsored Division (i.e. your employer pays super into your NSF account)

You will be automatically allocated 1 unit of Death and Total and Permanent Disablement (TPD) insurance upon joining NSF. Please contact us if you do not require insurance cover.

You may elect up to 2 units of insurance cover without being required to provide a health declaration (a Member Application form must be received by NSF within 60 days of commencement of your employment with a participating employer). Alternatively, you will be required to complete a personal statement and provide evidence of your health to the Insurer.

You have the ability to apply for Death and Total and Permanent Disablement (TPD) or Death Only cover, up to a maximum level of units depending upon your age, without having to undergo assessment by the Insurer (a short Personal Health Statement is required). For cover requested above these levels a full Personal Statement will need to be completed.

Note: Your responses to the short Personal Health Statement will determine whether you may be required to complete a full Personal Statement and undergo assessment by the Insurer.

Further details of NSF's insurance arrangements are provided in the PDS (Employer Sponsored Division) and the Insurance Policy Document, which are available by contacting NSF.

Minimum Levels of Insurance

Most employer nominated superannuation funds (also known as default funds) must offer minimum levels of Death insurance cover to members. NSF exceeds this requirement, which enables it to be nominated as an employer default fund.

Personal Division

Death and TPD insurance is also available for Personal Division members and will be individually assessed on completion of an application form. Please refer to the PDS (Personal Division) or contact NSF for further information.

Group Salary Continuance Insurance

NSF provides access to low-cost salary continuance insurance, which may help support you and your family if you become totally or partially disabled and are unable to work. You will be individually assessed on completion of an application form. Please refer to the PDS or contact NSF for further information.

about your fund



NSF Nominees Pty Limited (ABN 29 053 228 667 • AFSL 253129) is the Corporate Trustee of the Nationwide Superannuation Fund (ABN 15 201 768 813).

The Trustee is the holder of a Public Offer class of Registrable Superannuation Entity (RSE) Licence, which allows NSF to offer superannuation products to the general public.

The following persons held office as Directors of the Trustee during the year to the date of this report:

Name	Committee Memberships
Mr O Kilpatrick	B D F G
Mr K Clarke	B C D F G
Mr K Conway	E G
Mr B Cochran	A C E G
Mr M Sullivan	A D F G
Mr D Churchley	A B C E G
Ms K McHugh	A C G
Mr I Morante was Fund Secretary of NSF and Company Secretary of NSF Nominees Pty Limited during the period of this report.	

Trustee Committees

The Trustee has established a number of committees with specific functions and responsibilities.

Trustee Directors held positions on the following committees (the letter noted against each Director's name above indicates membership):

A. Audit and Compliance Committee

Considers matters relating to the financial and statutory compliance obligations including external audit, risk and legal compliance.

B. Investment Committee

Reviews reports of the Asset Consultant, monitors investments, recommends investment strategies to the Board and monitors compliance with mandates.

C. Administration and IT Committee

Makes recommendations to the Board to improve efficiencies of fund administration and quality of service to members and employer sponsors.

D. Claims Committee

Considers and determines claims lodged for Death, Total and Permanent Disablement, Terminal Illness and Financial Hardship.

E. Business Development Committee

Develops and recommends NSF's strategic direction to the Board.

F. Insurance Policy Committee

Recommends to the Board any changes necessary to NSF's insurance policies.

G. Remuneration and Human Resources Committee

Oversees the appointment, removal, evaluation and remuneration of Board members and Fund Secretariat.

Complying Fund

The Trustee confirms that NSF complies with the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations and the relevant provisions of the Corporations Act 2001.

The Trustee holds an Australian Financial Services Licence (AFSL) - Licence Number 253129.

The Trustee was granted an RSE (Registrable Superannuation Entity) Licence from the Australian Prudential Regulation Authority (APRA) on 22 February 2006 (RSE Licence Number L0001007). NSF was registered under the RSE legislation on 3 March 2006 (RSE Registration Number R1001761). The Trustee retained its RSE Licence throughout the 2009/10 financial year.

Trustee Indemnity Insurance

During 2009/10, the Trustee held indemnity insurance cover underwritten by Chubb Insurance Company of Australia Limited. This insurance cover indemnifies the Directors from any loss incurred as a result of a claim made against the Trustee, subject to the terms and conditions of the policy.

