

ANNUAL REPORT 2014/15



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Our push for paperless

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/annual-report

You can also ask to receive a free electronic copy by email or printed copy by post - simply contact the NSF Super team enquiries@nsfsuper.com.au or 1800 025 241.



This Annual Report provides important details of NSF Super's activities and investments for the financial year ended 30 June 2015.

A summary of the benefits and features of NSF Super can be found in our Product Disclosure Statement, available at nsfsuper.com.au/PDS or by contacting the NSF Super team.

your Nationwide Superannuation Fund

The Nationwide Superannuation Fund (NSF Super) was established in 1987 and remains committed to its original objectives – to establish and grow a multi-industry superannuation fund that provides exceptional products and services to you, our members and supporting employers.

NSF Super is a member based organisation, meaning we are not driven to maximise profits for shareholders. Instead, the Fund returns benefits to you 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, the NSF Super team continues to review and refine our product offerings and processes to make it simple for you to understand the details of your superannuation savings and help you to make informed financial decisions.

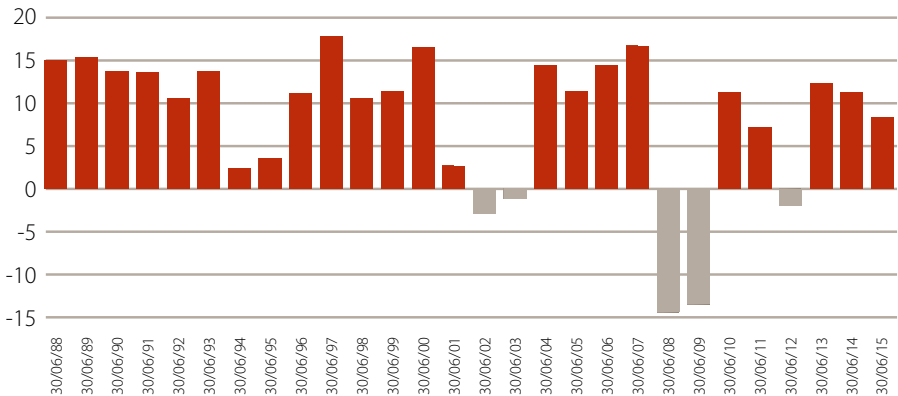
We remain proud of our reputation for exceptional service and helping you to maximise your superannuation entitlements, and continue to attract members from all over Australia in a diverse range of industrial, manufacturing, retail, service and professional industries.

Ongoing Solid Performance for Members

NSF Super has a history of competitive long-term returns for members.

NSF MySuper/Diversified*

Compound average annual return since inception 7.95%[^]



*NSF Super's MySuper/Diversified (Default) option, which commenced in 1987.

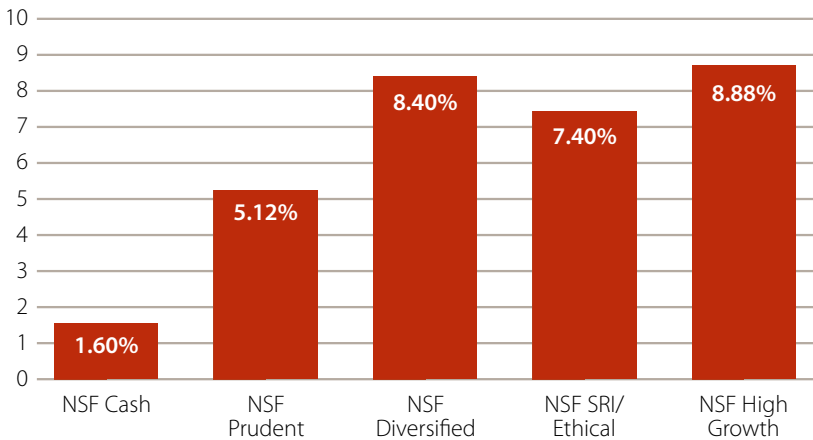
[^]Net of fees and taxes.

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

your NSF Super – key facts at a glance

- Over 57,000 members nationwide
- Over 6,000 contributing employers
- More than \$530 million in funds under management
- Created to run only for the benefit of members
- No entry or contribution fees
- No commissions paid to advisers
- A history of competitive long-term returns

Annual returns to 30 June 2015



Note: Past performance is no indication of future performance.

your fund news



Kim McHugh
Chair

Report from the NSF Super Chair

Welcome to the 2014/15 Annual Report for NSF Super.

I would firstly like to acknowledge the exceptional contribution of both Ken Conway with 21 years of service, who resigned on 31st October 2014 in accordance with the Trustee Board's renewal policy, and Maree Gleeson who resigned on 31st December 2014,

having served since 1st April 2013. Their contribution to NSF Super is greatly appreciated by all those who were fortunate to work with them.

We have worked hard over the last year to ensure NSF Super remains well placed to position itself competitively within the super industry, as we continue to provide high quality products and services to meet your needs, our valued members and supporting employers.

As independent confirmation of our competitive position, The Heron Partnership's super fund rating service has continued to award NSF Super with their highest rating of 5 Quality Stars, since 2012, and has also awarded us with a 'Top 10 Insurance Features' rating.

We have spent considerable time in restructuring the fee base to help maintain its simplicity and equity amongst our member base, while also ensuring that they meet our prudent administrative and operational costs. The key objective being to maximise the net investment returns available to be added to your retirement savings.

The Trustee Board also conducted a review of investment advisers, and we were pleased to reappoint Mercer. Given our strong ongoing relationship, the implementation of a revised investment philosophy and renewed focus on investment costs, should help in maintaining competitive investment returns.

NSF Super was not immune to the rising insurance costs across the industry, with an increase in insurance premiums coming into effect on 1st July 2015. Whilst disappointed with the increases, we have committed to undertake a full review of our insurance products, levels of cover and other terms, during the coming year, in order to help ensure that you continue to have an appropriate level of cover for a reasonable cost.

In more positive news, our members have continued to benefit from our financial planning and money coaching solutions, with very strong take-up of our over-the-phone advice service throughout the year.

your fund news

Please contact the NSF Super team if you have any questions regarding your super, retirement options or insurance cover.

