

annual report

30 June 2013

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NESS Super's annual reporting to members comprises this Annual Report and your Member Statement for the period 1 July 2012 to 30 June 2013. This Annual Report should be read in conjunction with your Member Statement. It is available from NESS Super's website or on request. Please call 1800 022 067 to have a copy sent to you.

About this Report

This Annual Report is issued by the NESS Super Pty Ltd ABN 28 003 156 812 AFSL 238945.
MySuper authorisation 72229227691044 Trustee of NESS Super ABN 72 229 227 691.

Issued 31st October 2013.

This Annual Report contains general information only and does not take into account any person's individual financial objectives, financial situation or needs. The member should, before acting on any financial product advice, consider the appropriateness of the advice, having regard to his or her own objectives, financial situation or needs. NESS Super is governed by a legal document called a Trust Deed. If there is any discrepancy between the Trust Deed and this Annual Report, the Trust Deed prevails. While the Trustee has taken all due care in the preparation of this Annual Report, it shall not be liable for errors and omissions.

Message from your Board

We are pleased to report that, in April 2013, NESS Super received authorisation from APRA to offer a MySuper product. The NESS MySuper investment option reflects the previous “Balanced” investment option as the default, simple, low-cost investment option. The NESS MySuper option was launched on 1 July 2013.

In contrast to the extremely volatile investment markets in 2011/12, we are also pleased to report NESS Super achieved excellent investment returns this year for all our investment options.

The results for the Balanced Option (renamed the NESS MySuper option from 1 July 2013) produced a return of 16.07% for super members and a return of 18.49% for the pension members' Moderate option. For more information, please refer to the Investment report on page 7.

We have also introduced our new name NESS Super, which reflects who we are today, and puts the focus back on super. Our new tagline '**Powering your financial future**', captures our purpose: to work hard and provide people in the electrical and communications industries with a strong financial future.

NESS Super is the Fund dedicated to contractors and their employees in the electrical and communications industries. To further assist you in '**Powering your financial future**', we have made a number of enhancements to NESS Super and our services. These include:

- a review of our insurance offering to include Total and Permanent Disablement (TPD), from 1 July 2013. Spouse members also now receive default Death and TPD cover (conditions apply);
- our new website, nesssuper.com.au which has been completely revamped, making it more informative and easier to navigate;
- members can now elect to receive their NESS Super statements via email through our eStatements service;
- the development of a clearing house to facilitate employer multiple superannuation fund contributions and the development of Member Join On-line to assist employers with their new employees; and
- continuing member and employer support and education from Mynas Leontios, NESS Super's service representative.

To find out more about these changes read page 4.

Tony Glossop
Chairman of the Board



TONY GLOSSOP

(Chairman of the Board)

Employer Representative

Director Nominated by NECA

News Update

Introduction of NESS MySuper from 1 July 2013

This has been a significant achievement for NESS Super, a specialist industry fund that offers general superannuation advice to members and electrical contractors in the electrical and communications industries. The process involved an intensive review of NESS Super's products and services by APRA.

Insurances

New default Total and Permanent Disablement (TPD) cover is offered from 1 July 2013. Default Death cover has increased for members aged less than 55 while insurance premiums for the same level of cover have reduced. Default Death & TPD cover has been extended to Spouse member accounts.

MemberAccess

The on-line MemberAccess service has been upgraded. Members who register with MemberAccess can also register for our eStatements service to receive their NESS Super statements on-line, check account balances, update personal details and switch their investments.

New Logo, Branding and Name Change



powering your financial future

Our new branding reflects NESS Super's new name and our commitment to people in the electrical and communications industries.

The Federal Election and Super Changes

With the election over and a change in the Federal Government, some super certainty should now emerge. The Coalition has announced a more gradual increase in the super guarantee from nine to twelve percent and that the low income super contribution may be repealed.

Experience and personal service

Members and employers can find out more about NESS Super, its products, services and superannuation by contacting NESS Super's service representative, Mynas Leontios.

With over 24 years' experience in superannuation, Mynas provides general superannuation advice to members and employers to help them get the best from NESS Super. Mynas is available to visit work sites and talk to both members and employers about NESS Super or super in general and how the recent Government reforms affect members and employers.



The people who look after your super

Trustee Board

NESS Super is the Fund dedicated to employees of employers in the electrical and communications industries. NESS Super's Trustee Directors understand your industry because most are from your industry.