Administration Reserve Account

The RSE Licence granted to the Trustee from APRA, contains mandatory conditions which must be followed in order to retain the Licence. One such condition requires the Trustee to establish and maintain an Administration Reserve Account within NSF. This reserve account must have a minimum balance of at least \$250,000 at all times and consist of cash or cash equivalent assets. These conditions are subject to external audit each year to ensure compliance. The Trust Deed for NSF allows the Trustee to establish reserve accounts within NSF. The Administration Reserve Account was established on 1 July 2005 with a balance of \$250,000. The funds invested in this account form part of the overall assets of NSF. During the 2007/08 financial year, the only change to the balance of this account was the transfer of accumulated interest so that it formed part of the net investment earnings of NSF.

However, during the 2008/09 and 2009/10 financial years, the interest on this account formed part of the net investment earnings of NSF, therefore, there was no change to the balance of this account.

Movement in Administration Reserve Account	For the year ended 30 June		
	2010 (\$)	2009 (\$)	2008 (\$)
Balance at beginning of year	250,000	250,000	277,252
Current year increase (decrease)	0	0	(27,252)
Balance at end of year	250,000	250,000	250,000

Visit www.nsfsuper.com.au to find out how you can access discounted financial services such as home loans.

eligible rollover fund / policy committees



Eligible Rollover Fund

The SuperTrace Eligible Rollover Fund, which is operated by Colonial Mutual Superannuation Pty Limited, is NSF's Eligible Rollover Fund (ERF).

The Trustee transfers to the ERF the benefits of members whose balance is less than \$200 and are classed as lost members.

A member is taken to be a lost member if:

- He or she is uncontactable, i.e.
 - NSF has never had an address for the member; or
 - Written communications have been sent by NSF to the member's last known address and returned unclaimed;

OR

- He or she is inactive, i.e.
 - He or she has been a member of NSF for longer than 2 years; and
 - He or she, was at the time they joined NSF, an employer sponsored member; and
 - NSF has not received a contribution or rollover in respect of the member within the last 2 years; or
 - The member joined NSF from another fund as a lost member.

Upon transfer of your benefit to the ERF, the NSF Trustee will be released and discharged from all claims, liabilities and obligations whatsoever.

Members wishing to locate their benefit after it has been transferred from NSF to SuperTrace, or members who have enquiries on the nominated ERF, should contact SuperTrace at the following address:

SuperTrace
Locked Bag 5429
PARRAMATTA NSW 2124
Telephone: 1300 788 750
Facsimile: 1300 700 353

Policy Committees

Where NSF members are in the Employer Sponsored Division, policy committees are required to be established in certain circumstances. In the case of employer groups where there are more than 49 NSF members, NSF will contact each employer group to gauge interest in the establishment of a Policy Committee for that employer group. For employer groups with between 5 and 49 members, a Policy Committee can be established if at least 5 members request in writing that a Policy Committee be formed.

Should you wish to obtain further information on establishing a Policy Committee, please contact NSF. Alternatively, you can obtain a copy of the "Policy Committee Guide for Members" from the NSF website at www.nsfsuper.com.au

taxation and superannuation



The following information reflects government rules about the taxation treatment of superannuation generally.

Tax File Number (TFN)

TFN law requires trustees to ask you to provide your TFN to your superannuation fund. You are not under any obligation to provide the Trustee with your TFN, however, if you do not give NSF your TFN:

- NSF will not be able to accept non-concessional (i.e. after-tax personal) contributions from you;
- any concessional contributions (such as employer and salary sacrifice contributions you make from your pre-tax income) will be taxed at the top marginal rate plus Medicare Levy rather than the concessional rate of 15%; and
- your benefits may be taxed at the highest marginal rate (plus Medicare Levy) on exit from NSF.

If an employer receives an employee's TFN for superannuation purposes less than 14 days before the next contribution for the employee, then the employer has up to 14 days from receiving the TFN to pass it on to the fund. In all other cases, the employer must pass on the employee's TFN to their superannuation fund with the next contribution to the fund.