We have also worked closely with our larger employers to ensure they were ready to meet new obligations under the government's SuperStream initiatives, which came into effect on 1st July 2015. These obligations primarily relate to contribution processes, and a move to the provision of data and payment of contributions electronically. Smaller businesses will have an additional year to prepare their business to meet the same contribution requirements.

Finally, but importantly, we are in the process of undertaking our first major member survey. Surveys will be sent to a random selection of members in the second half of 2015. If you receive a survey, we would encourage you to take the time to reply. We have devoted considerable resources to improving investment returns and reducing fees, and we now need your input as to any other services, products or assistance you would like from us to help you with saving for your retirement and your insurance needs.

I would like to thank all those involved with NSF Super for their assistance and effort throughout the year, and to you, our members and employers for your ongoing loyalty and support. I look forward to another positive result for the coming financial year, and again encourage you to contact us to see how we can help you.





Ian Morante
CEO

Report from the NSF Super CEO

With the benefit of 10 years of service with NSF Super this year, and with over 25 years' experience in the superannuation industry, I would like to share a few thoughts on retirement savings with you.

One thing that hasn't changed in my experience (both professionally and personally), is that life (and work) will sometimes present us with many challenges. Dealing with those challenges can sometimes require immediate attention and take up a lot of our time and effort on a daily basis. At times like these, planning for the future can unfortunately be put off until the day to day matters are dealt with.

Another thing that hasn't changed is this - it doesn't matter what age we are, we can all make decisions now that will benefit us individually in the future, and superannuation will play an important part in that future. Whether it provides higher income in retirement, or a larger lump sum (or combination of both), these are things that will make retirement better from a financial point of view. Very few people will say that they couldn't do with more money in retirement.

Because super is such a long term 'work in progress' (based on the time between when we first start work, and the time we retire), small changes have the potential to add up and make a big difference over time. These changes can be surprisingly 'simple'.

'Simple' is an important and very deliberate tagline to the NSF Super logo, and is part of our philosophy to assist members and employers with superannuation.

Members can improve their retirement outcome by considering 'simple' strategies, such as:

- The value of making additional contributions to your super account,
- Whether your current investment option is appropriate to meet your needs and objectives,
- Will the current level of your insurance cover provide the income or lump sum that you need in case you have to access your super before retirement due to ill health or injury?
- Do you have multiple super accounts that might be eating up your super with unnecessary fees and charges?
- Understanding how you can continue to build on your current NSF Super account through your new employer, if or when you change jobs.

It is also 'simple' to get help with looking at these strategies. You can phone the NSF Super team on 1800 025 241 or visit the NSF Super website which contains useful information.

I would like to thank the NSF Super Management Team, Trustee Board, and all our service providers for working hard during the year to assist NSF Super members and employers with their super needs.

your investment performance – looking back at the year

This investment commentary is issued by Mercer Investments (Australia) Limited ABN 66 008 612 397, Australian Financial Services Licence #244385. You should remember that past performance should not be relied upon as an indicator of future performance.

Investment markets were strong over the year, with positive returns in all major markets. Despite positive performance, Australia was one of the weakest performing share markets over the year, reminding investors of the importance to diversify globally - the major International share index returned 25.2% for unhedged Australian investors over the 12 months to June 2015.

Australia

The broad Australian shares market returned 5.6% over the 2014-2015 financial year. The Australian economy continues to grow below trend due to the drag from the conclusion of the mining boom. The Reserve Bank of Australia (RBA) decreased the cash rate twice over the year in February and May, by 0.25% each time. Both speculation and then the announcement of easing rates helped boost Australian shares at the start of 2015. This was following a period of relatively muted returns in the second half of 2014 as Australian business suffered from declining oil and iron ore prices. Over the latter half of the year, strengthening labour market figures alongside a falling Australian dollar assisted local investors.

China

The People's Bank of China (PBoC) cut interest rates three times over the year in an effort to spur demand levels and curb further declines in growth. Sharp Chinese stock market declines dominated headlines with major falls occurring throughout June despite government intervention measures. Recently the Chinese stock market falls and slowing economic growth has influenced global markets. In response to these issues, the PBoC cut its benchmark lending rate to a record low and lowered reserve requirement ratios (the proportion of reserves that banks must hold against deposits) for some lenders.

Europe

Developments in Greece continued to be a focus for markets. Greece became the first developed nation to miss a debt payment to the International Monetary Fund (IMF). Debt negotiations between Greece and major European institutions influenced share and bond market returns over the first half of 2015 as investors reacted to each development. However an agreement was finally reached between parties in early July 2015 at the Eurosummit for a third Greek bail-out, halting concerns of a 'Grexit' (Greek exit) from the Euro.



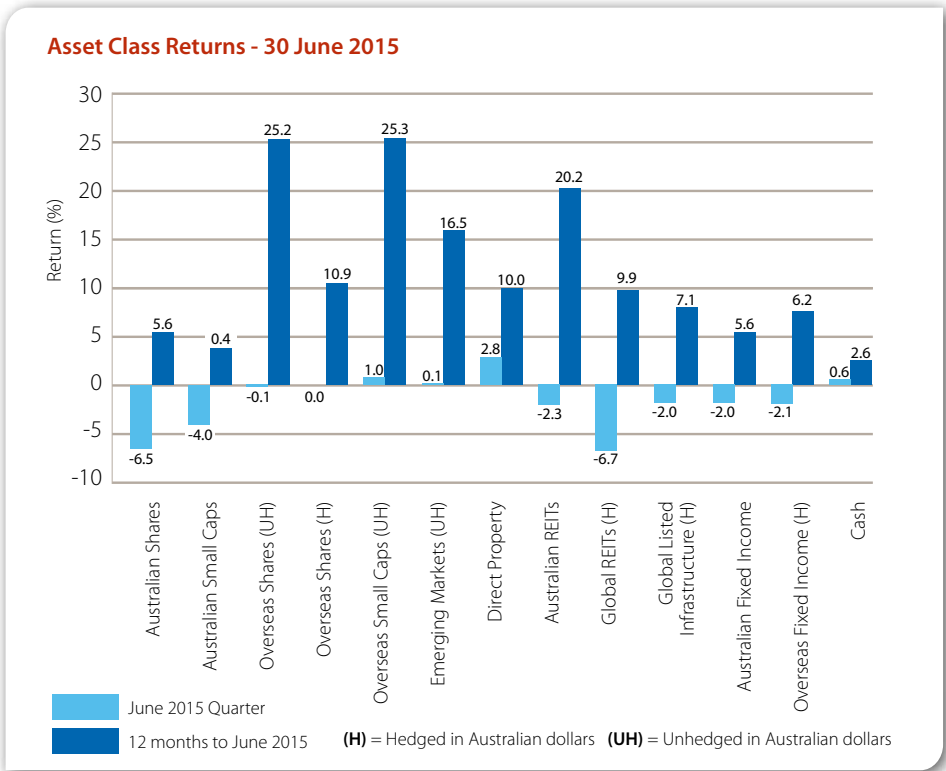
Europe more widely has experienced recoveries in major economic indicators following ongoing quantitative easing programs introduced by their central banks in late 2014 / early 2015.

