

NGS SUPER

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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NGS SUPER

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The directors of NGS Super Pty Limited (the Trustee), as trustee for the NGS Super (the Fund or NGS Super), submit herewith the annual report of the Fund for the financial year ended 30 June 2024. To comply with the *Corporations Act 2001*, the directors report as follows:

Principal activities

During the year, the principal continuing activities of the Fund consisted of providing members with lump sum or pension benefits upon retirement, termination of service, death or disablement.

Review of and results of operations

The net assets available for member benefits increased from \$14,206,432,000 to \$15,230,804,000 during the financial year. This increase is a combination of investment returns during the year and changes in member benefits.

The Fund invests member balances in financial investments designed to provide a return to members with a focus on investing for the long term and choosing high quality, value for money investments. For the year ended 30 June 2024, the Fund received income from superannuation activities after tax of \$1,134,193,000 (2023: \$1,116,568,000) this was an increase on the prior year and is reflective of the performance of investment markets generally during the year.

The statement of change in member benefits shows the impact of after-tax contributions, benefit payments and insurance arrangements during the year. For the year ended 30 June 2024 there was a net increase in member benefits of \$1,014,044,000 (2023: increase \$1,129,774,000).

Significant changes in the state of affairs

There was no significant change in the state of affairs of the Fund during the financial year.

Events since the end of the financial year

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

During the current financial year the Fund committed to transform its operations to improve efficiencies, as well as support its strategic capability to deliver sustainable, valuable and personalised service in the members best financial interests. The implementation of the program is being staged across future financial years with the majority of the work expected to be completed in the 2025 financial year.

The most significant changes include:

- A change of administration service provider from Mercer, to GROW, which also creates an opportunity to change service providers for member education and advice, as well as bringing in part of the call centre function which was previously wholly outsourced,
- A redesign of how members monitor and transact their money online including updating of the member website and development of a mobile app,
- Redesign and implementation of the systems architecture to support the new functionality and enhance connectivity between different systems to facilitate a more seamless member experience.

These developments are expected to enhance the services provided to members and promote future growth.

Environmental regulation

The operations of the Fund are not subject to any particular and significant environmental regulation under law of the Commonwealth or of a State or Territory.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

Audit and non-audit services

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Fund and by PwC's related network firms:

	2024	2023
Auditors of the Fund – PwC and related network firms for the following services:		
• Audit of the financial report and regulatory compliance	209,129	188,834
• Other audit related services	179,857	148,933
Non-audit services:		
• Taxation services (tax agent and investment tax advice)	39,076	159,349
	<hr/>	<hr/>
	428,062	497,116
	<hr/>	<hr/>

The directors of the Fund are satisfied that the provision of non-audit services provided during the year by the auditor (or by another person or firm on the Auditor's behalf) is compatible with the standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence, for the following reasons:

- All non-audit services have been approved by the Audit, Risk and Compliance Committee as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (APES 110).
- All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

The above directors' statements are in accordance with the advice received from the Risk, Audit and Compliance Committee.

Auditor's independence declaration

The auditor's independence declaration is included on page 7.

Rounding off of amounts

NGS Super is an entity of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded to the nearest thousand dollars unless otherwise indicated.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Remuneration Report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the key management personnel of NGS Super for the financial year ended 30 June 2024. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, including any director of the Trustee of the Fund. The prescribed details for each person covered by this report are detailed below.

Key management personnel

The directors of the Trustee and other key management personnel of the Trustee during and since the end of the financial year were:

Directors of the Trustee

Employer appointed:

Dr Geoffrey Newcombe AM (Chair)
Georgina Smith (Deputy Chair)
Michelene Collopy (resigned 15 August 2024)
Kathy Dickson (resigned 29 April 2024)
Deborah Ponting
Wendy Wills (resigned 29 April 2024)

Member elected:

Patrick Anderson
David Brear
Terry Burke
Mark Northam (resigned 29 April 2024)
Christine Wilkinson (resigned 29 April 2024)
Carol Matthews (appointed 27 September 2023)

Independent Directors:

Brett Lazarides (appointed 1 September 2024)
John Battams (Independent Chair, appointed 15 August 2024, commencing 1 January 2025)

Other Key Management Personnel

Name

Natalie Previtiera
Ben Facer

Ben Squires
Melissa Adam (resigned September 2024)
Christopher McManamon
Darryn Studdert
Jo Klingberg
Philippa Minney

Position

Chief Executive Officer
Chief Strategy Officer and Deputy Chief
Executive Officer
Chief Investment Officer
Chief Experience Officer
Chief Service Delivery Officer
Chief Advice and Education Officer
Chief Growth Officer
Chief Risk Officer & Head of Corporate Services

Remuneration of Key Management Personnel

Directors remuneration

Director remuneration consists of Board and Committee fees and superannuation contributions. These fees reflect the demands and responsibilities of the Directors.

The directors receive a letter confirming their appointment and the terms and conditions of their appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. As per the constitution a Director may only be appointed for a term of three years and may be reappointed for a further term to a maximum of four terms not exceeding 12 years in total. There are no formal arrangements in place for termination benefits outside of statutory arrangements.

Some directors are paid all, or in part via a sponsoring entity. Where this is the case, it has been disclosed in the table below.

Elements of executive remuneration

Executive remuneration practices reflect the Fund's core values, placing members at the centre of what the Fund does as well as recognising the need to attract and retain talent in order for the Fund to provide quality benefits and services to members. The Fund uses industry benchmarking to ensure that its directors and employees are fairly remunerated based upon the roles they are performing. Remuneration consists of salaries, superannuation guarantee contributions, salary sacrifice contributions, fringe benefits and leave accruals.

There is no variable or performance based or contingent remuneration included in the executive remuneration packages for any employees. There are no formal arrangements in place for termination benefits outside of statutory arrangements. The notice period for all executive personnel is 3 months except for the Chief Executive Officer whose notice period is 6 months.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The following tables show details of the remuneration expense recognised for the directors of the Fund's trustee and other key management personnel for the year measured in accordance with the requirements of the accounting standards.

Year ended 30 June 2024

Name	Current role as at 30 June 2024	Date commenced in current role	Date ceased as Director / Executive	Previous executive role held if applicable	Short-term employee benefits		Post employment benefits - Superannuation	Long-term benefits ⁷	Termination benefits	Total
					Cash salary, fees and short-term compensation	Other benefits				
					\$	\$	\$	\$	\$	\$
Directors										
Dr Geoffrey Newcombe AM	Chair	1 March 2013			115,703		13,884	-	-	129,587
Georgina Smith	Deputy Chair	1 July 2014			79,073	-	21,369	-	-	100,442
Micheline Collopy	Employer appointed	26 August 2019	15 August 2024		68,739	-	8,249	-	-	76,988
Kathy Dickson	Employer appointed	17 July 2015	29 April 2024		55,734	-	6,688	-	-	62,422
Deborah Ponting	Employer appointed	1 January 2022			55,734	-	6,688	-	-	62,422
Wendy Wills	Employer appointed	17 December 2018	29 April 2024		69,521	-	8,342	-	-	77,863
Patrick Anderson	Member elected	12 May 2022			58,485	-	7,018	-	-	65,503
David Brear	Member elected	7 April 2022			55,734	-	6,688	-	-	62,422
Terry Burke	Member elected	6 May 2019			68,739	-	8,249	-	-	76,988
Mark Northam ⁵	Member elected	1 February 2023	29 April 2024		54,805	-	4,459	-	-	59,264
Christine Wilkinson	Member elected	12 February 2013	29 April 2024		51,853	-	25,134	-	-	76,988
Carol Matthews ¹	Member elected	27 September 2023			27,867	-	-	-	-	27,867

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Name	Current role as at 30 June 2024	Date commenced in current role	Date ceased as Director / Executive	Previous executive role held if applicable	Short-term employee benefits		Post employment benefits - Superannuation	Long-term benefits ⁷	Termination benefits	Total
					Cash salary, fees and short-term compensation	Other benefits				
					\$	\$	\$	\$	\$	\$
Executives										
Natalie Previtera	Chief Executive Officer	5 June 2023		Chief Governance and Risk Officer	633,825	-	27,500	31,640	-	692,965
Ben Facer ⁵	Chief Strategy Officer and Deputy Chief Executive Officer	3 July 2023		Chief Strategy Officer	499,060	8,702	27,500	50,554	-	585,816
Ben Squires ⁶	Chief Investment Officer	12 March 2018			415,476	135,626	27,500	21,398	-	600,000
Melissa Adam	Chief Experience Officer	11 October 2023	9 September 2024	Chief Marketing Officer	302,087	-	27,500	9,522	-	339,109
Christopher McManamon ³	Chief Service Delivery Officer	11 October 2021			287,658	-	27,500	4,456	-	319,614
Darryn Studdert ⁴	Chief Advice and Education Officer	4 March 2024		Chief Advice Officer	229,309	-	26,480	40,274	-	296,063
Jo Klingberg	Chief Growth Officer	24 April 2023			287,500	-	27,500	14,477	-	329,477
Philippa Minney	Chief Risk Officer	3 July 2023			421,234	-	27,500	17,884	-	466,618

Notes to the 2024 remuneration table

1 - Carol Matthews was appointed 27 September 2023, her fees are paid to IEU NSW/ACT

2 - Part of Mark Northam's fees were paid to IEU NSW/ACT until September 2023 amounting to \$17,649 and via salary for the remainder of the year

3 - Chris McManamon was appointed to Chief Operating Officer on 1 July 2024

4 - Darryn Studdert is paid by NGS Super Financial Planning Pty Ltd

5 - Other benefits received by Ben Facer relate to the personal component of travel costs paid by the Fund in relation to attendance at an industry conference including any fringe benefit tax paid

6 - Other benefits received by Ben Squires relates to a salary sacrifice arrangement of school fees including any fringe benefit tax paid

7 - Long-term benefits reflect the movement in long service and annual leave accruals during the period.