NESS' Directors (left to right) Reg Young, Paul Sinclair, Tony Glossop, Russell Wilson and John McCrory

NESS Super is managed by a trustee company, NESS Super Pty Ltd (the Trustee), ABN 28 003 156 812, AFSL 238945. The Board is made up of five directors who are responsible for managing NESS Super in the best interests of all members. They are:

Reg Young	Employer Representative Director, nominated by the National Electrical and Communications Association NSW (NECA)
Paul Sinclair	Member Representative Director, nominated by the Electrical Trades Union New South Wales Branch (ETU). Paul was appointed to the NESS Super Board on 18 August 2012 to replace Steve Butler who resigned on 21 May 2012.
Tony Glossop (Chairman of the Board)	Employer Representative Director, nominated by NECA
Russell Wilson	Member Representative Director, nominated by the ETU
John McCrory	Independent Director, appointed by the other Directors

James Tinslay is the Alternate for the Employer Representative Directors.

Certain Directors are also members of the Audit & Compliance, Investment, Marketing, Remuneration and Insurance Committees.

Angie Mastrippolito is the Secretary of NESS Super, the Trustee and the Committees.

NESS Super's rules are set out in its Trust Deed and Product Disclosure Statements. The Trustee's rules are contained in its Constitution. NESS Super is regulated by ASIC (Australian Securities and Investments Commission) and APRA (the Australian Prudential Regulation Authority) through their licensing systems. Other regulators are the ATO and AUSTRAC (Australian Transaction Reports and Analysis Centre). NESS Super is also subject to the many laws applicable to superannuation and financial services products.

The Trustee Board has taken out indemnity insurance to protect its Directors and NESS Super against most of the financial liabilities that may be incurred during their management of NESS Super. This insurance does not protect the Trustee or fund from being liable for the consequences of Trustee Director fraud, dishonesty, intentional or reckless neglect, wilful default or other misconduct.

The people who look after your super



NESS Super aims to help members achieve security in retirement. We act in the best interests of our members and provide a high level of service to employers. Please direct your NESS Super enquiries initially to our service centre by calling 1800 022 067.

If you need to contact a representative of the Trustee, email me at: angiem@nesssuper.com.au

Angie Mastrippolito
Chief Executive Officer and Fund Secretary

CEO and Fund Secretary

Angie Mastrippolito, CEO and Fund Secretary, is responsible for the efficient running and day-to-day management of NESS Super.

Angie works closely with the Trustee Board to make sure all decisions made by it are implemented effectively. She also manages all of the expert service providers to NESS Super, making sure they deliver to the required standard and provide value for money.

Our expert service providers

A professional team made up of an administrator, auditor, investment consultant and other service providers help the Trustee to fulfill its responsibilities. As at 30 June 2013 our service providers were:

ADMINISTRATIVE SERVICES

Australian Administration Services ABN 62 003 429 114

ARREARS COLLECTION

Laytins Mayfair Pty Ltd ABN 59 082 035 130

AUDITOR

Ernst & Young ABN 75 288 172 749

INTERNAL AUDITOR

KPMG ABN 51 194 660 183

CONSULTANT

Deloitte Touche Tohmatsu ABN 74 490 121 060

CONSULTING SERVICES

Professional Financial Solutions ABN 84 096 646 178

ELIGIBLE ROLLOVER FUND

AUSfund ABN 85 945 681 973

FINANCIAL ADVISER

Money Solutions Pty Ltd ABN 36 105 811 836, AFSL 258 145

INSURER

Hannover Life Re of Australasia Ltd ABN 37 062 395 484

INVESTMENT CONSULTANT

JANA Investment Advisers Pty Ltd ABN 97 006 717 568

LEGAL ADVISER

Mercer Legal Pty Ltd ABN 11 091 577 632

Investment report

for the year ended 30 June 2013

The Year in Review

In contrast to a challenging 2011/2012 financial year, both global and Australian equities delivered strong performances over the year to 30 June 2013. Central banks had a significant impact on markets. Markets rallied on even the slightest inference of continued central bank support and retreated on comments suggesting otherwise. It was a year where the utterances of central bankers mattered at least as much as investment fundamentals.

Global shares returned 25.3% and 33.9% on a hedged and unhedged basis respectively. As a result of aggressive stimulus, the Japanese market was the standout performer, returning 52% over the past year. The US (21%), UK (16%) and Germany (25%) all posted good results. Even share markets in countries challenged by poor economic outlooks (Greece, Portugal, Spain and Italy) managed to reach positive territory, proving that stocks can perform well in spite of a country's economic fundamentals. In contrast to developed markets, many emerging markets struggled. The Australian share market returned 21.9%. Given concerns about China, it was not surprising that the Materials sector had a weak year, driven largely by the poor performance of smaller resource stocks. The banking and industrial sectors fared much better, particularly higher yielding stocks that had more stable earnings.

Looking Ahead – 2013/14

The US economy appears to be recovering, Europe remains in recession and Japanese authorities are doing everything they can to stimulate even modest levels of growth. China is expected to continue to experience relatively strong growth but at lower rates than in the past. In aggregate, the outlook for economic growth in developed markets remains muted. Economic growth expectations for the Asian region exceed the rest of the world.