United States of America

Slow economic growth over a harsh winter with major strikes and a weak housing sector for the US were concerns for investors. Since then, economic growth along with housing and labour market figures have strengthened in the US, leading to much talk of a Federal Reserve cash rate hike in late 2015.

Asset Class Performance to 30 June 2015

Performance was positive across all asset classes over the year and particularly strong in overseas share markets (in unhedged terms).



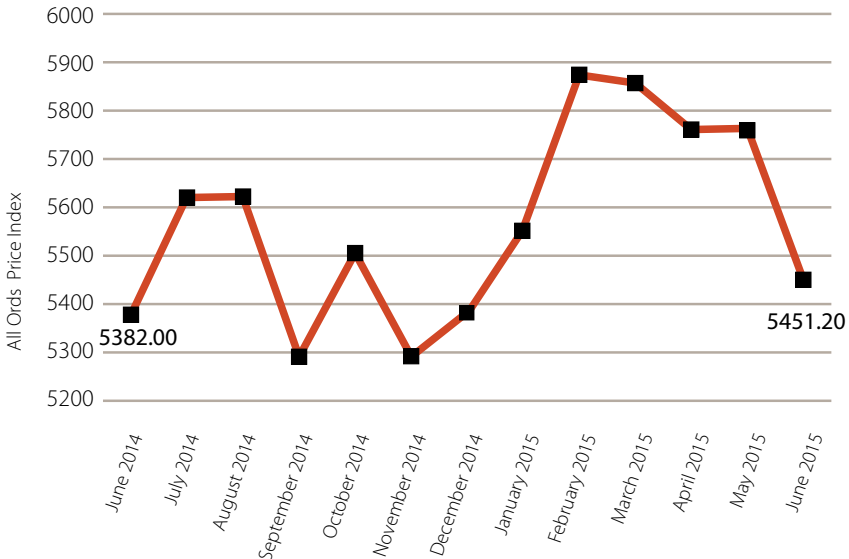
Data source: Thomson Financial Datastream, MSCI. Data provided 'as is'.

your investment performance – looking back at the year

Although the year to 30 June 2015 has provided strong returns, it has been a bumpy ride with heightened economic uncertainty. The risks of a 'Grexit' and the bursting of China's equity bubble were the two most recent sources of volatility, and follow the earlier collapse in energy and other commodity prices. Although we believe none of these events poses a major risk to the global economic recovery over the long term, nevertheless the combination of rich bond and equity valuations, low and uneven global growth, and the prospect of an eventual rise in US interest rates, all point to further market volatility.

Diversification across global markets and asset classes continues to be key in ensuring a robust investment strategy during times of economic uncertainty. Investors are reminded to maintain a long term focus, especially in the context of superannuation savings.

Australian Share Market Movement 2014/15



your investments options

Option

NSF MySuper/Diversified[^]

Inception – 1987 (Super), 1 July 2011 (Pension)*

The NSF Diversified option is the default option in which your balance and contributions are invested where you have not made an investment choice (except for Personal Division Members who must choose their investment option(s)).

This option 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).

This objective is also considered appropriate over rolling 10 and 20 year periods.

This option is designed for members who want a moderate level of return over the medium term. There will be some fluctuations of returns from year to year.

The option provides balanced investment diversification by investing across a wide range of growth and defensive asset types, namely Australian and global shares, property, fixed income, infrastructure, alternative investments and cash.

On average, this option may produce a negative return in 3.5 years over a 20 year period, making it a medium to high risk investment option.

^From 1 September 2013, this option became known as the NSF MySuper option for members in the Employer Sponsored Division only.

Historic crediting rate of earnings

Year ended	Earning rates (%)		
	Super	Pension	Inflation (%)
30 June 2006	14.43	N/A	3.98
30 June 2007	16.77	N/A	2.07
30 June 2008	-14.35	N/A	4.51
30 June 2009	-13.41	N/A	1.46
30 June 2010	11.29	N/A	3.05
30 June 2011	7.04	N/A	3.60
30 June 2012	-1.96	-1.17	1.18
30 June 2013	12.33	14.55	2.39
30 June 2014	11.30	12.54	3.02
30 June 2015	8.40	8.44	1.51

Compound average returns			
5 year	7.30	N/A	2.34
7 year	4.61	N/A	2.31
10 year	4.60	N/A	2.67
Since inception*	7.95	8.42	3.08 (Super) 2.02 (Pension)

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

***Pension Division opened on 1 September 2011. Earnings rates for 2011/12 have been annualised from 1 July 2011.*



your investments options

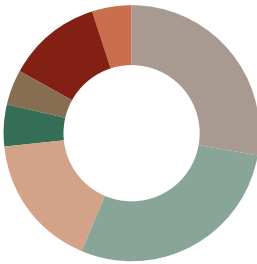
NSF MySuper/Diversified

Asset allocation - Super

Asset Class	Target (%)		Actual (%)	
	Range	Target	At 30 June 2014 [^]	At 30 June 2015
Australian shares	15-40	29.5	28.1	28.0
Global shares	15-40	24.5	27.3	28.6
Real assets	5-25	17	6.8	16.9
Alternatives	0-10	5	5.2	5.3
Growth fixed income	0-15	5	8.2	4.4
Defensive fixed income	5-30	14	18.7	11.9
Cash	0-20	5	5.7	5.0