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s 298(2) of the *Corporations Act 2001*.

The Directors' Report is approved in accordance with the resolution of the Directors of the Trustee.

deborah ponting

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Director Deborah Ponting

Dated 29 September 2024



Auditor's independence declaration

As lead auditor for the audit of NGS Super for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'BSS Tompsett'.

BSS Tompsett
Partner
PricewaterhouseCoopers

Sydney
30 September 2024

NGS SUPER

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Cash and cash equivalents	15(c)	380,474	466,846
Margin accounts		130,689	31,640
Receivables	13	88,870	98,261
Investments			
Investment portfolio	3,5	14,666,129	13,710,726
Derivative assets	3	80,431	27,468
Unallocated gold contract	3	261,695	215,402
Other Assets			
Prepayments		2,158	917
Fixed assets		2,162	2,946
Intangible assets		2,275	-
TOTAL ASSETS		15,614,883	14,554,206
LIABILITIES			
Creditors and accruals	14	54,786	51,604
Margin accounts		6,451	34,156
Employee entitlements		3,005	2,279
Lease liability		1,132	2,022
Derivative liabilities	3	40,966	78,988
Current tax liabilities	12(d)	62,115	3,653
Deferred tax liabilities	12(e)	215,624	175,072
TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS		384,079	347,774
NET ASSETS AVAILABLE FOR MEMBER BENEFITS		15,230,804	14,206,432
MEMBERS BENEFITS			
Defined contribution member liabilities	7(a)	15,063,714	14,043,116
Defined benefit member liabilities	7(b)	58,082	64,636
TOTAL MEMBER BENEFITS		15,121,796	14,107,752
NET ASSETS		109,008	98,680
EQUITY			
Trustee operating reserve	8	29,652	28,769
Operational risk reserve (ORR)	8	44,139	40,922
Defined benefit surplus	7(b)	26,154	22,906
Unallocated surplus/(deficit)	8	9,063	6,083
TOTAL EQUITY		109,008	98,680

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
REVENUE FROM SUPERANNUATION ACTIVITIES			
Interest		70,783	50,580
Investment income	6	412,781	358,050
Net gains/(losses) on investments held at fair value through profit or loss		805,958	859,320
Sundry income		4,531	1,929
		<hr/>	<hr/>
TOTAL SUPERANNUATION ACTIVITIES REVENUE		1,294,053	1,269,879
		<hr/>	<hr/>
EXPENSES			
Direct investment expenses	10	38,089	42,275
Indirect investment expenses		13,350	11,672
Administration expenses		37,935	28,627
Other expenses	11	4,310	5,223
		<hr/>	<hr/>
TOTAL EXPENSES		93,684	87,797
		<hr/>	<hr/>
RESULTS FROM SUPERANNUATION ACTIVITIES BEFORE INCOME TAX EXPENSE			
		1,200,369	1,182,082
		<hr/>	<hr/>
Income tax expense	12(a)(b)	66,176	65,514
		<hr/>	<hr/>
RESULTS FROM SUPERANNUATION ACTIVITIES AFTER INCOME TAX			
		1,134,193	1,116,568
		<hr/>	<hr/>
ALLOCATION TO MEMBERS BENEFITS			
Net benefits allocated to defined contribution (DC) member accounts		(1,164,521)	(1,132,222)
Net benefits allocated to defined benefit (DB) member liabilities		(8,615)	(12,160)
		<hr/>	<hr/>
TOTAL ALLOCATION TO MEMBER BENEFITS		(1,173,136)	(1,144,382)
		<hr/>	<hr/>
NET OPERATING RESULT		(38,943)	(27,814)
		<hr/>	<hr/>

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STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
Liability for accrued benefits beginning of period		14,107,752	12,977,978
CONTRIBUTION REVENUE			
Employer contributions		706,854	651,871
Member contributions		228,960	213,253
Government co-contributions		639	597
Transfers in		168,014	167,220
Total contributions before tax		1,104,467	1,032,941
Income tax on contributions	12(c)	(112,867)	(104,733)
Net after tax contributions		991,600	928,208
BENEFITS PAID			
Rollovers		(529,775)	(390,878)
Benefits paid		(361,669)	(349,602)
Pensions paid		(186,940)	(139,338)
Net benefits paid		(1,078,384)	(879,818)
INSURANCE			
Insurance premiums charged to members' accounts	9	(62,362)	(61,535)
Claims credited to members' accounts	9	29,971	29,325
Tax benefit on insurance premiums	12(c)	9,354	9,230
Net Insurance (cost)/benefit		(23,037)	(22,980)
INCOME AND EXPENSES			
Investment earnings/(losses) applied to members		1,164,521	1,132,222
Net change in defined benefit member accrued benefits		8,615	12,160
Fees paid by members		(49,271)	(40,018)
Net income/(expenses)		1,123,865	1,104,364
Liability for accrued benefits end of period		15,121,796	14,107,752

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STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2024

	Trustee Operating Reserve \$'000	ORR \$'000	Defined Benefit Surplus \$'000	Unallocated Surplus/(deficit) \$'000	Total Reserves \$'000
Year Ended 30 June 2024					
Opening Balance	28,769	40,922	22,906	6,083	98,680
Net income/(loss) applied	(48,388)	3,217	3,248	2,980	(38,943)
Fees paid by members	49,271	-	-	-	49,271
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Closing Balance	29,652	44,139	26,154	9,063	109,008
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Year Ended 30 June 2023					
Opening Balance	27,827	37,703	22,084	(1,138)	86,476
Net income/(loss) applied	(39,076)	3,219	822	7,221	(27,814)
Fees paid by members	40,018	-	-	-	40,018
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Closing Balance	28,769	40,922	22,906	6,083	98,680
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		70,783	50,580
Dividend and distributions received		391,060	299,477
Other investment income		4,531	1,929
Direct investment expenses		(41,801)	(40,255)
Indirect investment expenses		(13,350)	(11,672)
Administration and other expenses		(41,788)	(32,467)
Income tax received (paid)		33,311	(1,390)
NET CASH FLOWS FROM OPERATING ACTIVITIES	15(a)	402,746	266,202
CASH FLOWS IN INVESTING ACTIVITIES			
Proceeds from sale of investments		6,864,372	7,537,534
Payments for purchase of investments		(7,239,766)	(7,935,066)
Payments for purchase of fixed assets		(339)	(340)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(375,733)	(397,872)
CASH FLOWS FROM MEMBER ACTIVITIES			
Employer contributions		706,347	651,541
Member contributions		228,960	213,253
Government co-contribution		639	597
Transfers in		168,014	167,220
Rollovers, benefits and pensions paid		(1,078,384)	(879,818)
Insurance proceeds (inwards)		29,971	29,325
Insurance premiums (outwards)		(64,946)	(60,012)
Income tax on contributions received		(103,986)	(74,128)
NET CASH FLOWS FROM MEMBER ACTIVITIES		(113,385)	47,978
NET (DECREASE)/INCREASE IN CASH HELD		(86,372)	(83,692)
CASH AT THE BEGINNING OF PERIOD		466,846	550,538
CASH AT THE END OF PERIOD	15(c)	380,474	466,846

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

NGS Super (the Fund) is a combination of a defined contribution and defined benefit superannuation fund domiciled in Australia. The address of the fund's office is:

Level 4
14 Martin Place
Sydney NSW 2000

The purpose of the Fund is to provide retirement benefits to its members. The Fund was constituted by an original Trust Deed dated 10 June 1988, as amended. The Fund holds a public offer licence primarily to provide superannuation benefits to employees in the education industry in Australia. The Fund has defined benefit members, accumulation members and pensioners.

