



2010/11

# Annual Report



nsf super  
simple.



## Contents

	Page
your Nationwide Superannuation Fund	3
your fund news	4
your investment performance	6
your investment options	8
your investment managers	14
your investment information	15
your trustee board	16
your important information	20
financial statements	22

This Annual Report provides important details of NSF Super's activities and investments for the financial year ended 30 June 2011.

A summary of the benefits and features of NSF Super can be found in our Product Disclosure Statement, available upon request or via our website, [nsfsuper.com.au/forms](http://nsfsuper.com.au/forms).

### Our push for paperless

This year, NSF Super has committed to deliver your Annual Report cleaner and faster. Unless you tell us otherwise, your Annual Report will now be available to view or download from the NSF Super website at [nsfsuper.com.au/forms](http://nsfsuper.com.au/forms) and clicking on the '2010/11 Annual Report' tab. You can also ask to receive a free electronic copy by email - simply send your request to [enquiries@nsfsuper.com.au](mailto:enquiries@nsfsuper.com.au). If you would like us to send you a printed copy, just call the NSF Super Client Service team on 1800 025 241.

## your Nationwide Superannuation Fund

The Nationwide Superannuation Fund (NSF Super) continues to operate under its mission statement of 'making super simple' for members. Established in 1987, NSF Super also remains committed to its original objectives – to establish and grow a multi-industry superannuation fund that provides exceptional products and services.

As a member based organisation, NSF Super is not driven to maximise profits for shareholders. Instead, the Fund is able to return benefits to members by keeping fees low, providing competitive and value-added product features, along with highly-regarded, personalised service.

In an industry that can be complex by nature, NSF Super continues to review and refine its product offerings and processes to make it easier for members to understand the details of their superannuation savings and help them to make informed financial decisions.

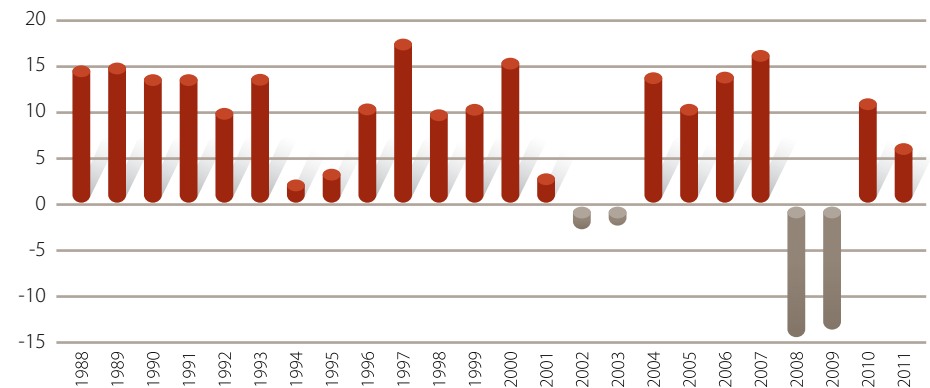
NSF Super remains proud of its reputation for exceptional service and helping members to maximise their superannuation entitlements, which are among the reasons the fund continues to attract members from all over Australia in a diverse range of industrial, manufacturing, retail, service and professional industries.

### 24 Years of Solid Performance for Members

NSF Super is proud of its history when it comes to competitive long-term returns for members.

#### NSF Diversified\*

Compound average annual return since inception 8.04%^



\*NSF Super's Diversified (Default) option, which commenced in 1987.  
^Net of fees and taxes.

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

## your fund news



**Owen Kilpatrick**  
Chairman

### Chairman's Report

Welcome to the 2010/11 Nationwide Superannuation Fund (NSF Super) Annual Report.

The super industry in Australia is currently heading towards an unprecedented level of reform and is the subject of constant political and media interest. The Trustee Board of NSF Super remains committed to helping our members charter a course through this period of change by providing simple and clear updates on topics that may affect them.

NSF Super has again shown resilience through the 2010/11 financial year to post performance results that help our members fulfil their super and retirement needs. Over the last 12 months, your NSF Super Trustees have continued to ensure a long-term focus when it comes to investment decisions, and more recently have undertaken a review of investment advisers and managers to ensure NSF Super is well-placed for the future. You can see how investment markets have performed during the last 12 months in the 'your investment performance' section of this Annual Report.

As part of our efforts to better help our members meet their super and retirement needs, NSF Super has recently reviewed our investment adviser arrangements and have welcomed Mercer (Australia) Pty Ltd to the Fund. Mercer brings extensive experience and a strong track record in investment management to the relationship and we look forward to continuing to work with them. One of the most significant product developments we have been undertaking is the introduction of an Account Based Pension and Transition to Retirement Pension product for members, which was released in September 2011. These new products will benefit members who are moving out of the super accrual phase into retirement, and provide a regular pension payment from their super savings as opposed to a lump sum benefit.

We understand that while super is a long-term investment, there are more products and services we can make available to members to help with their finances today. With this in mind, members can continue to take advantage of the significant discounts to financial products and services through ME Bank, and health insurance through nib. We are always looking for more ways to help you make the most of your membership with NSF Super and will let you know directly or through the website and newsletters about any new offers.