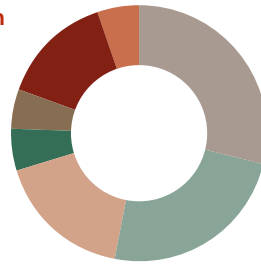
Asset allocation at 30 June 2015

Super



● Australian shares	28.0	● Growth fixed income	4.4
● Global shares	28.6	● Defensive fixed income	11.9
● Real assets	16.9	● Cash	5.0
● Alternatives	5.3		

Pension



● Australian shares	28.9	● Growth fixed income	4.4
● Global shares	24.3	● Defensive fixed income	11.9
● Real assets	17.2	● Cash	5.0
● Alternatives	5.3		

Asset allocation - Pension

Asset Class	Target (%)		Actual (%)	
	Range	Target	At 30 June 2014 [^]	At 30 June 2015
Australian shares	15-40	29.5	28.1	28.9
Global shares	15-40	24.5	27.3	24.3
Real assets	5-25	17	6.8	17.2
Alternatives	0-10	5	5.2	5.1
Growth fixed income	0-15	5	8.2	5.0
Defensive fixed income	5-30	14	18.7	14.3
Cash	0-20	5	5.7	5.1

[^] Changes were made to the target asset allocation in 2014/15, following a review of NSF Super's investment options.

Option

NSF High Growth

**Inception – 1 July 2003 (Super), 1 July 2011 (Pension)*

This option 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).

It provides investment diversification by investing across a wide range of growth assets including Australian and global shares, property, fixed income, infrastructure and alternatives.

On average, this option may produce a negative return in 4.2 years over a 20 year period, making it a high risk investment option.

Historic crediting rate of earnings

Year ended	Earning rates (%)		
	Super	Pension	Inflation (%)
30 June 2006	21.63	N/A	3.98
30 June 2007	17.47	N/A	2.07
30 June 2008	-15.56	N/A	4.51
30 June 2009	-15.44	N/A	1.46
30 June 2010	13.32	N/A	3.05
30 June 2011	5.81	N/A	3.60
30 June 2012	-4.62	-4.29	1.18
30 June 2013	15.83	18.80	2.39
30 June 2014	14.16	15.60	3.02
30 June 2015	8.88	10.32	1.51

Compound average returns			
5 year	7.76	N/A	2.34
7 year	4.84	N/A	2.31
10 year	5.32	N/A	2.67
Since inception*	6.85	9.74	2.64 (Super) 2.02 (Pension)



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

***Pension Division opened on 1 September 2011. Earnings rates for 2011/12 have been annualised from 1 July 2011.*

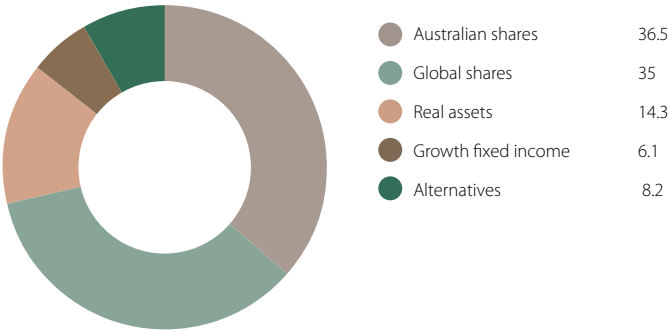
your investments options

NSF High Growth

Asset allocation

Asset Class	Target (%)		Actual (%)	
	Range	Target	At 30 June 2014 [^]	At 30 June 2015
Australian shares	20-50	37	38	36.5
Global shares	20-50	35	32	35.0
Real assets	0-20	14	10	14.3
Growth fixed income	0-15	6	12	6.1
Alternatives	0-15	8	8	8.2

Asset allocation at 30 June 2015



[^] Changes were made to the target asset allocation in 2014/15, following a review of NSF Super's investment options.



Option

NSF SRI/Ethical

**Inception – 1 May 2005 (Super), 1 July 2011 (Pension)*

This option 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).

It provides investment diversification by investing across a wide range of growth and defensive asset types, namely Australian and global shares, property, fixed income, infrastructure, alternative investments and cash.

This option includes investments in share funds which are designated as Socially Responsible Investments (SRI). Labour standards, environmental, social and ethical issues are taken into account (in addition to the usual investment criteria).

On average, this option may produce a negative return in 3.5 years over a 20 year period, making it a medium to high risk investment option.

Historic crediting rate of earnings

Year ended	Earning rates (%)		
	Super	Pension	Inflation (%)
30 June 2006	16.75	N/A	3.98
30 June 2007	20.43	N/A	2.07
30 June 2008	-14.66	N/A	4.51
30 June 2009	-14.88	N/A	1.46
30 June 2010	16.53	N/A	3.05
30 June 2011	9.40	N/A	3.60
30 June 2012	-0.47	-0.24	1.18
30 June 2013	13.63	16.13	2.39
30 June 2014	11.63	13.58	3.02
30 June 2015	7.40	8.58	1.51
Compound average returns			
5 year	8.21	N/A	2.34
7 year	5.67	N/A	2.31
10 year	5.85	N/A	2.67
Since inception*	6.18	9.33	2.87 (Super) 2.02 (Pension)

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

***Pension Division opened on 1 September 2011. Earnings rates for 2011/12 have been annualised from 1 July 2011.*

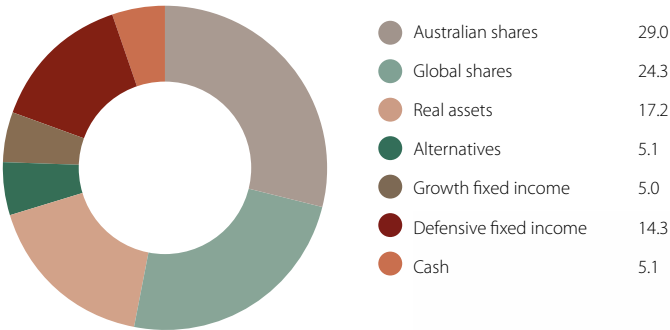
your investments options

NSF SRI/Ethical

Asset allocation

Asset Class	Target (%)		Actual (%)	
	Range	Target	At 30 June 2014 [^]	At 30 June 2015
Australian shares	15-40	29.5	26.8	29.0
Global shares	15-40	24.5	22.2	24.3
Real assets	5-25	17	7	17.2
Alternatives	0-10	5	6	5.1
Growth fixed income	0-15	5	8	5.0
Defensive fixed income	5-30	14	23	14.3
Cash	0-20	5	7	5.1

Asset allocation at 30 June 2015



[^] Changes were made to the target asset allocation in 2014/15, following a review of NSF Super's investment options.