The Trustee of the Fund is NGS Super Pty Limited (RSE No L0000567).

These financial statements cover the Fund as an individual entity. The financial statements were approved by the Board of the Trustee, NGS Super Pty Limited, on 25 September 2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Unless covered in other notes to the financial statements, the material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

The financial statements are general purpose financial statements which have been drawn up in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act 2001* and *Corporations Regulations 2001*, the requirements of the *Superannuation Industry (Supervision) Act 1993* and Regulations ("SIS") and the provisions of the Trust Deed. The financial statements are presented in Australian dollars.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. Balances are expected to be recovered or settled within twelve months, except for investments, fixed assets, derivative liabilities and member liabilities.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

(b) New and amended standards adopted during the year

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]*
- AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules [AASB 112]*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(c) New Standards and Interpretations not yet Adopted

Certain amendments to accounting standards have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial Investments

Investments of the Fund are initially recognised using trade date or settlement date accounting, as appropriate. From the initial recognition any gains and losses arising from net remeasurement changes in the assets fair value are recorded in the income statement. Fair values have been determined as follows:

Market quoted investments

The fair value of an investment for which there is a readily available market quotation is determined as the last quoted sale price at the close of business on reporting date.

Non-market quoted investments

Investments for which market quotations are not readily available are valued at fair value. The valuation approach or methodology adopted to determine fair value is dependent on the characteristics of the underlying investment.

For unlisted investment where observable inputs are available, valuations are derived with reference to recent arm's length transactions, current value of another instrument that is substantially the same or using discounted cash flows. Where discounted cash flow techniques are used, estimated future cash flows are based on the Trustee's best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms, conditions, and risks.

For unlisted investments with unobservable inputs, valuations are obtained from the underlying investment manager at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines ('IPEV Guidelines') adjusted for subsequent additional investments, redemptions, and significant changes in underlying market conditions through to balance date.

For unlisted investments where the business model's objective is to hold assets to collect contractual cashflows of principal and interest, the investment is recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, the assets are stated at amortised cost adjusted by any impairments.

Where other pricing models are used, inputs are based on market data at the reporting date. For new investments where no observable or unobservable inputs are available, investment is valued at cost.

Derivative Financial Instruments

Derivative financial instruments including financial futures and forward exchange contracts, interest rate swaps, exchange traded and other options and forward rate agreements are recorded at mark to market basis at balance date using the most recent verifiable sources of market prices or generally accepted valuation principles.

(e) Financial Instruments

(a) Recognition/ derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade or settlement date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership.

(b) Measurement

At initial recognition, the Fund measures financial assets and financial liabilities at their fair value. Transaction costs for financial assets and liabilities are recorded in the income statement.

After initial recognition, all financial assets and liabilities are measured at fair value. Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of financial instruments.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis or realise the asset and settle the liability at the same time.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Unallocated Gold Contract

The Fund has an investment exposure to gold via an unallocated gold contract. The contract is a financial instrument, with the fair value being based on the market price of gold bullion for which the contract is held at the reporting date.

Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of investments.

(g) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position and the Statement of Cash Flows comprise cash at bank and short-term deposits with a remaining maturity of three months or less that are readily convertible to cash, and subject to an insignificant risk of changes in value.

(h) Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker against existing margin calls and restricted to only be available to meet margin calls. It is not included as a component of cash and cash equivalents.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains and losses arise due to remeasurement changes in the fair value of investments are recognised as income in the income statement in the periods in which they occur. Net remeasurement changes in fair value are determined as the difference between the fair value at balance date or consideration received (if sold during the reporting period) and the fair value at the previous balance date or the cost (if the investment was acquired during the reporting period).

Interest income

Interest revenue from financial instruments that are held at fair value is determined based on the contractual coupon interest rate and includes interest from cash and cash equivalents.

Dividend income

Dividend income is recognised on the date the shares to which the dividend relates are quoted ex-dividend and if not received at reporting date, is reflected in the statement of financial position as a receivable at fair value.

Trust distribution income

Distributions from managed investment schemes are recognised on the date the Fund becomes entitled to or is attributed the distribution. If not received at reporting date, the distribution receivable is reflected in the statement of financial position as a receivable at fair value.

Contributions and transfers in

Contributions and transfers in are recognised when the control and the benefits from the revenue have transferred to the Fund and is recognised gross of any taxes in the period to which they relate.

(j) Foreign Currency

Transactions in foreign currencies are translated at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at the exchange rate at balance date. Foreign exchange differences are recognised in the income Statement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Income Tax

The Fund is a complying superannuation fund within the provisions of the Income Tax Assessment Act 1997 and accordingly the concessional tax rate of 15% has been applied on net investment earnings with deductions allowable for administrative and operational expenses. Financial investments held for less than 12 months are taxed at the Fund's rate of 15%. For financial investments held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

Current tax

Current tax is the expected tax payable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the ATO during the year and by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only when it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(l) Receivables

Receivables may include amounts for dividends, interest and trust distributions and are measured at fair value. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment as set out in Note 2(h) above. Amounts are generally received within 30 days of being recorded as receivables.

(m) Intangible Assets

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period economic benefits are capitalised as internally generated intangible assets. Amortisation and annual impairment testing of completed internally generated intangible assets are used as a proxy for fair value assessment at the reporting date calculated over the asset's useful life ranging from 2 to 5 years. Costs associated with internally generated intangible assets are recorded as assets under construction until completion and subject to annual impairment testing. Expenditure on research activities and maintenance of the software is recognised in profit or loss as incurred.

(n) Financial Liabilities

The Fund recognises financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Other payables are payable on demand or over short periods of no more than 60 days.

The Fund recognises financial liabilities at fair value as at the reporting date with any change in fair values since the beginning of the reporting period included in the Income Statement.

(o) Use of Estimates and Judgements

The preparation of financial statements requires the use of certain critical accounting assumptions and estimates. It also requires the Trustee and management to exercise judgement in the process of applying the entity's accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. For most of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over the counter derivatives or unquoted securities, are fair valued using valuation techniques.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. There are no critical accounting estimates and judgements contained in these financial statements other than those used to determine the liability for accrued benefits (note 7(b)) and right-to-use assets and lease liabilities, which are brought to account in the statement of financial position.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. This could be the case where voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Fund invests in structured entities for the purpose of capital appreciation.

The investee funds' objectives range from achieving medium to long term capital growth. The investee funds invest in different financial instruments, including equities and debt instruments. The size of a related investee fund is indicated by the net asset value of the fund per the investee funds' balance sheet. For unrelated funds, size is indicated by the carrying value of the Fund's investment as recognised in the Fund's statement of financial position as at reporting date as there is no other exposure to the Fund other than the carrying value of its investments.

(q) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

(r) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair Value Estimation

The carrying amounts of all the Fund's financial instruments at the balance date approximated their fair values. The major methods and assumptions used in determining fair value of financial instruments is disclosed in Note 2(d).

(b) Fair Value of Financial Instruments

The table on the following page analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (adjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are valuation techniques using inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques (derivatives). The Fund uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair market values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The fair value of the Fund's directly held investments in managed funds and fixed interest securities is measured at the value provided by the investment manager of the managed fund and/or manager unless there is a specific and objectively verifiable reason to vary from the value provided by the manager. The Fund ensures that the valuation techniques used by managers are consistent with the Fund's valuation policy.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>(i) Equities and managed funds</i>				
- Securities – domestic	3,602,638	-	1,300	3,603,938
- Securities – foreign	4,095,649	-	57,635	4,153,284
- Australian and global managed funds	8,864	1,161,485	4,726,623	5,896,972
<i>(ii) Interest bearing securities</i>				
- Term deposits	404,032	-	-	404,032
- Fixed interest securities	-	508,532	99,371	607,903
<i>(iii) Derivative assets</i>				
- Forward currency contracts	-	59,043	-	59,043
- Futures	-	4,770	-	4,770
- Swaps	-	4,481	-	4,481
- Options	-	12,137	-	12,137
<i>(iv) Other Financial Instruments</i>				
- Unallocated gold contract	-	261,695	-	261,695
	8,111,183	2,012,143	4,884,929	15,008,255

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>(i) Derivative liabilities</i>				
- Forward currency contracts	-	8,008	-	8,008
- Futures	-	605	-	605
- Swaps	-	17,092	-	17,092
- Options	-	15,261	-	15,261
	-	40,966	-	40,966

(a) Gold Bullion is not a financial instrument but has been included in this table for completeness of disclosures.