For the team at NSF Super, 'Making super simple' is not just a tag-line for an advertisement, it's a philosophy that guides our decision making and is a focus when developing or reviewing our product offerings, member processes and communication material. We continue to raise awareness and help members take advantage of the Federal Government's Co-Contribution Scheme, and actively offer to help find any super you may have lost track of with other providers. We have also committed to making it easier to make contribution payments, complete required forms and find relevant information on the NSF Super website.

As always, our Client Service team are a constant source of pride for the NSF Super Trustees and they remain one of our key competitive advantages. While improving service and being 'client focused' may appear to be the trend among many organisations, NSF Super has constantly maintained a highly skilled team of passionate people ready to handle member enquiries. At the same time we are expanding the range of options available to access the information and services you need, you can rest assured that when you contact NSF Super directly you'll be dealing with real, local people – every time.

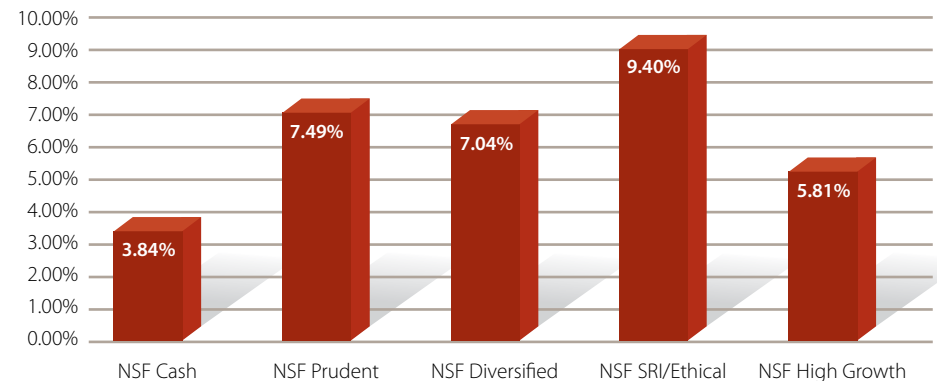
I would like to thank all members for their continued membership. I would also like to thank my fellow Trustee Board Members for their commitment and assistance in helping members reach their retirement goals.

### your NSF Super – key facts at a glance

- Over 80,000 members nationwide
- Over 7,400 contributing employers
- More than \$430 million in funds under management
- Created to run only for the benefit of members
- No entry, exit, contribution or transfer fees
- No commissions paid to advisers
- A history of competitive long-term returns

'Making super simple' is not just a tag-line for an advertisement, it's a philosophy that guides our decision making...

### Returns to 30 June 2011



Note: Past performance is no indication of future performance.



## your investment performance – looking back at the year

### September 2010 quarter

The 2010/11 year commenced with the September quarter seeing global equity markets rallying despite continued uncertainty over the global economic outlook. The Australian dollar rose 14.6% against the US dollar. The Reserve Bank of Australia (RBA) kept its cash rate unchanged at 4.5%, as headline inflation rose less than expected. Domestic unemployment remained steady at 5.1%. In contrast, the cash rate in the US remained in a target range of 0% to 0.25%, and unemployment remained in double digit territory. Economic growth in China slowed from an annual rate of 11.9% to 10.3%, however this was still sufficient for China to overtake Japan as the world's second largest economy over the quarter. The spotlight in Europe was on the financial health of the individual banks.

### December 2010 quarter

The December quarter saw global equity markets rally strongly, with many indices reaching two-year highs. The RBA tightened monetary policy domestically by 0.25% to a cash rate of 4.75%, while in the US, a tax-break package was announced with an expectation that it would increase GDP growth in 2011. In China, annual growth slowed further to 9.6%, while domestically the devastating Queensland floods were expected to impact March quarter GDP by as much as 0.4%. In Europe, the main concern centred around sovereign debt issues and the possible impact on the banking system if certain countries were unable to meet debt repayment commitments. Speculation on the size and success of bail-out packages contributed to volatility in markets. Gold prices increased as some investors sought a safe haven.

### March 2011 quarter

The March quarter saw most asset classes post positive returns despite investor confidence being tested by the floods in Queensland, the Japanese earthquake and political unrest in the Middle East and North Africa. Markets moved higher on the signs of possible economic recovery in Europe and the US. Domestically, the RBA left cash rates unchanged at 4.75%, and retail sales grew by 0.5% for the month of February, which was the best monthly result since July 2010, however based on the annual rate, sales remained poor. The Australian dollar rose to a 29 year high against the US dollar, decreasing the value of exports and making imports and overseas travel cheaper for Australian residents. In China, quarterly growth figures indicated that annual growth was heading towards 12%, contrasting the slower growth of previous quarters. Continued tensions in the Middle East saw the price of oil increase by 16.9%.