Option

NSF Prudent

**Inception – 1 July 2003 (Super), 1 July 2011 (Pension)*

This option 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).

It provides less volatile investment diversification by investing across a wide range of defensive asset types, namely Australian and global shares, property, fixed income, infrastructure, alternatives and cash.

On average, this option may produce a negative return in 1.6 years over a 20 year period, making it a medium risk investment option.

Historic credit rating of earnings

Year ended	Earning rates (%)		
	Super	Pension	Inflation (%)
30 June 2006	10.19	N/A	3.98
30 June 2007	10.33	N/A	2.07
30 June 2008	-9.50	N/A	4.51
30 June 2009	-9.88	N/A	1.46
30 June 2010	10.77	N/A	3.05
30 June 2011	7.49	N/A	3.60
30 June 2012	0.64	1.32	1.18
30 June 2013	7.42	8.76	2.39
30 June 2014	7.73	8.29	3.02
30 June 2015	5.12	6.20	1.51
Compound average returns			
5 year	5.65	N/A	2.34
7 year	3.97	N/A	2.31
10 year	3.75	N/A	2.67
Since inception*	4.37	6.10	2.64 (Super) 2.02 (Pension)

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

***Pension Division opened on 1 September 2011. Earnings rates for 2011/12 have been annualised from 1 July 2011.*

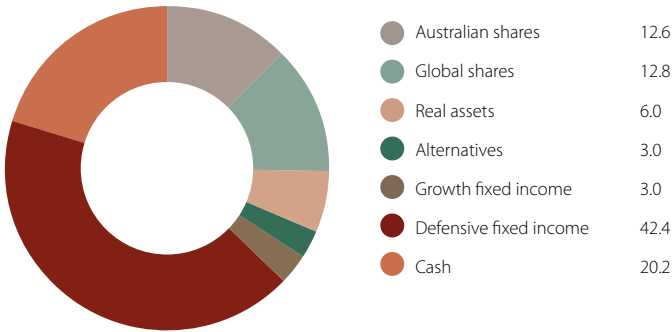
your investments options

NSF Prudent

Asset allocation

Asset Class	Target (%)		Actual (%)	
	Range	Target	At 30 June 2014 [^]	At 30 June 2014
Australian shares	0-20	13	13	12.6
Global shares	0-20	13	12	12.8
Real assets	0-10	6	4	6.0
Alternatives	0-10	3	4	3.0
Growth fixed income	0-6	3	4	3.0
Defensive fixed income	35-60	42	43	42.4
Cash	10-35	20	20	20.2

Asset allocation at 30 June 2015



[^] Changes were made to the target asset allocation in 2014/15, following a review of NSF Super's investment options.



Option

NSF Cash

**Inception – 1 July 2003 (Super), 1 July 2011 (Pension)*

This option aims to produce an annual investment return of at least the annual cash rate (measured by the Bloomberg AusBond Bank Bill Index as at 30 June).

It invests in term deposits and money market related interest bearing securities.

On average, this option is expected to not produce a negative return in a 20 year period, making it a very low risk investment option.

Historic crediting rate of earnings

Year ended	Earning rates (%)		
	Super	Pension	Benchmark (%) [†]
30 June 2006	4.36	N/A	3.98
30 June 2007	5.04	N/A	2.07
30 June 2008	5.88	N/A	4.51
30 June 2009	4.23	N/A	1.46
30 June 2010	3.37	N/A	3.05
30 June 2011	3.84	N/A	5.00
30 June 2012	3.67	4.59	4.70
30 June 2013	2.57	3.03	3.28
30 June 2014	1.90	2.21	2.68
30 June 2015	1.60	1.98	2.60
Compound average returns			
5 year	2.71	N/A	3.65
7 year	3.02	N/A	3.25
10 year	3.64	N/A	3.33
Since inception*	3.62	2.95	3.19 (Super) 3.31 (Pension)

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

†Prior to 2010/11, benchmark was Consumer Price Index. From 2010/11, benchmark is Bloomberg AusBond Bank Bill Index (previously called UBS Australian Bank Bill Index).

***Pension Division opened on 1 September 2011. Earnings rates for 2011/12 have been annualised from 1 July 2011.*

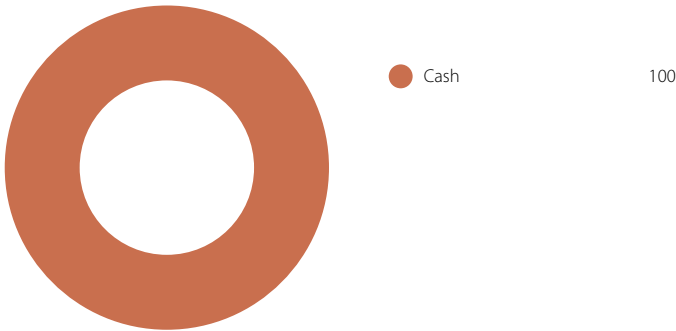
your investments options

NSF Cash

Asset allocation

Asset Class	Target (%)		Actual (%)	
	Range	Target	At 30 June 2014 [^]	At 30 June 2015
Cash	N/A	100	100	100

Asset allocation at 30 June 2015



[^] Changes were made to the target asset allocation in 2014/15, following a review of NSF Super's investment options.



your investment managers

NSF Super has appointed Mercer Investments (Australia) Ltd as its 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 2015.