NESS Super is focussed on delivering portfolios to members structured to provide attractive returns over the medium to long term while prudently managing the investment risk. Diversification remains the most effective approach to risk management and, over the year, NESS Super's investments were further diversified by the addition of new investment exposures in property, infrastructure and credit. Looking ahead, NESS Super continues to invest members' money with a medium to long term perspective. We believe that this strategy will provide members with sound returns.

Market Index	Performance (income and capital gain or loss) – Year end 30 June 2013
Australian Shares (S&P/ASX 300 Accumulation Index)	21.9%
International Shares (MSCI World ex-Australia Index) Unhedged in \$A	33.9%
International Shares (MSCI World ex-Australia Index) Hedged in \$A	25.3%
Unlisted Property (Mercer Unlisted Property Funds Index Pre Tax)	7.3%
Listed Property (S&P/ASX 300 Property Trusts Accumulation Index)	24.0%
Australian Fixed Interest (UBS Composite Index)	2.8%
International Fixed Interest (Barclays Global Aggregate Index Hedged in \$A)	4.6%
Cash (UBS Bank Bills)	3.3%
Currency (\$A against \$US)	-10.7%

All investment information in this article was provided by JANA Investment Advisers Pty Ltd.

Your investment options

NESS Super offers you a range of seven investment options and six pension options that can be mixed in any combination to suit your personal investment needs.

You can choose how conservatively or aggressively you want to invest and exactly how much exposure you want to different asset classes such as cash, fixed interest, shares, property and so on. We recommend you review those options every year when you receive your statement.

The crediting rates for each option for the 2012/13 year, net of tax and fees, are shown below.

On the following pages you'll find an overview of each of NESS Super's investment options.

If you want to change your investment option(s), you can download a Change My Investment Choice Form from our website www.nesssuper.com.au or request one from us. Your investment switch will occur in accordance with the guidelines outlined in the 2013 NESS Super PDS and "More about NESS Super".

If you need help choosing the right investment option for your personal situation or with managing your Super up to and through retirement, simply ring NESS Super on 1800 022 067 and ask to speak to a financial adviser at Money Solutions.

2012/13 Crediting rates

The rates shown, in the table below, are the annual crediting rates of all NESS investment options for the 2012/13 year, net of tax, fees and other costs.

Crediting rates for NESS members – 2012/13	
Cash	3.44%
Stable	9.32%
Balanced (NESS MySuper)	16.07%
Property	14.34%
High Growth	21.39%
Australian Shares	22.57%
Overseas Shares	28.27%

Crediting rates for NESS pension members – 2012/13

Cash	3.92%
Conservative	9.71%
Cautious	14.17%
Moderate	18.49%
Assertive	20.86%
Aggressive	24.22%

The Balanced (now the NESS MySuper from 1 July 2013) option is the default option. If you haven't made an investment choice, your super will automatically be invested in this option. Pension members must select their investment options.

If your account was invested in the same investment option for the whole financial year, you will receive the total annual rate for that option, allowing for the movement of cash in and out of your account. If you switched options during the year, you will receive crediting rates for those options based on the timing of the investment switch.

For more detail on NESS Super's investment performance, see pages 10 to 13 and the information included with your Member Statement.

Issue Date: 15 October 2013



0097

Mr Sam Sample
123 Sample Street
SAMPLE NSW 2000

Membership No. 12
Date Joined Fund: 2
Email Address: P
Tax File Number: F
Beneficiaries:
Please refer to page 2 for
Registered for eState
To register for eState
1800 022 067 or registe
Simply go to www.ness.com.au
MemberAccess and fo
information about eSta
enclosed insert.

Your Member Statement for the period 1 July 2012 to 30 June 2013

	(S)	5 Yr
Your account summary as at 30 June 2013		
Your account balance	32,186.25	
Your preserved benefit	32,186.25	
Your non-preserved benefit		
Restricted	0.00	
Unrestricted	0.00	
Your insured death benefit+	146,200.00	
Your insured monthly salary continuance benefit+	0.00	

+The insured benefits shown above are not guaranteed. Exclusions and conditions may apply. Cover if you did not meet the eligibility conditions for the default cover. Please refer to the Attachment for more information.

Your transaction summary as at 30 June 2013

The amounts below summarises the transactions in your statement. These transactions are on the following pages.