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

30 June 2024	Securities domestic & foreign \$'000	Fixed interest securities \$'000	Australian and global managed funds \$'000
Opening balance	41,340	138,673	4,396,851
Transfers between level 1&2 to level 3	-	-	130,320
Total gains/(losses)	5,944	-	731,225
Purchases	16,231	-	365,632
Sales	(4,580)	(39,302)	(897,405)
Closing balance	58,935	99,371	4,726,623

The amounts transferred from Level 1 and 2 to Level 3 were completed at the end of the reporting period.

Gains or losses included in the income statement are presented as net gains/(losses) on financial instruments held at fair value as follows:

30 June 2024	\$'000
Total gains included in income statement for the period	737,169
Total gains included in income statement for the period for assets held at the end of the reporting period	737,169

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>(i) Equities and managed funds</i>				
- Securities – domestic	3,371,541	-	-	3,371,541
- Securities – foreign	3,678,588	-	41,340	3,719,928
- Australian and global managed funds	7,520	806,032	4,396,851	5,210,403
<i>(ii) Interest bearing securities</i>				
- Term deposits	355,480	-	-	355,480
- Fixed interest securities	-	914,701	138,673	1,053,374
<i>(iii) Derivative assets</i>				
- Forward currency contracts	-	15,448	-	15,448
- Futures	-	753	-	753
- Swaps	-	11,194	-	11,194
- Options	-	73	-	73
<i>(iv) Other Financial Instruments</i>				
- Unallocated gold contract	-	215,402	-	215,402
	7,413,129	1,963,603	4,576,864	13,953,596

30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>(i) Derivative liabilities</i>				
- Forward currency contracts	-	59,430	-	59,430
- Futures	-	9,404	-	9,404
- Swaps	-	5,768	-	5,768
- Options	-	4,386	-	4,386
	-	78,988	-	78,988

(a) *Gold Bullion is not a financial instrument but has been included in this table for completeness of disclosures.*

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

30 June 2023	Securities domestic & foreign \$'000	Fixed interest securities \$'000	Australian and global managed funds \$'000
Opening balance	-	114,943	4,273,618
Transfers between level 2 and level 3	-	-	-
Total gains/(losses)	-	-	116,148
Purchases and transfers in	41,340	79,196	124,938
Sales	-	(55,466)	(117,853)
Closing balance	41,340	138,673	4,396,851

The amounts transferred from Level 2 to Level 3 were completed at the end of the reporting period.

Gains or losses included in the income statement are presented as net gains/(losses) on financial instruments held at fair value as follows:

30 June 2023	\$'000
Total gains included in income statement for the period	116,148
Total gains included in income statement for the period for assets held at the end of the reporting period	126,561

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation inputs and relationships to fair value

The Fund's level 3 investments predominantly comprise of interests in unlisted funds which hold illiquid investments such as unlisted property and private equity. These investments are managed by external investment managers and are not actively traded in public markets.

The Fund generally values these investments using the valuation provided by the external investment manager. As the underlying interests in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and the interests are therefore classified as Level 3 investments.

The Fund reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations.

The Trustee's evaluation of Level 3 investment valuations has included consideration relating to the economic implications of the current market expectations and the measures taken to contain them. For certain investments the Trustee acknowledges that current valuations are subject to 'material valuation uncertainty' as a consequence of this.

The valuation of the Fund's Level 3 investments is based on data available at the time of the relevant valuation, which may change as circumstances and events continue to unfold. The Fund's Level 3 investment valuations will be updated as and when new information becomes available and will be reflected in future accounting periods.

The following table summarises the quantitative information about the significant unobservable inputs used for the Fund in Level 3 fair value measurements. For the investments below, the only significant unobservable input is the Unit Prices, as the Fund has used the Unit Price without adjustment to determine fair value.

30 June 2024

Description	Fair value at 30 June \$'000	Unobservable inputs	Range of inputs ^(a)	Sensitivity of unobservable inputs to fair value
Securities - domestic	1,300	Issue price	Issue price +/- 34%	Increased/(decreased) unit price (+/- 34%) would (decrease)/increase fair value by \$442
Securities - foreign	57,635	Issue price	Issue price +/- 41%	Increased/(decreased) unit price (+/- 41%) would (decrease)/increase fair value by \$23,630
Australian and global managed funds and fixed interest securities				
Alternatives	1,183,687	Unit price	Unit price +/- 36%	Increased/(decreased) unit price (+/- 36%) would (decrease)/increase fair value by \$426,127
Infrastructure	1,532,726	Unit price	Unit price +/- 33%	Higher(lower) unit price (+/- 33%) would increase/(decrease) fair value by +/- \$505,800
Direct Property	1,219,847	Unit price	Unit price +/- 14%	Higher(lower) unit price (+/- 14%) would increase/(decrease) fair value by +/- \$170,779
Fixed Interest	889,734	Unit price	Unit price +/- 13%	Higher(lower) unit price (+/- 13%) would increase/(decrease) fair value by +/- \$115,666
Total	4,884,929			

(a) The range of inputs related to the Unit Price are not disclosed as the number of unlisted equities, private equity partnerships, unlisted property unit trusts and opportunistic growth alternatives results in a wide range of unrelated inputs.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2023

Description	Fair value at 30 June \$'000	Unobservable inputs	Range of inputs ^(a)	Sensitivity of unobservable inputs to fair value
Securities - foreign	41,340	Issue price	Issue price +/- 34%	Increased/(decreased) unit price (+/- 41%) would (decrease)/increase fair value by \$14,056
Australian and global managed funds and fixed interest securities				
Growth Alternatives	1,007,027	Unit price	Unit price +/- 36%	Increased/(decreased) unit price (+/- 36%) would (decrease)/increase fair value by \$362,530
Infrastructure	1,328,812	Unit price	Unit price +/- 33%	Higher(lower) unit price (+/- 33%) would increase/(decrease) fair value by +/- \$438,508
Direct Property	1,312,346	Unit price	Unit price +/- 14%	Higher(lower) unit price (+/- 14%) would increase/(decrease) fair value by +/- \$183,728
Fixed Interest	887,339	Unit price	Unit price +/- 11%	Higher(lower) unit price (+/- 11%) would increase/(decrease) fair value by +/- \$97,607
Total	4,576,864			

(a) The range of inputs related to the Unit Price are not disclosed as the number of unlisted equities, private equity partnerships, unlisted property unit trusts and opportunistic growth alternatives results in a wide range of unrelated inputs.

Valuation Process

The Trustee has established an investment committee that oversees the valuation of the Fund's investment portfolio and reports to the board of trustees, who have overall responsibility for fair value measurements. The portfolio valuation function is managed by the Chief Investment Officer in conjunction with the investment advisors. The investment committee receive a valuation policy review annually which looks at valuation methodologies applied across level 2 and level 3 investments against industry best practice and those methods disclosed by the manager in their valuation policy and control reports where they exist. In addition, manager reviews are conducted periodically whereby an assessment of the manager's organisation is reviewed and reported to the investment committee on an exceptions basis. Level 1 assets are monitored on a monthly basis and any breach in these investments is reported through to the risk audit and compliance committee. On an annual basis, compliance questionnaires are completed on investments above \$25 million and detailed exception reporting is provided to the risk audit and compliance committee.

(c) Offsetting financial assets and financial liabilities

Financial assets and liabilities offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Some derivative instruments settle on a net basis through the statement of financial position in accordance with this convention, rather than through an offsetting arrangement. Under the terms of the FFX contracts where certain credit events occur (such as default), the net position owing/receivable to a single counterparty will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of off-set, these amounts have not been offset in the statement of financial position.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT

The Fund's investment managers expose the Fund to derivatives as part of the investment portfolios they manage.

Custodian

State Street Australia Limited is the principal custodian and holds most of the assets, other than the Fund's operating bank account, as the custodian for the Fund. OneVue Wealth Services Limited is the custodian of the Direct Investment Portfolio.

Each investment manager is required to invest the assets managed by it in accordance with the terms of a written investment mandate.

The Trustee has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy.

The Trustee obtains regular reports from each investment manager and from the appointed asset consultant on the nature of the investments made on its behalf and the associated risks.

The Fund's assets principally consist of financial instruments which comprise units in unlisted trusts, listed and unlisted securities and derivative financial instruments. It holds these investment assets in accordance with the Trustee's published investment policy statement.

The allocation of assets between the various types of financial instruments is determined by the Trustee who manages the Fund's portfolio of assets to achieve the Fund's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund on at least a quarterly basis.

The Fund's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Trustee of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Trustee is responsible for developing and monitoring the Fund's risk management policies, including those related to its investment activities. The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund's investment managers, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Trustee receives periodical reports from the Fund's Asset Consultant and management to monitor compliance with the Fund's investment policy statement.