### June 2011 quarter

The June quarter highlighted the current volatility of markets by commencing with positive returns in April, but finishing June in negative territory, as investor fears and concerns came to the fore. Greece's sovereign debt problems were well publicised, and many commentators raised doubts about the ability of the Greek Government to introduce the required austerity measures. Mixed economic data from the US showed that on an individual level, some corporate entities had good balance sheets, while the US economy would most likely have a long, slow road to recovery. Some concerns surfaced on the potential for a rapid slowing of economic growth in China as it attempted to control inflation through tightening monetary policy.

In summary, 2010/11 provided an example of how volatile markets can be, and the importance of having diversified investments.



## your investment performance – investment market outlook

Consensus forecasts anticipate a more positive global economic environment in the medium-term, however the volatility of 2010/11 is likely to remain in the short-term.

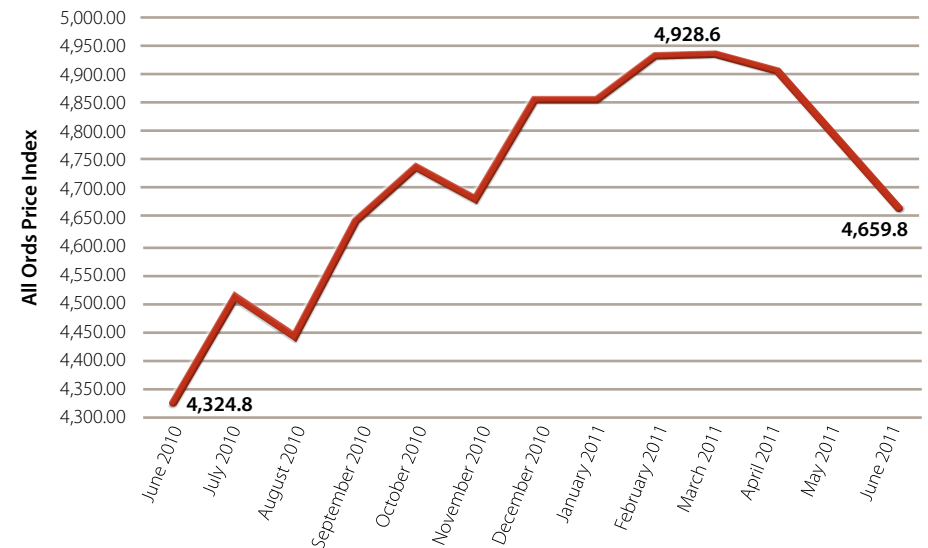
Investors will be seeking positive signs from governments that policy makers are able to implement strong strategies to overcome sovereign debt concerns. Signs of strong leadership from governments, especially in Europe and the US, in being prepared to tackle underlying economic problems will assist in dampening volatility, encouraging steady growth, and restoring investor confidence.

The contribution to global economic growth from the so called BRIC economies (Brazil, Russia, India and China) will be important in determining the speed of recovery in the medium-term.

Domestically, the Australian economy should continue to have sound fundamental characteristics, underpinned by the demand for resources. The response of industries, both individually and collectively, to issues such as the introduction of a carbon tax, will present challenges and opportunities for investors in the short to medium term.

The investment experiences from the past few years have reinforced the need to have appropriately diversified investments, both domestically and globally. Investors should not be distracted from their longer term goals, by placing undue weight on short-term outcomes.

Australian Share Market Movement 2010/11



## your investment options

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

### Option

### Historic Crediting Rate of Earnings

### Asset Allocation

### Asset Allocation at 30 June 2011

#### NSF Diversified (Default)

\*Inception - 1987

The Diversified option is the default option in which your balance and contributions are invested where you have not made an investment choice.

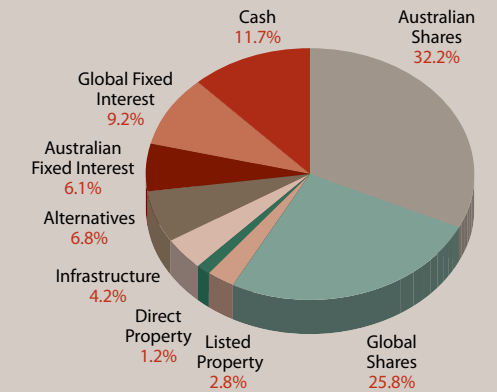
Aims to produce an investment return of at least 3% in excess of the average rate of inflation (measured by the Consumer Price Index for Australia) over a rolling 7 year period (as at 30 June).

The 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.

On average, this strategy may produce a negative return in one out of every six years, over a 20 year period.