Investment managers

Australian shares

Ausbil Dexia
Bennelong Funds Management
BT Investment Management
Fidelity Investments
Goldman Sachs Asset Management
Greencape Capital
Nikko Asset Management
Perennial Growth Management
Perpetual Investment Management
Vinva Investment Management

Global shares

Acadian Asset Management
Allianz Global Investors
AMP Capital
Arrowstreet Capital
AQR Capital Management
Ausbil Dexia
Baillie Gifford
Bennelong Funds Management
BlackRock Investment Management
Global Thematic Partners
Investec Asset Management
Macquarie Investment Management
Magellan Financial Group
State Street Global Advisors
Veritas Asset Management

Alternatives

Acadian Asset Management
Anchorage Capital
Arrowgrass Capital Partners
AQR Capital Management
Bloom Tree Partners
Cantab Capital Partners
CQS Capital
Dacharan Capital
DW Partners
Elementum Advisors
Fore Research & Management
GAM
GMO
Hoplite Capital Management
Luxor Capital Group
Makuria Investment Management
Man Investments
Marshall Wace Asset Management
MKP Capital Management
Nephilia Capital
Quaesta Capital
Stone Miller
Taconic Investment Partners
Winton Capital

Australian fixed income

Ardea Investment Management
BT Investment Management
Challenger Financial Services
Macquarie Investment Management
ME Portfolio Management
QIC

Real assets

Brookfield Investment Management
CenterSquare Investment Management
Charter Hall
Colonial First State Global Asset Management
Goodman Funds Management
IFM Investors
Investa Property Group
Lend Lease Investment Management
Macquarie
Principal Global Investors
RARE Infrastructure

Global fixed income

AllianceBernstein
AXA Investment Managers
Challenger
Colonial First State Global Asset Management
Franklin Templeton Investments
H2O Asset Management
Kapstream Capital
Wellington Management

Cash & term deposits

Challenger (managing term deposits held with banks and financial institutions)
National Australia Bank (operating accounts)

your investment managers

Significant investments

The following investments represent more than 5% of NSF Super's assets:

Investment	Percentage of assets
Ausbil Dexia (via Mercer Australian Shares Plus Fund)	5.86%
Kapstream Absolute Return Income Fund	6.73%
State Street Global Advisors (via Mercer Passive International Shares Fund)	14.64%

top ten share holdings

Australian shares

As at 30 June 2015, NSF Super's top ten Australian share holdings, by investment value, were:

Company name	Industry	Percentage of Australian shares portfolio
Commonwealth Bank of Australia	Financials	7.65%
ANZ Banking Group	Financials	7.21%
National Australia Bank	Financials	6.19%
Westpac Banking Corporation	Financials	5.42%
Telstra Corporation	Telecommunication services	4.15%
BHP Billiton	Materials	3.74%
QBE Insurance Group	Financials	2.49%
Macquarie Group	Financials	2.44%
Woolworths	Consumer staples	2.11%
Transurban Group	Industrials	2.11%

Global shares

As at 30 June 2015, NSF Super's top ten global share holdings, by investment value, were:

Company name	Country	Industry	Percentage of global shares portfolio
Apple	USA	Information technology	1.46%
Samsung Electronics	South Korea	Information technology	0.88%
Microsoft Corporation	USA	Information technology	0.83%
Exxon Mobil Corporation	USA	Energy	0.63%
Nestle	Switzerland	Consumer staples	0.57%
Johnson & Johnson	USA	Health care	0.54%
Tencent Holdings	China	Information technology	0.52%
Proctor & Gamble	USA	Consumer staples	0.50%
Wells Fargo & Company	USA	Financials	0.49%
Pfizer	USA	Health care	0.47%

your investment information

Investment policy

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

- 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 Super to meet immediate liabilities; and
- c) To invest 75% of NSF Super's assets in investments that are capable of being redeemed for cash within 30 days.

Socially responsible investing (SRI)

Socially responsible investment takes environmental, social, governance (ESG) or ethical considerations into account for the investment selection and management process.

While NSF Super considers ESG investment considerations to be important across all investment options, the NSF SRI/Ethical investment option has been developed to provide members access to an investment option with a specific focus on ESG criteria.

Where possible and cost effective, the NSF SRI/Ethical option will invest in strategies with ESG considerations imbedded in the investment process.

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 2014/15 did the derivative charge ratio exceed 5% of assets.

Crediting rates

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

The amount that is allocated to members' accounts at the end of the financial year is determined by the Trustee, after taking into account the investment return of the Fund's assets after tax and expenses.

However, should you make a switch or withdrawal; an interim rate of earnings will be applied to your account. The interim rate is determined by the Trustee on a weekly basis and is calculated based on net returns for the period 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.



your trustee board

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

Directors

The Directors at 30 June 2015 were:



Kim McHugh (Chair)

Director since December 2007, Chair since October 2013

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.



Matthew Burgess

Director since July 2012

Matthew holds a combined Economics/Law Degree, a Masters Degree in Education, a Graduate Diploma in Legal Practice and a Graduate Diploma in Applied Finance. He has held senior investment management positions in a number of investment banks.



Helen Imienionek

Director since April 2013, Deputy Chair since December 2014

Helen is a Member of the Australian Institute of Company Directors and holds Masters Degrees in Business Administration and Commercial Law. Helen has previously held senior management positions at a number of large Australian and International financial institutions. Helen was for 15 years a Risk and Compliance Analyst with a large Australian electricity generation company.



Matthew Kerr

Director since July 2013

Matthew holds a Bachelor of Commerce Degree from the University of Newcastle and is an Associate of the Institute of Chartered Accountants, a Certified Financial Planner™ and a SMSF Specialist Advisor. He has held senior management positions in a number of financial services and superannuation companies and has been providing financial and superannuation advice to clients for over 15 years.



Timothy Edmonstone

Director since October 2013

Timothy is an Associate of the Institute of Chartered Accountants and holds a Bachelor of Economics degree from the University of Sydney and a Graduate Diploma of Applied Finance. Timothy has extensive management and investment analyst experience, having worked for leading financial and investment firms.



John Lynch

Director since June 2014

John is a fellow of the Australian Institute of Superannuation Trustees and has previously held the role of trustee director and Chair of a corporate superannuation fund. As a qualified workplace trainer and assessor, John has provided advice and support to numerous superannuation boards.

your trustee board

Board changes

Kenneth Conway resigned as a Director during the year, effective 31 October 2014. Professor Maree Gleeson, OAM resigned as a Director during the year, effective 31 December 2014.

Role and remuneration 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 met every two months, with some committees meeting monthly. The Directors receive a fee in recognition of their time and responsibility commitment to NSF Super.