Claiming a Tax Deduction for Personal Contributions

To claim a tax deduction for personal contributions you must provide your "Notice of intent to claim or vary a deduction for personal super contributions" form to NSF by the earlier of;

- the time you lodge your Income Tax Return; or
- the end of the financial year following the year the contribution is paid.

A "Notice of intent to claim or vary a deduction for personal super contributions" form can be obtained by contacting NSF on 1800 025 241 or from the Australian Taxation Office (ATO) website at www.ato.gov.au/super

Upon receipt of your notice, NSF will forward a letter to you acknowledging that your request has been received and actioned.

If you have any questions in regard to the above, please contact NSF.

Superannuation Surcharge

Commonwealth Legislation, which took effect from 21 August 1996, imposed a Commonwealth tax on your surchargeable employer contributions (including salary sacrifice contributions), which is based on your taxable income plus reportable fringe benefits and employer superannuation contributions which exceed an annually adjusted threshold. However, this Legislation was amended and the surcharge does not apply to contributions or termination payments after 1 July 2005. Note that ATO assessments and adjustments for previous years may be issued. Any relevant tax will be deducted quarterly from your account in approximately February, May, August and November each year.



changes to superannuation

Key Changes Announced in the 2010/11 Federal Budget

The Federal Government Budget released in May 2010 announced a number of significant superannuation related changes. The most significant changes have been outlined below:

Gradual increase in the superannuation guarantee

The superannuation guarantee contribution will increase from 9% to a maximum of 12% by the 2019/20 financial year. The contribution will increase in increments as outlined below.

Income Year	Superannuation Guarantee	Increase from previous year
2009/10 to 2012/13	9%	None
2013/14	9.25%	0.25%
2014/15	9.50%	0.25%
2015/16	10%	0.50%
2016/17	10.50%	0.50%
2017/18	11%	0.50%
2018/19	11.50%	0.50%
2019/20	12%	0.50%

Superannuation guarantee cut-out age extended to age 75

From 1 July 2013, the superannuation guarantee age limit will increase from the current 70 years of age to 75 years of age.

New government contribution of up to \$500 for those who earn less than \$37,000 a year

A new government contribution will apply to low income earners from 1 July 2012. The new

contribution applies only to those earning \$37,000 (indexed over time) or less. The contribution is calculated by applying a matching rate of 15% on concessional contributions made, with a maximum rebate of \$500. Concessional superannuation contributions made from 2012/13 will be eligible for the government contribution. This will be paid in 2013/14.

Permanent extension of concessional contributions cap for those aged 50 and over with a low superannuation balance

The government will continue the concessional contributions threshold for people aged 50 and over who have a low superannuation balance. People aged 50 and over, who have superannuation balances of under \$500,000 will be able to make contributions of \$50,000 per year (indexed annually). This low balance cap applies from 1 July 2012 and effectively replaces the current transitional cap for people aged 50 and over which expires on 30 June 2011.

Permanent reduction in government superannuation co-contribution matching rate

The government will permanently retain the matching rate for the superannuation co-contribution at 100% (down from 150%) and the maximum co-contribution that is payable on an individual's eligible personal non-concessional superannuation contributions at \$1,000. This reduction was originally introduced in the 2009/10 Federal Budget as a temporary measure.

Indexation of government superannuation co-contribution income thresholds

The income thresholds pertaining to eligibility for the government co-contribution will be frozen at \$31,920 and \$61,920 for the 2010/11 and 2011/12 financial years.

Changes to the First Home Saver Account arrangements

Currently a First Home Saver Account (FHSA) must be held for a minimum 4 year holding period before accessing the funds to buy a first home. If a first home is purchased before meeting the 4 year rule, the FHSA must be closed and the balance transferred to a superannuation fund. The government announced changes to the FHSA rules that will enable account holders to purchase their first home at any time during the 4 year holding period. The 4 year holding period to release the funds will remain, however the FHSA will be able to be paid into an approved mortgage at the end of this period.

Other Recent Changes to Superannuation

Changes to ATO income tests

On 18 June 2010, the ATO advised for the income year commencing 1 July 2009 income tests have changed for a number of entitlements. The income tests now include reportable employer superannuation contributions, which affects the following:

- the government superannuation co-contribution;
- deductions for personal superannuation contributions; and
- superannuation contributions on behalf of a spouse tax offset.