	Total (\$)
	26,355.85

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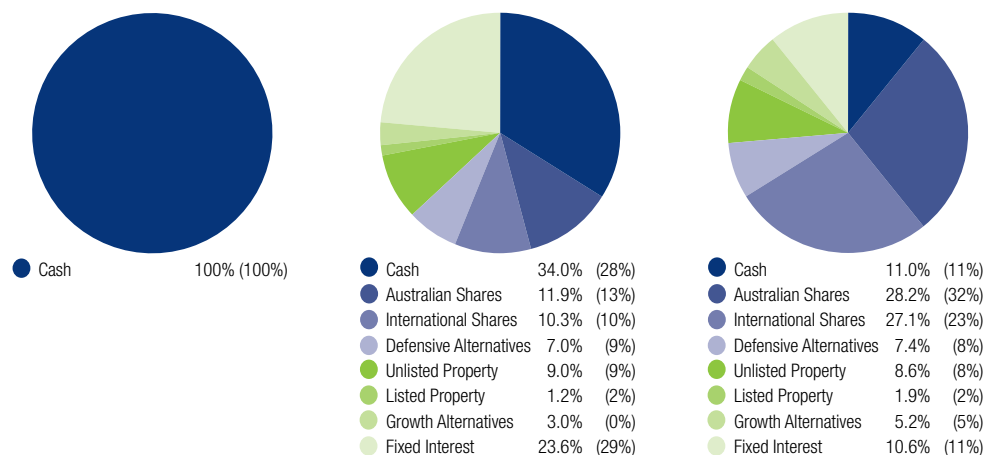
Your investment options

The charts below outline the NESS Super's seven investment options and asset allocations as at 30 June 2013. For comparison purposes, 30 June 2012 allocations are shown in brackets. Pension options are on the following pages.

	CASH ¹	STABLE ¹	BALANCED (NESS MYSUPER) ¹
Profile	An investment with maximum security but low potential for growth after taking into account inflation.	An investment with good security and potential for some growth.	(NESS MySuper) For growth above inflation over the medium term. Default option for members who do not make a choice.
Risk Profile	Very low risk. The most conservative investment, likely to produce both the lowest volatility and the lowest long-term returns. It invests exclusively in cash investments.	Low risk. A conservative investment, likely to produce both low volatility and lower long-term returns. The majority of the Stable option is invested in defensive assets such as cash, Australian and overseas fixed interest.	Moderate risk. A diverse mix of investments, providing more of a balance between risk and return than the Stable option. It should experience less short-term return volatility than the High Growth option but not achieve the same long-term returns.
Investment Objective²	To achieve a return after fees and tax in line with the UBS Australia Bank Bill Index.	To achieve a return after fees and tax over rolling three-year periods of at least 1% per annum above inflation, as measured by the CPI*.	To achieve a return after fees and tax over rolling ten-year periods of at least 3% per annum above inflation, as measured by the CPI*.
Asset Mix	Defensive Assets: 100%	Growth Assets: 35% Defensive Assets: 65%	Growth Assets: 70% Defensive Assets: 30%
Crediting Rates³ -Year Ended 30 June	2013 3.4% 2012 4.8% 2011 4.9% 2010 3.7% 2009 2.0%	2013 9.3% 2012 4.5% 2011 7.8% 2010 8.1% 2009 -6.3%	2013 16.1% 2012 0.1% 2011 8.6% 2010 8.0% 2009 -11.9%
Compound Average Returns³	5-year: 3.8%	5-year: 4.5%	5-year: 3.7% 10-year: 6.6%

Allocations at 30 June 2013

The actual amount of investment return applied to your account for the year may not equal the crediting rate declared for your selected investment option(s) due to the timing of transactions recorded in your NESS Super account.



¹ The performance of investment options is not guaranteed. The value will rise and fall due to the performance of investment markets.

² NESS Super is required by law to set an investment objective for the Fund and each underlying investment option. The investment objectives do not constitute a forecast or guarantee of future returns.

³ Past performance is not an indicator of future performance.

* Consumer Price Index (CPI)

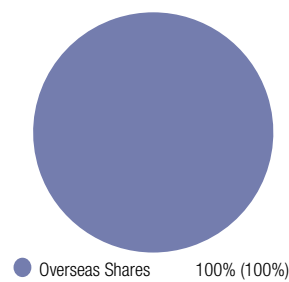
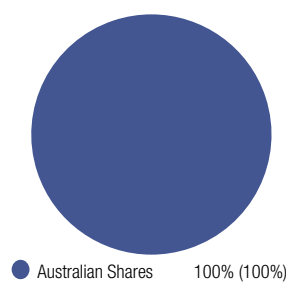
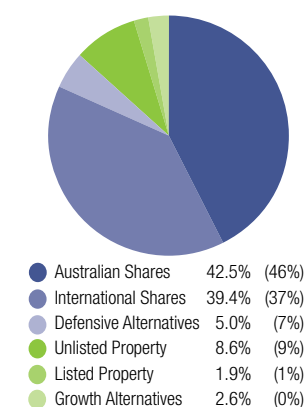
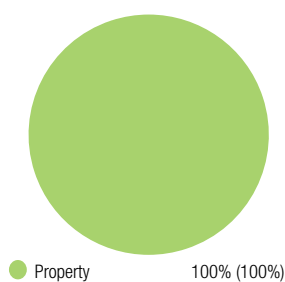
PROPERTY ¹	HIGH GROWTH ¹	AUSTRALIAN SHARES ¹	OVERSEAS SHARES ¹
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For growth above inflation over the medium term.	For significant growth above inflation in the longer term.	For significant growth above inflation in the longer term.	For significant growth above inflation in the longer term.
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Moderate to high risk. The Property option invests in direct and listed property. It provides higher long-term returns than the Stable option, but with more volatility.	High risk. This has the highest long-term return expectation and is also the highest risk strategy producing very volatile returns over the short term.	High risk. This has the highest long-term return expectation and is also the highest risk strategy producing very volatile returns over the short term.	High risk. This has the highest long-term return expectation and is also the highest risk strategy producing very volatile returns over the short term.
--	---	---	---