The Trustee's Risk, Audit & Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund is exposed to currency risk on financial instruments, receivables and liabilities that are denominated in a currency other than the respective functional currency (Australian Dollars) of the Fund. While the Fund has direct exposure to foreign exchange rate changes on the price of non-Australian dollar-denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests directly, even if those companies' securities are denominated in Australian dollars, or invests indirectly through investment in Australian denominated funds that invests in non-Australian denominated securities. For that reason, the disclosures below may not necessarily indicate the total exposure in foreign currencies or effect on the Fund's net assets of future movements in foreign exchange rates.

The Fund's strategy on the management of currency risk is driven by the Fund's investment objectives. The Fund's currency risk is managed on a regular basis by the Fund's internal investment function with advice from the external asset consultant.

The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the Australian Dollar.

The Fund's major exposure to fluctuations in foreign currency exchange rates through its monetary assets and derivative positions at the balance date was as follows:

	Notional Value 2024 \$'000	Notional Value 2023 \$'000
Assets		
USD	450,503	355,521
EUR	258,186	78,262
GBP	59,299	28,979
JPY	123,488	98,775
Other	35,129	34,519
Liabilities		
USD	3,018,105	3,416,102
EUR	857,845	753,229
GBP	253,823	263,417
JPY	147,256	136,401
Other	390,758	493,068

Sensitivity analysis

The Trustee has determined that the reasonably possible change for all currencies is 18.0% (2023: 16.8%).

An appreciation of foreign currencies of 16.86% (2023: 18.0%) against the AUD would decrease the Fund's net assets available for member benefits by \$631 million (2023: \$804 million) and a depreciation of 17.80% (2023: 18.0%) would increase the assets of the Fund by \$666 million (2023: \$804 million).

	USD A\$'000	EUR A\$'000	GBP A\$'000	JPY A\$'000
30 June 2024				
Currency risk *	17.33%	17.33%	17.33%	17.33%
Impact on net assets available to pay benefits	444,966	103,921	33,711	4,119
30 June 2023				
Currency risk *	18.00%	18.00%	18.00%	18.00%
Impact on net assets available to pay benefits	550,904	121,494	42,199	6,773

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis for 2024 was performed on the same basis as 2023.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk.

The majority of the Fund's financial assets comprise non-interest-bearing and interest rate financial instruments. Interest-bearing financial assets and interest-bearing financial liabilities mature or re-price due to market changes. As a result, the Fund is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Fund has some direct interest rate risk through its investments in bond and bank bill futures contracts. The Fund also invests in Australian domiciled managed funds where the underlying investments are in fixed interest securities.

The table below summarises the Fund's direct exposure to interest rate risk including the Fund's use of interest rate swap contracts which are used to manage exposure to interest rate risk.

30 June 2024	Floating Interest rate \$'000	Fixed Interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash & cash equivalents	278,008	102,466	-	380,474
Margin accounts	130,689	-	-	130,689
Receivables	-	-	60,213	60,213
Due from brokers – receivables for securities sold	-	-	28,657	28,657
Fixed interest securities	607,903	404,032	-	1,011,935
Financial liabilities				
Margin accounts	(6,451)	-	-	(6,451)
Creditors and accruals	-	-	(23,116)	(23,116)
Due to brokers – payables for securities purchased	-	-	(31,670)	(31,670)
Net exposure interest rate risk	1,010,149	506,498	34,084	1,550,731
30 June 2023				
	Floating Interest rate \$'000	Fixed Interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash & cash equivalents	361,627	105,219	-	466,846
Margin accounts	31,640	-	-	31,640
Receivables	-	-	71,291	71,291
Due from brokers – receivables for securities sold	-	-	26,970	26,970
Fixed interest securities	1,053,374	355,480	-	1,408,854
Financial liabilities				
Margin accounts	(34,156)	-	-	(34,156)
Creditors and accruals	-	-	(24,880)	(24,880)
Due to brokers – payables for securities purchased	-	-	(26,724)	(26,724)
Net exposure interest rate risk	1,412,485	460,699	46,657	1,919,841

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis (continued)

The Trustee has determined that a reasonably possible change in variable interest rates for the coming year is -125 basis points to +25 basis points (2023: -150 basis points to +75 basis points).

30 June 2024

Interest Rate Exposure	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income superannuation activities after tax \$'000	Max net income superannuation activities after tax \$'000
Floating Interest Rate	(1.25%)	0.25%	(12,627)	2,525
Fixed Interest Rate	(1.25%)	0.25%	(6,331)	1,266

30 June 2023

Interest Rate Exposure	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income superannuation activities after tax \$'000	Max net income superannuation activities after tax \$'000
Floating Interest Rate	(1.50%)	0.75%	(21,187)	10,594
Fixed Interest Rate	(1.50%)	0.75%	(6,910)	3,455

As the interest rate on the Fund's bank account is a floating rate and varies with market interest rates, any change in interest rates will have no impact on the valuation of the account. The amount of interest the Fund receives after interest rate changes is dependent on the Fund's bank balance in the future. As any increase or decrease in interest likely to be received is immaterial, a sensitivity analysis was not performed in relation to changes in bank account interest.

Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the Fund's financial instruments are valued at fair value with changes in fair value recognised in the income statement, all changes in market conditions will directly affect investment revenue.

NGS SUPER

FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis (continued)

The Trustee determined to use volatility risk factors which reflect a reasonably possible change for the Fund's return on investments. The following tables illustrate the effect on change in net assets after tax and net assets available to pay benefits from possible changes in the volatility factors. Volatility risk factors are only applied to the investments whose market value will be affected by market and economic conditions. The reasonably possible change for fixed interest securities is detailed in the interest rate risk section.

30 June 2024

Asset Class	Benchmark	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income from superannuation activities after tax \$'000	Max net income from superannuation after tax \$'000
Growth Assets					
Australian shares	S&P/ASX300 Accumulation Index (adjusted for franking credits) over rolling 10 year periods	(19.74%)	33.92%	(712,170)	1,223,749
International shares	MSCI ACWI Index ex-Australia with special tax (unhedged in AUD) over rolling 10 year periods	(27.04%)	41.14%	(1,145,708)	1,743,137
Listed infrastructure	FTSE Developed Core Infrastructure 100% Hedged to AUD Net Tax (Super) Index over rolling 10 year periods	(12.82%)	25.20%	(1,757)	3,453
Infrastructure	MSCI Australian Quarterly Private Infrastructure Index (Unfrozen) – Post-fee Total Return (All funds) over rolling 10 year periods	(17.63%)	33.22%	(270,220)	509,172
Growth alternatives	25% MSCI ACWI Index ex-Australia with special tax (hedged in AUD) 25% - MSCI ACWI Index ex-Australia with special tax (unhedged in AUD) 50% - Bloomberg Barclays Global Aggregate Index (hedged to AUD) over rolling 10 year periods	(21.29%)	36.04%	(345,254)	584,450
Listed property	FTSE EPRA/NAREIT Developed ex Aus Rental 100% Hedged to AUD Net Tax (Super) Index over rolling 10 year periods	(29.19%)	43.01%	(657)	968
Direct property	MSCI/IPD Mercer IPD Australian Monthly Wholesale Property Fund Index – Post-fee Total Return (All funds)	0.24%	13.70%	2,928	167,119
Defensive Assets					
Fixed interest	50% Australian - Bloomberg Ausbond Composite Bond 0+YR 50% International - Bloomberg Barclays Global Aggregate Index (hedged to AUD) over rolling 10 year periods	(3.25%)	13.05%	(61,357)	246,373
Cash & term deposits	Bloomberg Ausbond Bank Bill Index over rolling 1 year period	2.67%	6.30%	21,490	50,707