Director and Management remuneration for 2014/15	
Remuneration band ^	Directors & Key Management personnel
\$0 - \$20,000	1
\$20,001 - \$40,000	1
\$40,001 - \$60,000	5
\$60,001 - \$80,000	1
\$120,001 - \$140,000	1
\$160,001 - \$200,000	1

^ Including 9.50% Superannuation Guarantee.

The Directors are remunerated on the following basis:

Role	Fees
Base fee (covers attendance at Board meetings and a minimum of 30 hours training)	\$36,940 per annum
Additional fees	
Investment committee membership	\$2,900 per annum
Claims committee membership	\$12,570 per annum
Fund Chair fee	\$17,765 per annum
Other approved activities	\$290 per hour

Management staff

Chief Executive Officer (CEO) - Ian Morante **CEO and Trustee Company Secretary since May 2005.**

As CEO of NSF Super, Ian is responsible for the day to day management of NSF Super and implementing the Trustee Board's strategic plans.

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.

Chief Operating Officer (COO) – Karen McGaffin **Project Manager – Stronger Super August 2012 to December 2014** **Chief Operating Officer since January 2015**

As COO of NSF Super, Karen manages the operational functions of NSF Super, particularly those functions undertaken by service providers.

Karen has over 17 years experience in the financial services industry, including 4 years in specialist superannuation roles. Karen holds a Bachelor of Law and a Bachelor of Economics, Graduate Diploma in Legal Practice and Graduate Certificate in Human Resource Management. Karen is a Graduate Member of Australian Institute of Company Directors and an Associate Member of the Governance Institute of Australia.

Trustee Indemnity Insurance

NSF Nominees Pty Limited holds indemnity insurance cover, underwritten by Zurich Australian Insurance Limited and Liberty International Underwriters, 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.



your trustee board

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. The following Directors were members of these committees at 30 June 2015:

Board committees		Members
Audit, Risk and Compliance Committee	Considers matters relating to the financial and statutory compliance obligations of NSF Super, including external audit, risk and legal compliance.	Helen Imienionek (Chair) Matthew Kerr John Lynch Kim McHugh
Investment Committee	Oversees the investment arrangements of NSF Super. In particular, works closely with the investment consultant to undertake strategic investment monitoring and decision making.	Timothy Edmonstone (Chair) Matthew Burgess Helen Imienionek Kim McHugh
Administration Committee	Makes recommendations to the Board to improve efficiencies of fund administration and quality of service to members and employer sponsors.	Matthew Kerr (Chair) Helen Imienionek John Lynch Kim McHugh
Claims and Insurance Policy Committee	Considers and determines claims lodged for Death, Disablement, Terminal Illness and financial hardship. Recommends to the Board any changes necessary to NSF Super's insurance policies.	Matthew Burgess (Chair) John Lynch Kim McHugh
Business Development Committee	Develops and recommends NSF Super's strategic direction to the Board.	John Lynch (Chair) Matthew Burgess Matthew Kerr
Remuneration and HR Committee	Oversees the appointment, removal, evaluation and remuneration of Board members and NSF Management Team.	Helen Imienionek (Chair) Matthew Burgess Timothy Edmonstone Matthew Kerr John Lynch Kim McHugh

your important information

Complying Fund

For the period 1 July 2014 to 30 June 2015, 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 2014/15.

Policy committees

Employer sponsors of NSF Super and their members have the opportunity to play an active role in the operation of NSF Super by forming a policy committee. A policy committee is a forum for an employer and its employees who are members of NSF Super to express their views and ask questions about the running of NSF Super.

Under law, NSF Super is required to take all reasonable steps to ensure that a policy committee is set up for each employer with at least 50 employees with NSF Super. 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 one be formed.

For further information on the important role that a policy committee plays, please contact NSF Super or download the Policy Committee Guide from nsfsuper.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 by the Australian Taxation Office (ATO) directly to NSF Super. Any superannuation surcharge tax payable by a member will be deducted from their NSF Super account and paid to the ATO.

Administration Reserve

An 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 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 2014/15:

	For the year ended 30 June		
Administration Reserve account	2015	2014	2013
Opening balance	\$251,000	\$251,000	\$251,000
Movement	\$0	\$0	\$0
Closing balance	\$251,000	\$251,000	\$251,000

your important information

Operational Risk Financial Reserve

APRA requires Trustees to hold adequate financial resources to respond to an operational risk event. To meet these requirements, the Trustee established an Operational Risk Financial Reserve on 1 July 2012 to have access to financial resources to address any losses arising from operational risks.

During 2014/15, the Trustee achieved a balance in the Operational Risk Financial Reserve account that satisfied the target set by the Trustee to ensure compliance with APRA's prudential standards.

This reserve account is invested in cash or cash equivalent assets and interest is re-invested back into the reserve account.

During 2015/16, the Trustee will be implementing a long term investment strategy for the Operational Risk Financial Reserve.

The following net amounts were deposited into the Operational Risk Financial Reserve account during 2014/15:

	For the year ended 30 June		
Operational Risk Financial Reserve account	2015	2014	2013
Opening balance	\$724,496	\$390,362	\$0
Movement	\$793,129	\$334,134	\$390,362
Closing balance	\$1,517,625	\$724,496	\$390,362

Capital Expenditure Reserve

There are significant system enhancements and developments which must be undertaken over the coming years to ensure a smooth transition to the Stronger Super regime, so that NSF Super can comply with new legislative requirements.

To fund the expenses anticipated in upgrading and developing the systems, the Trustee created a Capital Expenditure Reserve account on 1 July 2012, funded from membership fees.

This reserve account is invested in cash or cash equivalent assets and interest is re-invested back into the reserve account.

The following net amounts were deposited into the Capital Expenditure Reserve account during 2014/15:

	For the year ended 30 June		
Capital Expenditure Reserve account	2015	2014	2013
Opening balance	\$15,441	\$57,681	\$0
Movement	\$14,896	-\$42,240	\$57,681
Closing balance	\$30,337	\$15,441	\$57,681

General Reserve

The Trustee established a General Reserve on 18 June 2013 for end-of-year crediting rate adjustments and from which expenditure associated with the development of the Fund, or the improvement of services to members, may be funded.

This reserve account is invested in cash or cash equivalent assets and interest is re-invested back into the reserve account.