To achieve returns after fees and tax over rolling five-year periods of at least 2% per annum above inflation, as measured by the CPI*.	To achieve a return after fees and tax over rolling seven-year periods of at least 4% per annum above inflation, as measured by the CPI*.	To achieve a return after fees and tax over rolling seven-year periods of at least 4% per annum above inflation, as measured by the CPI*.	To achieve a return after fees and tax over rolling seven-year periods of at least 4% per annum above inflation, as measured by the CPI*.
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Growth Assets:	100%	Growth Assets:	100%	Growth Assets:	100%	Growth Assets:	100%
2013	14.3%	2013	21.4%	2013	22.6%	2013	28.3%
2012	6.4%	2012	-2.8%	2012	-4.3%	2012	-3.7%
2011	15.3%	2011	10.4%	2011	11.3%	2011	7.9%
2010	7.0%	2010	11.1%	2010	14.7%	2010	8.5%
2009	-17.0%	2009	-17.6%				
5-year:	4.5%	5-year:	-3.6%	5-year:	NA	5-year:	NA

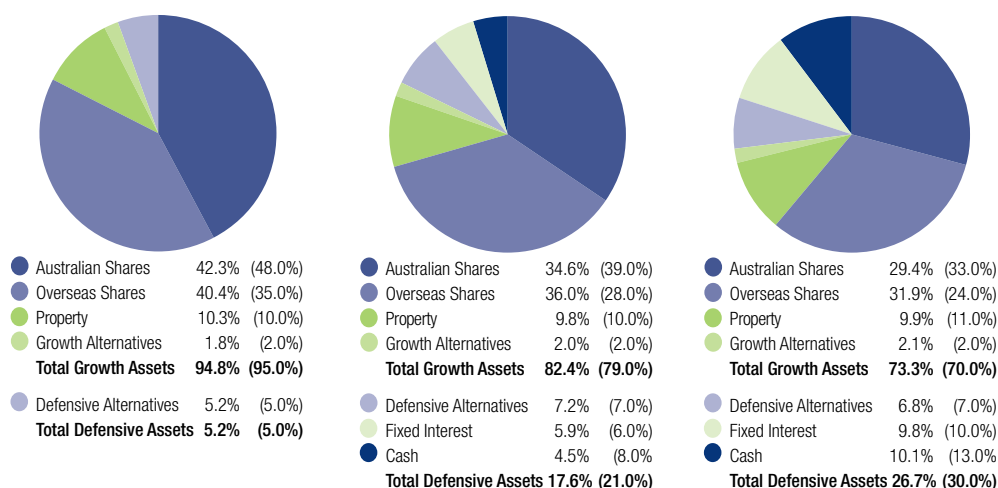


Pension investment options

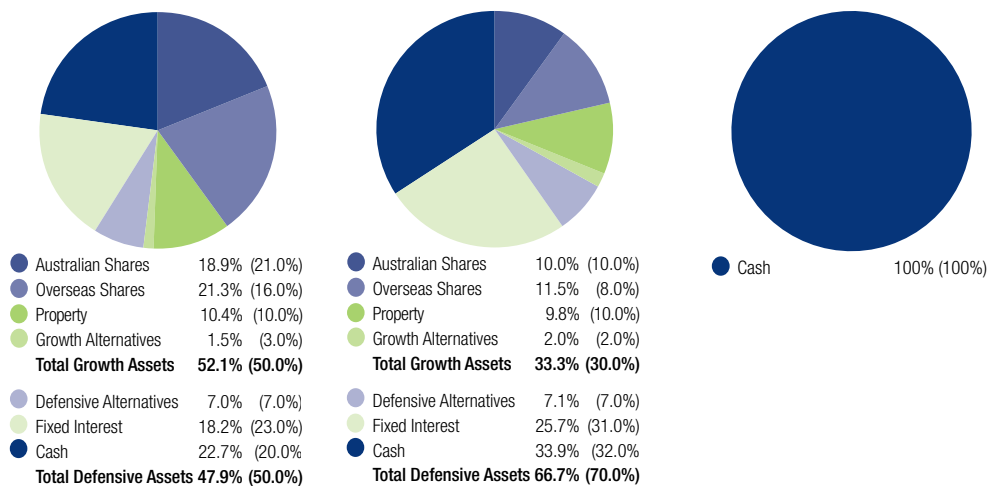
The charts below outline NESS Super's six pension investment options and asset allocations as at 30 June 2013. For comparison purposes, 30 June 2012 allocations are shown in brackets.