NGS SUPER

FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2023

Asset Class	Benchmark	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income from superannuation activities after tax \$'000	Max net income from superannuation after tax \$'000
Growth Assets					
Australian shares	S&P/ASX300 Accumulation Index (adjusted for franking credits) over rolling 10 year periods	(15.37%)	33.30%	(518,674)	1,122,725
International shares	MSCI ACWI Index ex-Australia with special tax (unhedged in AUD) over rolling 10 year periods	(6.58%)	22.60%	(246,130)	844,623
Listed infrastructure	FTSE Developed Core Infrastructure 100% Hedged to AUD Net Tax (Super) Index over rolling 10 year periods	(18.71%)	31.70%	(3,474)	5,889
Infrastructure	MSCI Australian Quarterly Private Infrastructure Index (Unfrozen) – Post-fee Total Return (All funds) over rolling 10 year periods	(5.50%)	27.50%	(73,091)	365,455
Growth alternatives	25% MSCI ACWI Index ex-Australia with special tax (hedged in AUD) 25% - MSCI ACWI Index ex-Australia with special tax (unhedged in AUD) 50% - Bloomberg Barclays Global Aggregate Index (hedged to AUD) over rolling 10 year periods	(12.52%)	38.000%	(311,567)	944,905
Listed property	FTSE EPRA/NAREIT Developed ex Aus Rental 100% Hedged to AUD Net Tax (Super) Index over rolling 10 year periods	(24.35%)	38.40%	(1,516)	2,387
Direct property	MSCI/IPD Mercer IPD Australian Monthly Wholesale Property Fund Index – Post-fee Total Return (All funds)	(9.11%)	23.90%	(119,555)	313,519
Defensive Assets					
Fixed interest	50% Australian - Bloomberg Ausbond Composite Bond 0+YR 50% International - Bloomberg Barclays Global Aggregate Index (hedged to AUD) over rolling 10 year periods	(3.57%)	11.60%	(36,664)	118,825
Cash & term deposits	Bloomberg Ausbond Bank Bill Index over rolling 1 year period	1.41%	4.70%	8,873	29,389

Unusually large market shocks may result from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

The fair value of financial assets included in the statement of financial position represents the Fund's maximum exposure to credit risk in relation to those assets. The Fund does not have any significant exposure to any individual counter party or industry. The credit risk is monitored by the Trustee by quarterly reporting from its asset consultant.

The Fund does not have any assets which are past due or impaired.

The Fund's direct investments in fixed interest securities are subject to counterparty credit risk. The Fund's fixed interest managers: Legg Mason Brandywine, Blackstone, JP Morgan and SSGM transition, provided the following credit ratings for their fixed interest portfolios. The table below does not include investments in managed funds.

30 June 2024

Portfolio	AAA \$'000	AA \$'000	A to C \$'000	Unrated \$'000
Cash	44,775	335,699	-	-
Fixed Interest Securities	214,595	87,962	198,483	106,863
Term Deposits	243,778	160,254	-	-
Margin accounts	-	973	125,153	4,563
Receivables	-	-	13,300	75,570

30 June 2023

Portfolio	AAA \$'000	AA \$'000	A to C \$'000	Unrated \$'000
Cash	40,500	426,346	-	-
Fixed Interest Securities	517,055	99,674	288,901	147,744
Term Deposits	219,864	135,616	-	-
Margin accounts	-	-	29,398	2,242
Receivables	-	-	8,429	89,832

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity position is monitored on a weekly basis. The Fund's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, Fund expenses plus investing activities.

The following tables summarise the expected maturity profile of the Fund's financial liabilities based on the earliest date on which the Fund can be required to pay. The table includes gross settled derivative financial liabilities (i.e. foreign exchange contracts) into relevant maturity groupings based on the remaining period to the contractual maturity date at balance date. The amounts in the table are the contractual undiscounted cash flows.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2024	Less than 3 months \$'000	3 Months to 1 year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount (Asset)/Liabilities \$'000
Derivative liabilities	40,966	-	40,966	40,966
Creditors & accruals	54,786	-	54,786	54,786
Margin accounts	6,451	-	6,451	6,451
Employee entitlements	3,005	-	3,005	3,005
Lease liability	252	880	1,132	1,132
Member benefits	15,121,796	-	15,121,796	15,121,796
Total	15,227,256	880	15,228,136	15,228,136

30 June 2023	Less than 3 months \$'000	3 Months to 1 year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount (Asset)/Liabilities \$'000
Derivative liabilities	78,988	-	78,988	78,988
Creditors & accruals	51,604	-	51,604	51,604
Margin accounts	34,156	-	34,156	34,156
Employee entitlements	2,279	-	2,279	2,279
Lease liability	241	1,782	2,022	2,022
Member benefits	14,107,752	-	14,107,752	14,107,752
Total	14,272,500	1,782	14,274,282	14,274,282

Vested benefits have been included in the less than 3 months column, as this is the amount that members could call upon as at year-end. This is the earliest date on which the Fund can be required to pay members' vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

Use of derivative financial instruments

The Fund's investment managers may use derivative financial instruments to reduce risks in the share, bond and currency markets and to increase or decrease the Fund's exposure to particular investment classes or markets.

Securities lending

The Fund has entered into securities lending arrangements with State Street Bank & Trust under which legal title to some of the Fund's assets may be transferred to another entity. The securities are loaned by State Street Bank & Trust, as agent, to certain brokers and other financial institutions (the 'Borrowers'). The Borrowers provide cash, securities, or letters of credit as collateral against loans in an amount between 100.9% and 112.5% of the fair value of the loaned securities. Cash collateral provided by the Borrowers may be held at call or deposited into a short-term investment account.

	Securities Lending \$'000	Collateral \$'000
30 June 2024	126,480	136,637
30 June 2023	160,456	173,637

During the year ended 30 June 2024, the net earnings on securities lent were \$337,836 (2023: \$285,078). These amounts were received on behalf of the Fund and have been recognised in profit or loss.

Risks and Indemnification

The risks and benefits of ownership of the loaned assets remain with the Fund. Consistent with the accounting policy note for recognition/derecognition of financial instruments, because the Fund continues to enjoy the risks and benefits of ownership, assets that have been loaned have not been derecognised (i.e. treated as having been sold). State Street Bank & Trust, as lending agent, indemnifies the Fund for shortfalls in non-cash collateral due to a Borrower default on a security loan.

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FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2024

5. INVESTMENT PORTFOLIO BY INVESTMENT TYPE

	2024 \$'000	2023 \$'000
Securities – domestic	3,603,938	3,371,541
Securities – foreign	4,153,284	3,719,928
Australian and global managed funds	5,896,972	5,210,403
Term deposits (greater than 3 months)	404,032	355,480
Fixed interest securities	607,903	1,053,374
	<hr/>	<hr/>
TOTAL INVESTMENT PORTFOLIO	14,666,129	13,710,726
	<hr/>	<hr/>

6. INVESTMENT INCOME BY TYPE

	2024 \$'000	2023 \$'000
Dividends	171,248	160,024
Trust distributions	238,398	194,610
Fee rebates	1,685	2,128
Other investment income	1,450	1,288
	<hr/>	<hr/>
	412,781	358,050
	<hr/>	<hr/>

NGS SUPER

MEMBER LIABILITIES, RESERVES, AND INSURANCE FOR THE YEAR ENDED 30 JUNE 2024

7. MEMBER LIABILITIES

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of the membership up to the end of the reporting period. The Fund has two sections, comprising the defined benefit liabilities and defined contribution liabilities. The defined benefit section is closed to new members with new members joining the defined contribution section. Note that a defined benefit member will have both a defined benefit and a defined contribution benefit.

(a) Defined contribution member liabilities

Obligations relating to member entitlements are recognised as member liabilities. Defined contribution member liabilities are measured as the amount of member account balances as at reporting date.

Vested benefits are benefits that are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date. At the end of the period the defined contribution member liabilities which represent the vested benefits for those members are as follows:

	2024 \$'000	2023 \$'000
Vested Benefits	15,063,714	14,043,116
Net assets available	15,072,777	14,049,199

Defined contribution members bear the investment risk relating to the underlying assets of the Fund.

Contributions for defined contribution members were paid at the rate or rates agreed.

	2024 %	2023 %
Employer contributions	Various	Various
Member contributions	Voluntary	Voluntary

(b) Defined benefit member liabilities

The liability for accrued benefits for defined benefit members has been determined on the basis of the present value of the expected future payments that arise from membership of the Fund up to the measurement date. The figure reported has been determined by reference to the expected future salary levels and by application of the market-based, risk-adjusted discount rate and relevant actuarial assumptions. The valuation of accrued benefits was undertaken by the actuary at 30 June 2024. Accrued benefits were previously valued at 30 June 2023.

The actuarial value of the accrued benefits at 30 June is as follows:

	2024 \$'000	2023 \$'000
Accrued benefits	58,082	64,636
Vested benefits	57,363	62,316
Net assets available	84,236	87,542

The excess of net assets available over accrued benefits is recorded as the defined benefit surplus in the statement of financial position.

The Fund has three sub-plans for defined benefit members and the financial position and recommended contributions for each are summarised as follows:

Catholic Church Staff Superannuation Plan (South Australia):

At 30 June 2024, the sub-plan's assets fully covered vested benefits (no consent). The sub-plan was therefore in a satisfactory financial position. The key financial objective of the sub-plan is to have defined benefit coverage of between 105% and 110% of vested benefits (Employer consent assumed for early retirement). The sub-plan exceeded this objective at 30 June 2024.