Year Ended	Earning Rates (%)	Inflation (%)
30 June 2005	11.35	2.49
30 June 2006	14.43	3.98
30 June 2007	16.77	2.07
30 June 2008	-14.35	4.51
30 June 2009	-13.41	1.46
30 June 2010	11.29	3.05
30 June 2011	7.04	3.60
Compound Average		
5 year	0.62	2.93
7 year	3.98	3.02
Since inception*	8.04	3.26

Asset Class	Target (%)		Actual (%)	
	Range	Target	As at 30 June 2010 <sup>^</sup>	As at 30 June 2011
Australian Shares	20-40	28	41	32.2
Global Shares	20-40	26	24	25.8
Listed Property	0-5	3	2	2.8
Direct Property	0-5	4	1.2	1.2
Infrastructure	0-5	3	4.2	4.2
Alternatives	0-10	8	6.8	6.8
Australian Fixed Interest	5-35	9	16	6.1
Global Fixed Interest	10-35	12	9.2	9.2
Cash	5-10	7	9	11.7



#### NSF High Growth

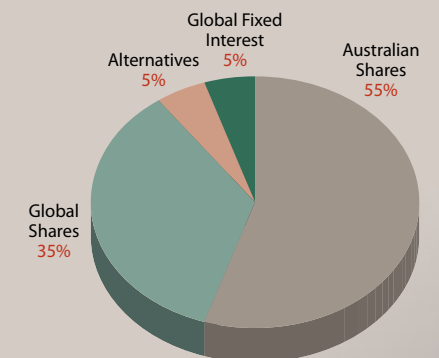
\*Inception - 1 July 2003

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 rolling 7 year period (as at 30 June).

On average, this strategy may produce a negative return in one out of every four years, over a 20 year period.

Year Ended	Earning Rates (%)	Inflation (%)
30 June 2005	11.48	2.49
30 June 2006	21.63	3.98
30 June 2007	17.47	2.07
30 June 2008	-15.56	4.51
30 June 2009	-15.44	1.46
30 June 2010	13.32	3.05
30 June 2011	5.81	3.60
Compound Average		
5 year	0.11	2.93
7 year	4.53	3.02
Since inception*	6.16	2.95

Asset Class	Target (%)		Actual (%)	
	Range	Target	As at 30 June 2010 <sup>^</sup>	As at 30 June 2011
Australian Shares	45-65	55	62	55
Global Shares	25-45	35	38	35
Alternatives	0-10	5	0	5
Global Fixed Interest	0-10	5	0	5



**Option**

**Historic Crediting Rate of Earnings**

**Asset Allocation**

**Asset Allocation at 30 June 2011**

**SRI/Ethical**

\*Inception - 1 May 2005

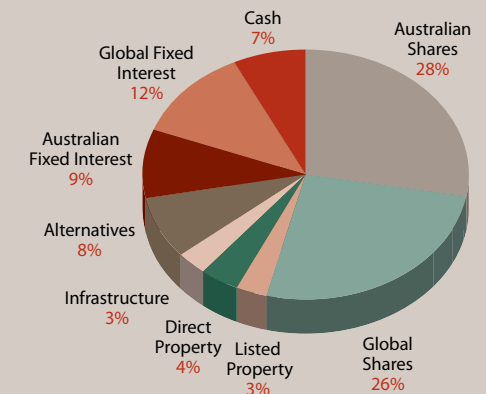
Aims to produce an investment return of at least 3% in excess of the average rate of inflation (measured by the Consumer Price Index for Australia) over a rolling 7 year period (as at 30 June).

A diversified option that invests across most asset classes. Labour standards, environmental, social or ethical issues are taken into account (in addition to the usual investment criteria).

On average, this strategy may produce a negative return in one out of every six years, over a 20 year period.

Year Ended	Earning Rates (%)	Inflation (%)
30 June 2005	4.22	2.49
30 June 2006	16.75	3.98
30 June 2007	20.43	2.07
30 June 2008	-14.66	4.51
30 June 2009	-14.88	1.46
30 June 2010	16.53	3.05
30 June 2011	9.40	3.60
Compound Average		
5 year	2.21	2.93
Since inception*	7.25	3.02

Asset Class	Target (%)		Actual (%)	
	Range	Target	As at 30 June 2010 <sup>^</sup>	As at 30 June 2011
Australian Shares	20-40	28	31	28
Global Shares	20-40	26	28	26
Listed Property	0-5	3	10	3
Direct Property	0-5	4		4
Infrastructure	0-5	3	5	3
Alternatives	0-10	8		8
Australian Fixed Interest	5-35	9	16	9
Global Fixed Interest	10-35	12		12
Cash	5-10	7	10	7



**NSF Prudent**

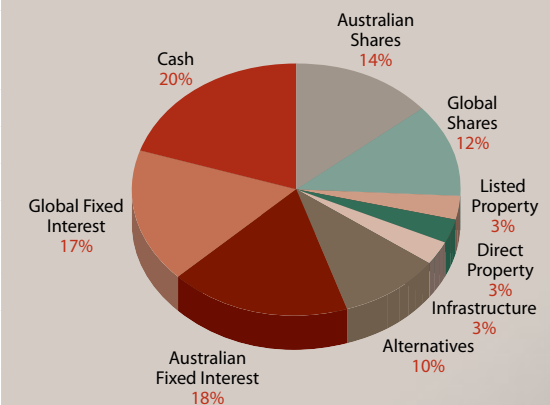
\*Inception - 1 July 2003

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 rolling 5 year period (as at 30 June).

On average, this strategy may produce a negative return in one out of every 13 years, over a 20 year period.