Options	Aggressive	Assertive	Moderate			
Asset Mix	Growth: 100% Defensive: 0%	Growth: 83% Defensive: 17%	Growth: 73% Defensive: 27%			
What is the objective of the portfolio?	To outperform CPI + 5% per annum over rolling 7 year periods.	To outperform CPI + 4% per annum over rolling 4 year periods.	To outperform CPI + 3% per annum over rolling 5 year periods.			
What are the main investments?	Between 95% and 100% invested in a range of Australian and international shares, Growth Alternative Assets and property.	Between 78% and 88% invested in a range of Australian and international shares, Growth Alternative Assets and property, with the balance in diversified fixed interest investments, Defensive Alternatives and cash.	Between 68% and 78% invested in a range of Australian and international shares, Growth Alternative Assets and property, with the balance in diversified fixed interest investments, Defensive Alternatives and cash.			
Who should invest?	Members who feel comfortable accepting short-term volatile returns in order to achieve higher capital growth in the long term.	Members who feel comfortable accepting short-term volatile returns in order to achieve higher capital growth in the long term, but do not wish to have their benefits fully invested in shares.	Suitable for Members seeking a diversified investment over a broad range of asset classes, in order to achieve higher capital growth in the medium term with a moderate level of risk.			
Indication of level of short-term volatility in performance.	High	Moderate to high	Moderate			
Crediting Rates – Year ended 30 June¹	2013 2012	24.2% -3.2%	2013 2012	20.9% -0.2%	2013 2012	18.5% 0.1%

Asset allocation at 30 June 2012



Cautious	Conservative	Cash			
Growth: 53% Defensive: 47%	Growth: 33% Defensive: 67%	Growth: 0 Defensive: 100%			
To outperform CPI + 2% per annum over rolling 3 year periods.	To outperform CPI + 1% per annum over rolling 3 year periods.	To outperform the UBS Australia Bank Bills Index.			
Between 48% and 58% invested in a range of Australian and international shares, Growth Alternative Assets and property, with the balance in diversified fixed interest investments, Defensive Alternatives and cash.	Between 28% and 38% invested in a range of diversified fixed interest investments, Defensive Alternatives and cash, with the balance in Australian and international shares, Growth Alternative Assets and property.	100% in short-dated fixed interest investments and cash			
Suitable for Members seeking moderate capital growth.	Suitable for Members seeking some capital growth whilst placing a high importance on the protection of capital.	Suitable for Members who are seeking a high level of security and who are prepared to accept lower returns, after taking inflation into account.			
Moderate	Moderate to low	Low			
2013 2012	14.2% 3.2%	2013 2012	9.7% 5.3%	2013 2012	3.9% 5.4%



Managing your investments

Managing NESS Super's investments is one of the key responsibilities of the Trustee.

In formulating, reviewing and giving effect to the investment strategy for the whole Scheme and each investment option, the Trustee will have regard to:

- a. The risk and likely return of investments;
- b. Liquidity, and the ability of the Scheme to discharge its existing and prospective liabilities, having regard to the expected cash flow requirements of the Scheme;
- c. The availability of reliable valuation information;
- d. Expected tax consequences for the Scheme;
- e. Costs that might be incurred by the Scheme;
- f. The results of any relevant due diligence undertaken; and
- g. Any other matters the Trustee deems relevant.

The Trustee exercises due diligence in developing, offering and reviewing regularly each investment option.

The Trustee takes regard of the factors highlighted above in the development, offering and review of each investment option. The Trustee employs the services of an independent professional Investment Consultant to assist the Trustee to assess that each factor has been appropriately considered, and that the risks taken are appropriate in the context of the objectives, cash flow requirements, liquidity requirements, and consistent with the communications made to beneficiaries of each option.

Investment Managers at 30 June 2013

The Trustee has appointed JANA Investment Advisers Pty Ltd (JANA), a subsidiary of the National Australia Bank, to provide implemented asset consulting services to NESS Super.

The Trustee invested the assets underlying NESS Super's investment options in JANA Investment Trusts and in two MLC Corporate Investment Policies, where JANA selects the underlying investment managers for the various asset classes. The investment options also include legacy investments in trusts managed by the managers listed below that will be realised over time, in consultation with JANA.

- AMP Capital Investors Limited (redeemed in September 2013)
- Macquarie Specialised Asset Management Limited

Reserving policy

NESS Super does not have an investment fluctuation reserve.