The actuary recommended that the contribution rate be 7% from 1 July 2021 to 31 December 2021, nil thereafter. The 3% productivity contributions continued to be paid in addition to these rates.

NGS SUPER

MEMBER LIABILITIES, RESERVES, AND INSURANCE FOR THE YEAR ENDED 30 JUNE 2024

7. MEMBER LIABILITIES (CONTINUED)

Penleigh and Essendon Grammar School Superannuation Plan:

The sub-plan was in a satisfactory financial position at 30 June 2024. The financing objective of the Plan is to have defined benefit asset coverage of at least equal to 102% of defined benefit vested benefits. The Plan met this objective as at 30 June 2024.

Based on the actuarial report at 1 July 2023 the sub-plan's actuary recommended that the employer pay contributions at 10.5% of salary from 1 January 2024 plus sub-plan expenses. The employer also paid a top-up contribution of \$100,000 in 2024. The financial position will be monitored closely, no immediate contributions are required for members defined benefit entitlements, a financial position update will be provided as at 30 April 2025.

CueSuper Defined Benefit Plan:

Overall, the sub-plan as a whole was in a satisfactory financial position as at 30 June 2024. The financing objectives of the sub-plan are to maintain the value of the assets between 100% and 105% of Defined Benefit Vested Benefits. At 30 June 2024 the DARB was 105.7% (2023: 103.7%).

The financial position is split into two sub-groups.

The Cue (Schedule 1B) sub-group vested benefit coverage was in a satisfactory financial position as at 30 June 2024 (30 June 2023: unsatisfactory).

The CUNA sub-group continued to exceed its financing objective. CUNA Mutual Australia Limited ceased to be a Participating Employer of the sub-plan with effect from 20 July 2012. The trustee purchased an annuity from Challenger Life for the CUNA members in April 2023 to cover their liabilities.

The sub-plan's actuary recommended that the employers continue to contribute at the rate of 8% of salary plus a top-up to 11.0% of OTE for Schedule 1B members. Additional lump sum contributions were also recommended to meet the cost of sub-plan expenses, as advised by the Trustee.

Key Actuarial Assumptions

The assumptions used in calculating the Actuarial Value of Accrued Benefits are as follows:

- Investment earnings 6.0% per annum for Catholic Church Staff Superannuation Plan (2023: 4.5%), 5.5% (2023: 4.0%) for Penleigh & Essendon Grammar School Superannuation Plan and 6.0% (2023: 5.5%) for CueSuper
- Salary inflation increase 3.0% per annum for Catholic Church Staff Superannuation Plan (2023: 2.5%), for Penleigh & Essendon Grammar School Superannuation Plan 3.5% (2023: 3.0%) and for CueSuper these are forecast at 4.0% (2023: 2.25%)

The eventual costs of the benefits will depend on the Fund experience rather than on the assumptions.

The actuary considers that the material risks to the funding of the Fund are as follows:

- Investment returns being lower than expected;
- Salary increases being higher than expected; and
- The employer being unable to make the recommended contributions.

The Trustee monitors the financial position of all the sub-plans on a quarterly or six-monthly basis and as such would identify if the funding position is deteriorating as a result of adverse experience, including adverse investment returns, salary increases and exits.

The impact of the reasonably possible changes in these key assumptions are shown below:

- The future rate of investment return $\pm 1\%$ (2023: $\pm 1\%$)
- The future rate of salary increases $\pm 1\%$ (2023: $\pm 1\%$)

	2024	2023
	\$'000	\$'000
Reasonably possible change in key assumptions		
Increase in future rate of investment return and no change in other assumptions	366	468
Decrease in future rate of investment return and no change in other assumptions	(373)	(484)
Increase in future rate of salary increase and no change in other assumptions	178	226
Decrease in future rate of salary increase and no change in other assumptions	(176)	(220)

NGS SUPER

MEMBER LIABILITIES, RESERVES, AND INSURANCE FOR THE YEAR ENDED 30 JUNE 2024

8. RESERVES

(a) Trustee Operating Reserve

The trustee operating reserve is maintained in accordance with the trust deed and is used as a contingency reserve. The target level of this reserve is 0.20% to 0.40% of net assets of the Fund.

(b) Operational Risk Reserve (ORR)

Under APRA prudential Standard SPS 114: *Operational Risk Financial Requirements*, the Fund is required to maintain a reserve of at least 0.25% of the fund's net assets for operational risk events. The ORR is part of the financial management of the Fund and is operated in accordance with the Reserving Policy. The ORR may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.

(c) Unallocated Surpluses (DC)

The unallocated surpluses represent investment earnings that have been recorded for accounting purposes that have not been credited to members at the balance date. An unallocated balance generally arises due to timing differences for asset values at the time the final unit price is struck, and the values recorded for accounting purposes. The unallocated balance does not include unallocated contributions that are disclosed as a liability in note 14.

9. INSURANCE ARRANGEMENTS

The Trustee has policies in place with a third-party insurer to provide Life and Disablement and Income Protection insurance for its members.

The Fund collects premiums from members in accordance with the premium rates agreed in the insurance policies plus an insurance fee (currently 7.3% (2023: 3.0%) of the premiums collected). The insurance fee is used to pay the operating expenses of the Fund relating to insurance and is therefore recognised as an inflow to the Trustee Operating Reserve.

Insurance claims are recognised as payable only when the insurer has agreed to pay the claim. Insurance proceeds are not revenues and premiums are not expenses of the Fund and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to member accounts and insurance proceeds recovered (claims paid) are recognised as member transactions in the statement of changes in members benefits.

The Trustee determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the external insurer approves and pays the claim;
- insurance premiums are set by the external insurer; and
- insurance premiums are collected and paid through the Fund for administrative reasons only.

NGS SUPER

OTHER DETAILED DISCLOSURES FOR THE YEAR ENDED 30 JUNE 2024

10. DIRECT INVESTMENT EXPENSES

	2024	2023
	\$'000	\$'000
Custodian fees	2,335	3,187
Management expenses	30,255	32,238
Brokerage	5,499	6,850
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	38,089	42,275
	<hr/>	<hr/>

11. OTHER EXPENSES

	2024	2023
	\$'000	\$'000
Actuarial fees	156	74
Advertising expenses	1,250	2,304
Audit fees	692	658
Sponsorship expenses	581	603
Trustee fees and reimbursements	1,631	1,584
	<hr/>	<hr/>
	4,310	5,223
	<hr/>	<hr/>

12. TAXATION

	2024	2023
	\$'000	\$'000
(a) Recognised in the income statement		
Current tax expense		
- Current tax charge	26,534	(25,577)
- Adjustment to current tax for prior period	(429)	(4,900)
Deferred tax expense		
- Movement in temporary differences	40,071	95,991
	<hr/>	<hr/>
Income tax expense/(benefit)	66,176	65,514
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NGS SUPER

OTHER DETAILED DISCLOSURES FOR THE YEAR ENDED 30 JUNE 2024

12. TAXATION (CONTINUED)

	2024 \$'000	2023 \$'000
(b) Numerical reconciliation between tax expense and profit before income tax		
Net income superannuation activities	1,200,369	1,182,082
Tax applicable at the rate of 15% (2023 15%)	180,055	177,312
Tax effect of income/(losses) not assessable or (deductible) in determining taxable income		
- Non assessable income from investments	(94,185)	(165,171)
- Discount in capital gains/losses	39,190	100,544
Tax effect of other adjustments		
- Imputation & foreign tax credits	(41,497)	(38,070)
- Exempt pension income	(16,958)	(4,201)
- Expenses	-	-
- Over provision prior period	(429)	(4,900)
Income tax expense/(benefit)	66,176	65,514
(c) Recognised in the statement of changes in members benefits		
Contributions and transfers in recognised in the statement of changes in members benefits	1,104,467	1,032,941
Tax applicable at the rate of 15% (2023 15%)	165,670	154,941
Tax effect of income/(losses) not assessable or (deductible) in determining taxable income		
- Member contributions	(52,803)	(51,996)
- Insurance premiums	(9,354)	(9,230)
Tax effect of other adjustments		
- Under provision prior periods	-	1,788
Income tax expense	103,513	95,503
Split in changes in members benefits as follows:		
Contributions tax	112,867	104,733
Insurance premiums	(9,354)	(9,230)