Year Ended	Earning Rates (%)	Inflation (%)
30 June 2005	7.26	2.49
30 June 2006	10.19	3.98
30 June 2007	10.33	2.07
30 June 2008	-9.50	4.51
30 June 2009	-9.88	1.46
30 June 2010	10.77	3.05
30 June 2011	7.49	3.60
Compound Average		
5 year	1.39	2.93
7 year	3.43	3.02
Since inception*	3.97	2.95

Asset Class	Target (%)		Actual (%)	
	Range	Target	As at 30 June 2010 <sup>^</sup>	As at 30 June 2011
Australian Shares	5-20	14	15	14
Global Shares	5-20	12	9	12
Listed Property	0-5	3	15	3
Direct Property	0-5	3		3
Infrastructure	0-5	3	0	3
Alternatives	0-15	10	0	10
Australian Fixed Interest	10-45	18	0	18
Global Fixed Interest	10-45	17	31	17
Cash	10-30	20	30	20



**Option**

**Historic Crediting Rate of Earnings**

**Asset Allocation**

**Asset Allocation at 30 June 2011**

**NSF Cash**

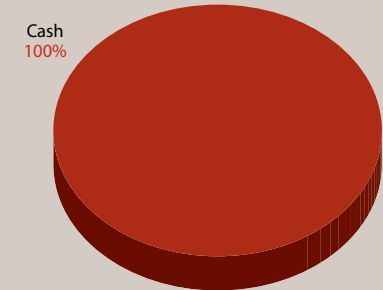
*\*Inception – 1 July 2003*

Aims to produce an annual investment return equal to at least the UBS Australian Bank Bills Index.

On average, this strategy is expected to not produce a negative return in a 20 year period.

Year Ended	Earning Rates (%)	Benchmark <sup>†</sup> (%)
30 June 2005	3.54	2.49
30 June 2006	4.36	3.98
30 June 2007	5.04	2.07
30 June 2008	5.88	4.51
30 June 2009	4.23	1.46
30 June 2010	3.37	3.05
30 June 2011	3.84	5.00
Compound Average		
5 year	4.47	3.21
7 year	4.32	3.22
Since inception*	4.22	3.12

Asset Class	Target (%)		Actual (%)	
	Range	Target	As at 30 June 2010 <sup>^</sup>	As at 30 June 2011
Cash	N/A	100	100	100



<sup>†</sup> Prior to 2010/11, benchmark was Consumer Price Index. From 2010/11, benchmark is UBS Australian Bank Bills Index.

<sup>^</sup> The target asset allocation and asset class categories changed in 2010/11 following a comprehensive review of NSF Super's investment options.



## your investment managers

NSF Super has appointed Mercer (Australia) Pty Ltd as investment consultant, advising on target asset allocation and fund manager selection.

To help invest your super, we use professional investment managers and regularly monitor their performance. The following is a list of the investment managers that looked after NSF Super assets as at 30 June 2011.

### Investment Managers

#### Australian Shares

Alleron Investment Management  
 AMP Capital Investors  
 Ausbil Dexia  
 Bennelong Funds Management  
 BT Funds Management  
 Intrinsic Investment Management  
 Perennial Value Management  
 Perpetual Investment Management  
 Tyndall Investment Management

#### Global Shares

Baillie Gifford  
 Edinburgh Partners  
 Global Thematic Partners  
 Global Value Investors  
 Hexavest  
 Hunter Hall Investment Management  
 Linghor & Partner Asset Management

Martin Currie Investment Management  
 Platinum Asset Management  
 RCM Capital Management  
 Schroder Investment Management

#### Infrastructure

Colonial First State Global Asset Management  
 Macquarie Specialised Asset Management  
 Magellan Financial Group  
 RARE Infrastructure  
 Westbourne Capital

#### Alternatives

AQR Capital Management  
 Babson Capital Management  
 Blackrock Asset Management  
 Credit Suisse  
 GMO Australia  
 H3 Global Advisors  
 QIC  
 Standard Life Investments (Asia)  
 Winton Capital Management

#### Australian Fixed Interest

Challenger Financial Services Group  
 Macquarie Investment Management  
 ME Portfolio Management  
 Structured Credit Research & Advisory  
 Vianova Asset Management

#### Global Fixed Interest

Colonial First State Asset Management  
 Franklin Templeton Investments  
 Kapstream Capital  
 Wellington Management

#### Cash & Term Deposits

Challenger Financial Services Group  
 National Australia Bank (operating accounts)

#### Listed Property

Perennial Real Estate

#### Direct Property

Domaine Property Funds

### Significant Investments

The following investments represent more than 5% of the Fund's assets:

Investment	Percentage of Fund Assets (%)
Hunter Hall Value Growth Trust	5.89
Platinum Asia Fund	6.12
Perennial Value Management (under Australian shares mandate from Mercer)	6.32
Tyndall Investment Management (under Australian shares mandate from Mercer)	5.62
Alleron Investment Management (under Australian shares mandate from Mercer)	5.62
Ausbil Dexia (under Australian shares mandate from Mercer)	6.32

## your investment information



### Investment Policy

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

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

### Socially Responsible Investing

NSF Super's core investment policy does not specifically take into account labour standards or environmental, social and ethical considerations in the selection of investments. Some of our fund managers may take these matters into account when selecting, retaining or realising investments for NSF Super, but only to the extent that they may affect the profitability of those investments.