Fluctuations in investment returns directly affect members' benefits. A contingency reserve equal to 0.21% of net assets at 30 June 2013, (0.43% in 2012, 0.45% in 2011) was maintained. Its use is strictly governed by a Trustee policy. It is invested in the Stable option.

In accordance with the requirements of MySuper, a reserve has been created in June 2013 through a transfer from the Contingency Reserve to cover risks identified through an Operational Risk Financial Requirement (ORFR) process. An operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is equal to 0.25% of net assets at 30 June 2013 and is invested in a separate bank account.

Use of derivatives

While the Trustee does not directly invest in derivative securities, investment managers are permitted to use futures, options and other derivative instruments to assist with the effective management of NESS Super's assets, consistent with the Trustee's Investment Policy. However, these instruments may not be used to gear the portfolio.

The Trustee expects that, over the long-term, the use of these instruments will enhance the returns of NESS Super's investment options.

Investment products used by NESS Super at 30 June 2013

NESS Super uses professional fund managers whose performance is regularly monitored. Over the past two years, NESS Super's assets have been invested in the following products.

	30 June 2013 (\$)	% of total	30 June 2012 (\$)	% of total
Property				
Goodman Australia Industrial Fund	-	0.00%	6,713,409	1.81%
Other Investments				
AMP Infrastructure Equity Fund	5,751,775	1.29%	5,433,381	1.47%
Macquarie Global Infrastructure Fund 11A	3,240,885	0.73%	3,263,065	0.88%
	8,992,660	2.01%	8,696,446	2.35%
JANA Managed Funds				
JANA Passive Australian Share Trust	24,426,700	5.47%	23,979,579	6.47%
JANA Core Australian Share Trust	68,071,675	15.25%	66,499,589	17.95%
JANA High Alpha Australian Share Trust	24,793,671	5.55%	25,198,475	6.80%
JANA Small Caps Australian Share Fund	5,855,455	1.31%	-	0.00%
JANA Core Global Share Trust	28,846,317	6.46%	24,560,233	6.63%
JANA Core Global Share Trust with Currency Hedged	28,100,552	6.29%	20,992,822	5.67%
JANA Passive Global Share Trust	24,338,673	5.45%	16,928,133	4.57%
JANA Emerging Markets Trust	11,200,846	2.51%	4,802,578	1.30%
JANA High Alpha Global Share Trust	24,528,857	5.49%	16,824,698	4.54%
	240,162,746	53.80%	199,786,107	53.93%
MLC Life Statutory Fund				
MLC Property Option	5,424,294	1.22%	3,913,410	1.06%
MLC Stable Option	7,456,919	1.67%	6,347,872	1.71%
MLC Australian Shares Option	1,665,265	0.37%	753,433	0.20%
MLC Balanced Option	167,952,455	37.64%	133,673,965	36.08%
MLC High Growth Option	5,672,253	1.27%	4,258,262	1.15%
JANA Select Cash Option	5,614,380	1.26%	4,435,035	1.20%
MLC Overseas Shares Option	263,805	0.06%	84,957	0.02%
	194,049,371	43.47%	153,466,934	41.43%
Pension				
JANA Moderate	1,117,418	0.25%	444,681	0.12%
JANA Assertive	95,298	0.02%	82,514	0.02%
JANA Conservative	910,349	0.20%	889,205	0.24%
JANA Cash	859,918	0.19%	144,904	0.04%
JANA Aggressive	81,978	0.02%	63,284	0.02%
JANA Cautious	166,685	0.04%	155,143	0.04%
	3,231,646	0.72%	1,779,731	0.48%
	446,436,423	100.00%	370,442,627	100.00%

NESS Super's financial position

The following financial summary is based on the audited accounts for 2012 and unaudited accounts for 2013. The audited accounts and auditor's report will be available to members, on request, from November 2013.

STATEMENT OF CHANGES IN FINANCIAL POSITION	30 June 2013 (\$)	30 June 2012 (\$)
Opening Balance	389,013,581	369,851,645
Plus Income		
Net Investment Income	66,087,262	(1,458,026)
Interest Received	168,241	179,744
Contributions from Employers and Members	42,662,747	43,402,633
Transfers into NESS Super by Members	5,045,366	4,009,870
Proceeds of Insurance Claims	1,941,550	1,330,148
Other Income	238,982	161,281
Total Income	116,144,148	47,625,650
Less Expenses		
Benefits paid to Members and Dependants	28,371,302	20,884,072
Administrative Costs	2,473,980	2,181,380
Member Insurance Premiums	2,215,258	2,198,739
Commonwealth Government Taxes	8,607,787	3,199,523
Total Expenses	41,668,327	28,463,714
Closing Balance	463,489,402	389,013,581

STATEMENT OF FINANCIAL POSITION AT	30 June 2013 (\$)	30 June 2012 (\$)
Assets		
Investments	446,436,423	370,442,627
Cash at bank	7,397,296	6,134,122
Other	14,122,065	15,369,614
Total	467,955,784	391,946,363
Liabilities		
Benefits Payable	1,727,095	462,221
Other Amounts Payable	445,725	463,836
Provision for Income Tax	2,293,562	2,006,725
Total	4,466,382	2,932,782
Net Assets	463,489,402	389,013,581

Fees and other costs

super members

This section shows fees and other costs that you may be charged as a super member. These fees and costs may be deducted from your account, from the returns on your investment or from the Fund assets as a whole.