Some individuals affected by the changes may no longer be eligible to receive or claim these items.

Call NSF to find out how we can help you locate any lost super you may have.

Want up to \$1,000 deposited into your account? Check out page 42 to find out how!

service providers / complaints and disputes

Service Providers

The following entities have provided services to NSF over the 2009/10 financial year:

Administrator and Consultant:

PSI Superannuation Management Pty Limited

Auditor:

PricewaterhouseCoopers

Custodian:

National Australia Bank (NAB Asset Servicing)

Group Life Insurer:

ING Life Limited

Legal Advisers:

Cooper Grace Ward

Moray & Agnew

Asset Consultant:

PSI Investments Pty Limited

Complaints and Disputes

NSF's objective is to meet your needs at all times. There may be times where we don't achieve this objective and we would like you to advise us.

If you have a complaint, contact the Complaints Officer on 1800 025 241, or in writing to PO Box 42, Charlestown NSW 2290. Official acknowledgement will be sent to you when your complaint is received. NSF will deal with your complaint as a matter of urgency.

A committee of at least two Trustee Directors of the Board will review your complaint before making a recommendation to the full Trustee Board. The review committee may request additional information to ensure that they are able to make a fully informed recommendation. In accordance with the legislative requirements, the Trustee's report on the outcome of its review will be forwarded to you within 90 days of all information being supplied.

If NSF's solution is not to your satisfaction, you may be able to take your complaint to the Superannuation Complaints Tribunal (SCT). The SCT can only deal with your complaint once you have exhausted the internal complaints resolution procedure as detailed above.

You can contact the SCT by:

- Telephoning 1300 884 114
- Writing to Locked Bag 3060, Melbourne VIC 3001; or
- Visiting Level 15, 31 Queen Street, Melbourne VIC.

member information



To ensure the Trustee can keep accurate records, please advise us of any change to your details, e.g.

- Name
- Residential and postal addresses
- Email address
- Home, work or mobile phone number/s
- Nominated beneficiary
- Insurance cover

When Changing Employment

You can still keep your superannuation with NSF when you change your employer or the type of work you do.

Keeping your superannuation in the one account may assist in reducing fees, paperwork, and make your superannuation simpler to manage.

To organise for your new employer to make superannuation contributions into your NSF account, simply provide your new employer with your NSF membership details.

How the Government Can Contribute up to \$1,000 to Your Super!

The superannuation co-contribution is a government plan to help you save for your retirement. If your total income for tax purposes is less than \$61,920 p.a. (2010/11 financial year) and you are eligible, the government will contribute up to \$1.00 for every \$1.00 of personal (non-concessional) contributions that you make, up to a maximum co-contribution of \$1,000.

For further details on the superannuation co-contribution, please contact the ATO Call Centre - Superannuation Enquiries on 13 10 20 or visit the ATO website at www.ato.gov.au

NSF – Helping to Find Your Lost Super

Each year NSF undertakes a free search of the ATO Lost Members' Register (LMR), Unredeemed Superannuation Guarantee (SG) voucher data and the Superannuation Holding Accounts (SHA) Special Account in order to locate members' missing and lost superannuation benefits.

If this search finds any lost member SG or SHA Special Account funds, NSF will notify you and ask for your authorisation to transfer these funds into your NSF account.

Please contact NSF if you believe you have any missing or lost superannuation benefits and would like assistance in locating those benefits.

Online Member Access

NSF members are able to access the online NSF Member Area on the NSF website. Online access enables you to view your personal account information, as well as initiate updates to your personal details. Please contact NSF for an Online Member Access form or visit www.nsfsuper.com.au

Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)

Anti-money laundering and counter-terrorism financing laws require a trustee of a superannuation fund to identify, monitor and mitigate the risk of a superannuation fund being used to launder money or to finance terrorism.

As a result of these laws, the Trustee has imposed a limit of \$1,000 on the amount NSF will accept from any individual member in cash in a financial year. NSF will not accept any amounts paid in cash by/or from an employer sponsor. This is also subject to the identification requirements under the AML/CTF Act.