NSF Super has recognised the importance of offering Socially Responsible/Ethical Investment Choice which gives members the option of choosing an investment that is considered socially responsible through the various investment selection processes applied by NSF Super's fund managers.

### Policy on Derivatives

NSF Super allows some of its investment managers to use derivatives such as futures and options in order to manage risk and liquidity and enhance returns. At no time during 2010/11 did the derivative charge ratio exceed 5% of assets.

### Crediting Rates

Investment earnings are calculated and allocated to member accounts on a yearly basis, effective as at 30 June each year.

The actual amount that is allocated to member accounts at the end of the financial year is determined by the Trustee, following the annual audit of NSF Super, which generally takes place in October of the following financial year. The final crediting rate of earnings takes into account the actual investment return of the Fund's assets after tax and expenses.

However, should you make a switch or a withdrawal; an interim rate of earnings will be applied to your account. The interim rate is determined by the Trustee on a regular basis and is calculated based on net returns to date after allowing for an estimate of tax and expenses. Please note that the interim rate of earnings is generally less than the final audited crediting rate.

“Domestically, the Australian economy should continue to have sound fundamental characteristics, underpinned by the demand for resources”





## your trustee board

NSF Nominees Pty Limited is the Trustee of NSF Super. The Trustee is a company with a Board of seven independent Directors responsible for the management of NSF Super.

### Directors

The Directors for the year ended 30 June 2011 were:



**Owen Kilpatrick**  
(Chairman)

**Director since September 1994**  
**Chairman since July 2004**

Owen has over 40 years experience in business involving accounting, auditing, taxation, superannuation, business consultancy, investments and the registered club industry.



**Kenneth Conway**  
Director since November 1993

Ken holds a Bachelor of Law and Administration degree from Newcastle University, and is CEO of Hunter Wetlands. Ken has wide experience in senior management and CEO positions in the financial services, sporting and hospitality industries.



**Barry Cochran**  
Director since November 1994

Barry has held the position of National Vice President of the Australian Workers Union and was previously the Chairman of a large industry super fund specialising in the needs of regional and rural Australians.



**Kelvin Clarke**  
Director since February 1996

Kel is a Fellow of the Australian Institute Of Company Directors, an Associate Fellow of the Australian Institute of Management and formerly the owner and Director of a consultancy firm. Kel is also a long-term director of an international engineering firm. Kel has a B.Sc degree from Newcastle University, and is a graduate of the Melbourne University Advanced Management Programme.



**David Churchley**  
Director since July 2004

David has been a financial services and management consulting professional for over 25 years, and specialises in operational effectiveness, productivity and customer service delivery. David is the owner and director of a consultancy firm providing advice to clients in Australia, Asia and Europe.



**Mark Sullivan**  
Director since February 2007

Mark graduated from Macquarie University in 1980 with a BA/LLB and was admitted as a solicitor in 1981. He is a director of a leading law firm in the Hunter Region and specialises in family/relationship law and superannuation matters. Mark is a member of the Hunter Valley Family Law Practitioners Association and the Regional/Country Committee of the Family Law Section, Law Council of Australia.



**Kim McHugh**  
Director since December 2007

Kim is an Honours Graduate of the University of Newcastle, an Associate of the Institute of Chartered Accountants and CPA Australia, a Certified Financial Planner™, a Registered Tax Agent and SMSF Specialist Advisor. Kim is currently a director of her own financial and business consultancy firm.

“The role of the Board is to ensure that NSF Super is operated and managed in the best interests of members and in accordance with its Governing Rules and super legislation”

## Role of the Board

The role of the Board is to ensure that NSF Super is operated and managed in the best interests of members and in accordance with its Governing Rules and super legislation. The Board meets every two months and the Directors receive a fee in recognition of the time involved in managing NSF Super.

## Management Staff

### Fund Secretary - Ian Morante

NSF Fund Secretary and Trustee Company Secretary since May 2005.

As Fund Secretary of NSF Super, Ian manages the day to day operations of NSF Super as well as the relationships with external service providers.

Ian has over 25 years experience in the superannuation industry and holds a Bachelor of Commerce from Newcastle University, a Diploma of Financial Planning, a Diploma of Financial Services (Super), an Advanced Diploma of Financial Services (Super) and is a Fellow of the Australian Institute of Superannuation Trustees

## Trustee Indemnity Insurance

NSF Nominees Pty Limited holds indemnity insurance cover, underwritten by Chubb Insurance Company of Australia Limited, to protect the Trustee from any loss incurred as a result of a claim made against the Trustee, subject to the terms and conditions of the policy.

Liability Insurance has been arranged to compensate for any losses that may occur as a result of a claim against the Trustee, the Fund, or the Directors personally.