The following net amounts were deposited into / paid from the General Reserve account during 2014/15:

General Reserve account	For the year ended 30 June		
	2015	2014	2013
Opening balance	\$2,884,171	\$2,276,408	\$0
Movement	-\$1,152,198	\$607,763	\$2,276,408
Closing balance	\$1,731,973	\$2,884,171	\$2,276,408

Service providers

The Trustee engages various professional advisers and service providers to assist it in managing the Fund. The following entities provided expert advice and service to NSF Super as at 30 June 2015:

Administrator and Consultant	PSI Superannuation Management Pty Limited
Asset Consultant	Mercer Investments (Australia) Ltd
General Advice Licensee	PSI Superannuation Management Pty Limited As a Corporate Authorised Representative of Pacific Custodians Pty Limited
Personal Advice Provider	Money Solutions Pty Ltd AFSL 258145
Auditor	PricewaterhouseCoopers (PwC)
Internal Auditor	Ernst & Young
Custodian	NAB Asset Servicing
Group Insurer	MetLife Insurance Limited
Legal Advisers	Mullane & Lindsay Solicitors Thomson Geer Lawyers Moray and Agnew
Actuarial Services	Mercer Consulting (Australia) Pty Ltd Rice Warner Pty Ltd



The Trustee is not associated with any of these organisations.

your important information

Eligible Rollover Fund

If your NSF Super account balance is less than \$2,000 (excluding investment earnings and any applicable fee and tax rebates) and you are classed as lost, we may rollover your account to the SuperTrace Eligible Rollover Fund (operated by Colonial Mutual Superannuation Pty Limited) to protect your account from being eroded by administration fees.

The Trustee will determine whether to implement a rollover to the eligible rollover fund on a regular basis, and will consider if the rollover is in the best interest of the affected members.

If your account is rolled over to SuperTrace, you will no longer be a member of NSF Super and any insurance cover you had with NSF Super will cease. Please also note that the investment earnings of SuperTrace may be lower than those of NSF Super.

You are taken to be a lost member if:

- You are inactive, having been a member for at least two 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
- NSF Super has not received a contribution or rollover for you in the last 12 months and 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

Unclaimed monies

The government requires NSF Super to transfer lost accounts with balances under \$2,000 or those that have been inactive for more than 12 months to unclaimed monies, administered by the Australian Taxation Office (ATO). You are able to claim back any unclaimed monies in your name from the ATO at anytime. For more information, go to www.ato.gov.au.

Temporary residents

All super funds are generally required to transfer to the government (at their request) the account balances of members who were temporary residents no longer holding a current temporary visa, where the member left Australia at least six months ago.

An individual who has, at any stage, been a temporary resident and who is not a citizen or permanent resident of Australia or New Zealand, is able to withdraw their super benefits in cash (net of tax) by applying to NSF Super (or to the ATO when, after six months, the benefits have been transferred to the ATO).

Generally tax of 38% will be deducted from departing Australia super payments.

For more information, see Information Sheet: Super for Temporary Residents, available by contacting the NSF Super team.

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.



financial statements

Statement of Financial Performance

As at 30 June 2015

	2015	2014
ASSETS	\$	\$
Cash and cash equivalents		
Cash at bank	9,538,733	7,837,656
Short-term deposits	6,267,446	3,838,367
Other receivables		
GST receivable	200,152	189,910
Sundry debtors	17,616	17,616
Investments		
Unit-linked securities	523,668,647	497,676,690
Interest bearing securities	-	1,006,140
Tax assets		
Current tax assets	461,598	6,113
Deferred tax assets	(2,934,664)	608,923
TOTAL ASSETS	537,219,528	511,181,415

LIABILITIES		
Trade and other payables		
Benefits payable	61,374	234,372
Other creditors	1,103,483	1,292,117
Payable to trustee entity	18,105	45,825
Provision for payout tax	25,771	80,458
TOTAL LIABILITIES	1,208,733	1,652,772
Net assets available to pay benefits	536,010,795	509,528,643

Represented by:

Liability for accrued benefits

Vested Benefits

Allocated to members' accounts	531,127,558	505,839,587
Not yet allocated to members' accounts	433,479	(186,053)
	531,561,037	505,653,535

Reserves

Unallocated earnings	918,823	-
Operational risk financial reserve	1,517,625	724,496
Capital expenditure reserve	30,337	15,441
General reserve	1,731,973	2,884,171
Administration reserve	251,000	251,000
	4,449,758	3,875,108
Total for liability accrued benefits	536,010,795	509,528,643

Operating Statement

For the year ended 30 June 2015

	2015	2014
	\$	\$
Revenue from ordinary activities		
Investment revenue		
Interest	269,351	295,963
Distributions	28,189,692	14,845,666
Changes in net market value of investments	17,932,098	42,068,971
Other income	1,556,037	1,370,307
	<u>47,947,178</u>	<u>58,580,907</u>
Contribution revenue		
Employer contributions	40,653,976	40,588,742
Members' contributions	3,256,523	4,086,123
Transfers from other funds	6,155,980	6,194,086
Proceeds from insurance	6,574,082	6,040,969
	<u>56,640,561</u>	<u>56,909,920</u>
Total revenue from ordinary activities	<u>104,587,739</u>	<u>115,490,827</u>
Less:		
Expenses from ordinary activities		
Premiums on term insurance policies	6,385,613	7,470,888
Superannuation contributions surcharge	834	(394)
Administration asset fees	6,317,172	6,241,891
Asset consultant fees	58,343	190,580
Trustee expenses	1,601,613	1,594,213
Other general administration expenses	576,648	772,283
Total expenses from ordinary activities	<u>14,940,223</u>	<u>16,269,461</u>
Benefits accrued as a result of operations before income tax	89,647,516	99,221,366
Less:		
Income tax expense	(7,554,502)	(9,481,710)
Benefits accrued as a result of operations	<u>82,093,014</u>	<u>89,739,656</u>

Accounts for the Year Ended 30 June 2015

The Accounts for the year ended 30 June 2015 have been audited and an unqualified report has been provided by our auditor, Mr David Coogan, 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 October 2015 by contacting NSF Super.



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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 (NSF Super)

ABN 15 201 768 813

Administered by PSI Superannuation Management Pty Limited

ABN 93 003 422 320