One of the ways NSF will meet the identification requirements, is by obtaining additional information to identify members and by verifying the authenticity of the information collected. The Trustee may delay or refuse any request for payment of a benefit where satisfactory proof of identity is not provided or where the Trustee forms the view that the payment of the benefit may result in a breach of the AML/CTF Act.

For further information on these requirements, please contact NSF on 1800 025 241.

Translator/Interpreter Services

For further information on translator services, please contact NSF.

Statement of Financial Position

As at 30 June 2010

	2010 \$	2009 \$
ASSETS		
Cash and Cash Equivalents		
Cash at bank	9,257,598	13,993,734
Short-term deposits	28,799,849	26,211,961
Other Receivables		
Income receivable	9,281	50,148
GST receivable	87,377	81,042
Sundry debtors	39,175	35,803
Investments		
Unit-linked securities	299,780,331	256,157,060
Interest bearing securities	45,692,932	32,126,003
Tax Assets		
Deferred tax assets	8,205,786	10,136,483
Total Assets	391,872,329	338,792,234
LIABILITIES		
Trade and Other Payables		
Benefits payable	1,233,193	1,161,431
Other creditors	984,559	1,114,931
Provision for payout tax	30,972	75,385
Tax Liabilities		
Current tax liabilities	2,204,683	1,129,701
Total Liabilities	4,453,407	3,481,448
Net Assets Available to Pay Benefits	387,418,922	335,310,786
Represented By:		
Liability for Accrued Benefits		
Allocated to members' accounts	387,168,922	335,060,786
Administration reserve	250,000	250,000
	387,418,922	335,310,786

Operating Statement

For year ended 30 June 2010

	2010 \$	2009 \$
Revenue from Ordinary Activities		
Investment Revenue		
Interest	3,449,612	3,636,517
Dividends	399,476	752,237
Distributions	12,577,913	18,310,572
Changes in net market value of investments	26,278,781	(81,804,257)
Other income	479,731	446,632
	43,185,513	(58,658,299)
Contribution Revenue		
Employer contributions	46,948,921	47,060,656
Member contributions	2,722,159	3,467,242
Transfers from other funds	4,578,680	4,803,617
Proceeds from insurance	3,253,320	3,951,200
	57,503,080	59,282,715
Total Revenue From Ordinary Activities	100,688,593	624,416
Less:		
Expenses From Ordinary Activities		
Premiums on term insurance policies	4,660,352	4,804,006
Superannuation contributions surcharge	771	4,271
Administration asset fees	1,953,907	1,644,764
Administration fees	1,836,748	1,974,118
Asset consultant fees	724,018	644,064
Protected members' administration fees	2,086,503	1,996,123
Trustee expenses	831,126	747,055
Other general administration expenses	659,627	633,498
Total Expenses From Ordinary Activities	12,753,052	12,447,899
Benefits Accrued as a Result of Operations Before Income Tax	87,935,541	(11,823,483)
Less: Income tax (expense)/benefit	(7,686,637)	3,492,564
Benefits Accrued as a Result of Operations	80,248,904	(8,330,919)

Accounts for the Year Ended 30 June 2010

The Accounts for the year ended 30 June 2010 have been audited and an unqualified report has been provided by our auditor, Mr John Campion, a partner in the firm of PricewaterhouseCoopers, Chartered Accountants.

A full copy of the audited accounts and auditor's report will be available to members from 1 November 2010 by contacting NSF.

Disclaimer

The information provided is of a general nature only and has been prepared without taking into account your financial objectives, situation or needs. These should be considered before you act on any information contained in this document and you may want to consult NSF's Product Disclosure Statement (PDS) and seek independent professional advice before making a decision on your investments. The PDS can be obtained by contacting NSF on 1800 025 241 or visiting the NSF website at www.nsfsuper.com.au

If you have any questions about NSF or would like copies of publications or documents please contact NSF.



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email: nsf@psigroup.com.au

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*This Annual Report is issued by NSF Nominees Pty Limited
(the Trustee)*

NSF Nominees Pty Limited

ABN 29 053 228 667 • AFSL 253129

Trustee of Nationwide Superannuation Fund

ABN 15 201 768 813

Administered by PSI Superannuation Management Pty Limited

ABN 93 003 422 320