“NSF Super continues to review and refine its product offerings and processes to make it easier for members”

## Committees

The Board operates a number of committees, which are sub-groups of the Directors to focus on particular issues of importance to NSF Super.

Board Committees		Members
<b>Audit and Compliance Committee</b>	Considers matters relating to the financial and statutory compliance obligations of NSF Super, including external audit, risk and legal compliance.	Mark Sullivan (Chair) David Churchley Barry Cochran Kim McHugh
<b>Investment Committee</b>	Oversees the investment arrangements of NSF Super. In particular, works closely with the Investment Consultant to undertake strategic investment monitoring and decision making.	Owen Kilpatrick (Chair) David Churchley Kelvin Clarke
<b>Administration and IT Committee</b>	Makes recommendations to the Board to improve efficiencies of fund administration and quality of service to members and employer sponsors.	Kelvin Clarke (Chair) David Churchley Barry Cochran Kim McHugh
<b>Claims Committee</b>	Considers and determines claims lodged for Death, Disablement, Terminal Illness and financial hardship.	Owen Kilpatrick (Chair), Kelvin Clarke Mark Sullivan
<b>Business Development Committee</b>	Develops and recommends NSF Super's strategic direction to the Board.	Kenneth Conway (Chair) David Churchley Barry Cochran
<b>Insurance Policy Committee</b>	Recommends to the Board any changes necessary to NSF Super's insurance policies.	Owen Kilpatrick (Chair) Kelvin Clarke Mark Sullivan
<b>Remuneration &amp; HR Committee</b>	Oversees the appointment, removal, evaluation and remuneration of Board members and Fund Secretariat.	Owen Kilpatrick (Chair) David Churchley Kelvin Clarke Barry Cochran Kenneth Conway Kim McHugh Mark Sullivan

## your important information

### Complying Fund

For the period 1 July 2010 to 30 June 2011, and all previous reporting periods, the Trustee is of the opinion that NSF Super complied with all conditions for the operation of superannuation funds required by legislation and licensing requirements.

The Trustee held an Australian Financial Services Licence (AFSL No. 253129) and Registrable Superannuation Entity (RSE) Licence (No. L0001007) throughout 2010/11.

### Policy Committees

Members of the NSF Super Employer Sponsored Division are able to establish a Policy Committee in certain circumstances, to ensure the views of members are expressed and communicated to NSF Super. Where an employer has over 49 employees in NSF Super, we will contact the employer to gauge interest in the establishment of a Policy Committee for that employer. For employers with between 5 and 49 employees in NSF Super, a Policy Committee can be established if at least 5 members request in writing that a Policy Committee be formed.

To obtain further information about establishing a Policy Committee, please contact NSF Super or download 'Policy Committee Guide for Members' from [nssf.com.au/forms](http://nssf.com.au/forms).

### Superannuation Surcharge Tax

The superannuation surcharge was a surcharge tax on certain contributions paid for high income earners made after 20 August 1996 and before 1 July 2005. Assessments and adjustments to previous years may still be issued.

### Administration Reserve

A small Administration Reserve Account is maintained to ensure the solvency of the Trustee, as required by the Australian Prudential Regulation Authority (APRA).

This reserve account must have a minimum balance of \$250,000 and be invested in cash or cash equivalent assets. Interest on the Administration Reserve Account forms part of the total net investment earnings of NSF Super, which is distributed to member accounts each year.

There was no movement in the value of the administration reserve account in 2010/11:

Administration Reserve Account	For the Year Ended 30 June		
	2011	2010	2009
Opening balance	\$250,000	\$250,000	\$250,000
Movement	\$0	\$0	\$0
Closing balance	\$250,000	\$250,000	\$250,000

### Service Providers

NSF Super engages various professional advisers and service providers to assist in managing the Fund. The following entities provided expert service to NSF Super as at 30 June 2011:

Administrator and Consultant	PSI Superannuation Management Pty Limited
Asset Consultant	Mercer (Australia) Pty Ltd
General Advice Licensee	PSI Investments Pty Limited
Auditor	PricewaterhouseCoopers (PwC)
Custodian	NAB Asset Servicing
Group Insurer	OnePath Life Limited
Legal Advisers	Moray & Agnew Cooper Grace Ward

The Trustee is not associated with any of these organisations.

### Eligible Rollover Fund

If your NSF Super account balance is less than \$200 and you are classed as lost, we will transfer your account to the SuperTrace Eligible Rollover Fund (operated by Colonial Mutual Superannuation Pty Limited) to protect your account from being eaten away by administration fees.

If your account is transferred to SuperTrace, you will no longer be a member of NSF Super and any insurance cover you had with NSF Super will cease.

You are taken to be a lost member if:

- You are inactive, having been a member for two or more consecutive years and NSF Super has not received a contribution or rollover for you in the last two years. Further, at the time of joining NSF Super you entered as an employer sponsored member;
- You are also inactive if you have joined NSF Super from another super fund as a lost member; or
- You become uncontactable, whereby NSF Super has never had an address for you or where we have attempted to contact you in writing at the last known address and the communication has been returned.