NGS SUPER

OTHER DETAILED DISCLOSURES FOR THE YEAR ENDED 30 JUNE 2024

12. TAXATION (CONTINUED)

	2024	2023
	\$'000	\$'000
(d) Current tax liabilities/assets		
Balance at beginning of year	3,653	14,146
Income tax paid – current period	(68,413)	(60,217)
Income tax paid – prior period	(2,262)	(15,301)
Current year income tax provision	129,566	64,078
Under/(over) provision prior period	(429)	947
	<hr/>	<hr/>
	62,115	3,653
(e) Deferred tax assets and liabilities		
Deferred tax assets		
Accrued expenses	2,863	3,843
Unrealised loss on fixed income securities	1,978	4,391
Unrealised loss on futures contracts	-	5,788
Accrued Income	901	1,267
	<hr/>	<hr/>
	5,742	15,289
Deferred tax liabilities		
Unrealised gain on futures contracts	5,561	-
Unrealised capital gains (discounted)	215,805	190,361
	<hr/>	<hr/>
	221,366	190,361
	<hr/>	<hr/>
	215,624	175,072

13. RECEIVABLES

	2024	2023
	\$'000	\$'000
GST receivable	275	349
Due from brokers – receivables for securities sold	55,830	70,496
Unsettled investment sales	28,657	26,970
Other receivables	4,108	446
	<hr/>	<hr/>
TOTAL RECEIVABLES	88,870	98,261
	<hr/>	<hr/>

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OTHER DETAILED DISCLOSURES FOR THE YEAR ENDED 30 JUNE 2024

14. CREDITORS AND ACCRUALS

	2024	2023
	\$'000	\$'000
Administration fees	4,283	1,466
APRA levy	1,397	1,010
Direct investment fees	9,646	14,922
FBT & payroll tax	183	268
Group life and salary continuance premiums	5,998	5,915
Other payables	12	887
Due to brokers - payables for securities purchased	31,670	26,724
Payable to related entities	6	91
Professional services	1,498	670
Unallocated contributions	93	(349)
	<hr/>	<hr/>
TOTAL CREDITORS AND ACCRUALS	54,786	51,604
	<hr/>	<hr/>

NGS SUPER

CASH FLOW INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

15. CASH FLOW INFORMATION

	2024 \$'000	2023 \$'000
(a) Reconciliation of Net Cash provided by Superannuation Activities to Net Profit After Tax		
Operating result after income tax	1,134,193	1,116,568
Changes in fair value of assets	(805,958)	(859,320)
Distributions reinvested	(37,061)	(30,620)
Distributions receivable	14,664	(27,953)
Depreciation	320	229
(Increase)/Decrease in receivables	30	(283)
(Increase)/Decrease in right of use lease asset	803	801
(Increase)/Decrease in prepayments	(1,241)	(311)
Increase/(Decrease) in creditors and accruals	(2,289)	3,778
Increase/(Decrease) in employee benefits	726	(7)
Increase/(Decrease) in lease liabilities	(890)	(804)
Increase/(Decrease) in current tax liabilities	58,897	(31,868)
Increase/(Decrease) in deferred tax liabilities	40,552	95,992
	<hr/>	<hr/>
NET CASH FLOWS FROM OPERATING ACTIVITIES	402,746	266,202
	<hr/>	<hr/>
(b) Non-cash investing activities		
Distributions reinvested	37,061	30,620
	<hr/>	<hr/>
(c) Reconciliation of Cash		
Cash at bank – Operating accounts	16,098	13,011
Cash held in NGS Self – Managed Portfolio	5,347	4,649
Cash held in custody	125,715	109,750
Term deposits (less than 3 months)	101,736	105,219
Cash held by Investment managers in custody not available for use ^(note 1)	131,578	234,217
	<hr/>	<hr/>
TOTAL CASH AND CASH EQUIVALENTS	380,474	466,846
	<hr/>	<hr/>

Note 1 - The cash held by investment managers is not available for general use by the Fund as it is held within mandates by the appointed managers (under the terms of the IMA) until termination or official notice of withdrawal is advised by NGS.

NGS SUPER

ADDITIONAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

16. RELATED PARTIES

(a) Trustee

The Trustee of the Fund is NGS Super Pty Limited.

(b) Key Management Personnel Remuneration

	2024	2023
Short-term benefits	3,982,466	3,458,095
Long service leave entitlements	190,204	(141,011)
Post-employment benefits	335,750	320,495
Termination benefits	-	282,309
	4,508,420	3,919,888

The Directors of the trustee company and KMP who are members of the Fund contribute on the same terms and conditions as other members. Further remuneration disclosures are provided in the remuneration report on pages 4 to 5.

(c) Investment Related Entities

The Fund holds the following sole purpose investment vehicles which are recorded at fair value:

	Interest	2024 \$'000	2023 \$'000
QIC Holding Trust	100%	375,491	367,729
NGS Property Growth Trust	100%	93,085	97,003
Select Alceon Co-investment No 1 Trust	100%	104,876	142,173
Select Private Credit Trust	100%	158,119	168,671
Select European Credit Trust	100%	155,301	123,917
Select Infrastructure Trust	100%	106,664	76,764
Select Growth Alternatives Trust	100%	97,028	90,887
Select Growth Alternatives Trust No 2	100%	193,597	127,573
Select Industrial Fund	100%	470,263	495,472
Select Office Fund	100%	106,527	114,684
Select Renewable Infrastructure Trust	100%	142,248	109,077
Select Adamantem Co-Investment Trust	100%	47,111	26,254
		2,050,310	1,940,204

The above table lists the fair value and the percentage interest of each investment asset at year-end. The maximum exposure to loss is limited to the fair value of each investment asset. The fair value will potentially change on a daily basis throughout the period and in subsequent periods and will cease once the investments are disposed. The investments of the Fund are managed in accordance with the investment mandates with the respective underlying investment managers. The investment decisions of the Fund are made by the investment managers based on their analysis and the investment guidelines provided to them by the Fund. The return of the Fund is exposed to the variability of the performance of the underlying investment assets. The underlying investment managers receive a management fee for undertaking the management of these investments.

NGS SUPER

ADDITIONAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

16. RELATED PARTIES (CONTINUED)

(d) Other Related Entities

NGS Super Pty Limited

NGS Super Pty Limited is the Trustee of the Fund and it charged the Fund trustee fees of \$231,235 (2023: \$235,443). These transactions gave rise to an inter entity receivable of \$39,050 at 30 June 2024 (2023: payable \$18,649).

NGS Financial Planning Pty Ltd

NGS Super Pty Limited owns 2 ordinary shares which is 50% of NGS Financial Planning Pty Ltd which have a value of \$2. NGS Financial Planning Pty Ltd was established for the purpose of providing financial advice to members of the Fund. In addition to financial advice provided direct to members of the Fund, NGS Financial Planning Pty Ltd provides intra-fund advice for NGS Super. The cost of intra-fund advice provided by NGS Financial Planning Pty Ltd to the Fund for the year was \$2,318,897 (2023: \$2,077,581). These transactions gave rise to an inter entity payable of \$45,318 at 30 June 2024 (2023: payable \$68,359).

17. CAPITAL COMMITMENTS

The Fund has capital commitments for uncalled capital for various investments split between asset class as follows:

	2024	2023
	\$'000	\$'000
Bond Alternatives	152,393	232,510
Infrastructure	267,709	321,070
Liquid Alternatives	28,975	-
Private Equity	369,012	555,470
Property Growth	28,038	1,170
Real Asset Debt	42,130	-
	<hr/>	<hr/>
	888,257	1,110,220
	<hr/>	<hr/>

The uncalled amounts will be called at the discretion of each investment manager.

18. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Fund and by PwC's related network firms:

	2024	2023
	\$	\$
Amounts paid or due and payable to Auditors of the Fund - PwC:		
• Audit of financial statements	209,129	188,834
• Audit of compliance and other regulatory returns	179,857	148,933
• Other services	39,076	159,349
	<hr/>	<hr/>
TOTAL AUDITOR'S REMUNERATION	428,062	497,116
	<hr/>	<hr/>

NGS SUPER

TRUSTEES' DECLARATION

The directors of NGS Super Pty Limited as trustee for NGS Super, declare that:

- (a) the financial statements and notes set out on pages 9 to 42 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

This declaration is made in accordance with a resolution of the directors.

deborah ponting

.....
Director Deborah Ponting

29 September 2024



Independent auditor's report

To NGS Super Pty Limited, the Trustee of NGS Super (ABN; 73 549 180 515)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of NGS Super (the RSE) are in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year then ended
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprise:

- the statement of financial position as at 30 June 2024
- the income statement for the year then ended
- the statement of changes in members' benefits for the year then ended
- the statement of changes in reserves for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Trustees' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Trustee for the financial report

The directors of the Trustee (the directors) are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the RSE or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

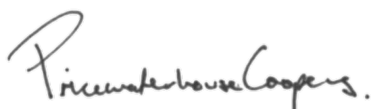
Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of NGS Super for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The directors of the Trustee are responsible for the preparation and presentation of the remuneration report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



PricewaterhouseCoopers



BSS Tompsett
Partner

Sydney
30 September 2024