To contact SuperTrace:

Telephone: 1300 788 750

Write to: Locked Bag 5429, Parramatta NSW 2124

Facsimile: 1300 700 353

Website: [www.supertrace.com.au](http://www.supertrace.com.au)

The government requires NSF Super to transfer lost accounts with balances under \$200 or those that have been inactive for more than five years to unclaimed monies (administered by the Australian Taxation Office). To find out more, visit [www.ato.gov.au](http://www.ato.gov.au).

#### Disclaimer

*This document contains general information only and has been prepared without taking into account your financial objectives, situation or needs. It may, therefore, not be right for you. Before you make any investment decision, we suggest you consult NSF Super's Product Disclosure Statement and/or seek licensed financial advice.*

*As at the time of compilation, the information contained in this document is correct and any estimates, opinions, conclusions or recommendations are reasonably held or made. Subsequent events may mean that the information becomes out-of-date and so, to the maximum extent permitted by law, we disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from this document.*

*Any general advice that you subsequently request on a one-on-one basis will be provided to you by PSI Superannuation Management Pty Limited, a Corporate Authorised Representative of Matrix Planning Solutions Limited (ABN 45 087 470 200, AFSL 238256).*

**Statement of Financial Position**  
As at 30 June 2011

	2011 \$	2010 \$
<b>ASSETS</b>		
<b>Cash and Cash Equivalents</b>		
Cash at bank	12,397,243	9,257,598
Short-term deposits	47,875,945	28,799,849
<b>Other Receivables</b>		
Income receivable	1,755	9,281
GST receivable	172,168	87,377
Sundry debtors	205,100	39,175
<b>Investments</b>		
Unit-linked securities	352,501,362	299,780,331
Interest bearing securities	8,847,140	45,692,932
<b>Tax Assets</b>		
Deferred tax assets	8,309,183	8,205,786
<b>TOTAL ASSETS</b>	<b>430,309,897</b>	<b>391,872,329</b>
<b>LIABILITIES</b>		
<b>Trade and Other Payables</b>		
Benefits payable	1,693,527	1,233,193
Other creditors	965,084	984,559
Provision for payout tax	47,413	30,972
<b>Tax Liabilities</b>		
Current tax liabilities	2,475,643	2,204,683
<b>TOTAL LIABILITIES</b>	<b>5,181,667</b>	<b>4,453,407</b>
<b>Net Assets Available to Pay Benefits</b>	<b>425,128,230</b>	<b>387,418,922</b>
Represented By:		
<b>Liability for Accrued Benefits</b>		
Allocated to members' accounts	424,878,230	387,168,922
Administration reserve	250,000	250,000
	<b>425,128,230</b>	<b>387,418,922</b>

**Operating Statement**  
For Year Ended 30 June 2011

	2011 \$	2010 \$
<b>Revenue from Ordinary Activities</b>		
<b>Investment Revenue</b>		
Interest	4,027,016	3,449,612
Dividends	460,447	399,476
Distributions	11,492,673	12,577,913
Changes in net market value of investments	14,982,762	26,278,781
Other income	648,571	479,731
	<b>31,611,469</b>	<b>43,185,513</b>
<b>Contribution Revenue</b>		
Employer contributions	47,789,990	46,948,921
Member contributions	1,695,965	2,722,159
Transfers from other funds	4,399,160	4,578,680
Proceeds from insurance	3,182,680	3,253,320
	<b>57,067,795</b>	<b>57,503,080</b>
<b>Total Revenue From Ordinary Activities</b>	<b>88,679,264</b>	<b>100,688,593</b>
Less:		
<b>Expenses From Ordinary Activities</b>		
Premiums on term insurance policies	4,516,369	4,660,352
Superannuation contributions surcharge	226	771
Administration asset fees	2,123,404	1,953,907
Administration fees	1,976,737	1,836,748
Asset consultant fees	273,449	724,018
Protected members' administration fees	1,772,226	2,086,503
Trustee expenses	875,910	831,126
Other general administration expenses	728,719	659,627
<b>Total Expenses From Ordinary Activities</b>	<b>12,267,040</b>	<b>12,753,052</b>
<b>Benefits Accrued as a Result of Operations Before Income Tax</b>	<b>76,412,224</b>	<b>87,935,541</b>
Less: Income tax (expense)/benefit	(5,602,604)	(7,686,637)
<b>Benefits Accrued as a Result of Operations</b>	<b>70,809,620</b>	<b>80,248,904</b>
<b>Accounts for the Year Ended 30 June 2011</b>		
The Accounts for the year ended 30 June 2011 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 2011 by contacting NSF Super.		



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facsimile: **1800 839 774**

email: [enquiries@nfsuper.com.au](mailto:enquiries@nfsuper.com.au)  
website: [nfsuper.com.au](http://nfsuper.com.au)

*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 (NSF Super)**  
ABN 15 201 768 813

**Administered by PSI Superannuation Management Pty Limited**  
ABN 93 003 422 320