The fees and costs that you may be charged are set out below. These fees and costs may be deducted from your account, from the returns on your investment or from the Fund assets as a whole. Insurance costs are set out in the “**NESS Super – Insurance Guide**” (or if you are a Spouse Member, in the “**NESS Super – Insurance Guide for Spouse Members**”).

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount \$	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee² The fee to open your investment	Nil	Not applicable
Contribution fee² The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
Withdrawal fee² The fee on each amount you take out of your investment	\$39.58 ¹	Deducted from your account each time a benefit is paid. When member protection applies, the fee may be partly or fully rebated
Termination fee² The fee to close your investment	Nil	Not applicable
Management costs³		
The fees and costs for managing your investment	A flat fee of \$72.80 p.a. plus an administration fee of 0.15% p.a. of your account balance.	The flat fee is charged at a rate of \$1.40 per week or partial week of membership and deducted from your account on a monthly basis. The administration fee is calculated monthly at a rate of 1/12th of 0.15% of your end of month balance. When an asset fee of more than 0.15% applies, an adjustment is made at 30 June.
Plus		
The amount you pay for specific investment options is shown on page 18	A percentage fee ranging from an estimated 0.15% p.a for the Cash option to 0.88% p.a. for the Property option ⁴	The percentage based fee is deducted partly from investment earnings prior to the earning rate for that investment option being determined and partly from a monthly deduction from account balances
Service fees⁵		
Investment switching fee. The fee for changing investment options	Nil	Not applicable

¹ Indexed each year in line with changes in the Wage Price Index.

² No adviser remuneration fee applies.

³ See Breakdown of Management costs on page 18.

⁴ The annual percentage fee range for the investment options are estimates only based on fees charged in 2012/13, including performance fees.

⁵ In some cases, user pays fees may also apply.

Fees and other costs

super members

Breakdown of Management Costs

The following table shows a breakdown of the Management Costs included in the Fee table on page 17. These management fees are deducted partly from investment earnings prior to the earning rate for that investment option being determined and partly from a monthly deduction from account balances.

Investment Option	Management Fee (%)	Buy/Sell Spread (%)	Administration Fee 2012/13 % ¹	Total Management Fee 2012/13 %	Performance Fee 2012/13 (%)
Cash	0.15	Nil	0.15	0.30	nil
Stable	0.51	Nil	0.15	0.66	0.05
Balanced (MySuper)	0.56	Nil	0.15	0.71	0.11
Property	0.88	Nil	0.15	1.03	nil
High Growth	0.64	Nil	0.15	0.79	0.15
Australian Shares	0.59	Nil	0.15	0.74	0.31
Overseas Shares	0.71	Nil	0.15	0.86	0.01

Administration charge

¹An asset-based fee of 0.15% p.a. was charged to members each month at the rate of 1/12th of 0.15%, based on the net asset balance of members' accounts at the end of each month. This charge is intended to cover operating expenses incurred by the Trustee in managing NESS Super and typically includes expenses that can be deducted from fund assets in accordance with the Trust Deed. The asset based administration fee may vary each year within the range of 0.15% and 0.25% depending on the operating expenses incurred by the Trustee in managing NESS Super.



Fees and other costs

pension members

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment or from the Fund assets as a whole.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount \$	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee¹ The fee to open your investment	Nil	Not applicable
Contribution fee¹ The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
Withdrawal fee¹ The fee on each amount you take out of your investment	\$50.00	Deducted from your account each time a benefit is paid. When member protection applies, the fee may be partly or fully rebated
Termination fee¹ The fee to close your investment	Nil	Not applicable
Management costs²		
The fees and costs for managing your investment	A flat fee of \$72.80 p.a. plus an administration fee of 0.20% p.a. of your account balance up to a maximum of \$9.59 per week.	The flat fee is charged at a rate of \$1.40 per week or partial week of membership and deducted from your account on a monthly basis. The administration fee is calculated monthly at a rate of 1/12th of 0.20% of your end of month balance. When an asset fee of more than 0.20% applies, an adjustment is made at 30 June.
Plus		
The amount you pay for specific investment options is shown on page 18	A percentage fee ranging from an estimated 0.18% p.a for the Cash option to 1.02% p.a. for the Aggressive option ³	The percentage based fee is deducted partly from investment earnings prior to the earning rate for that investment option being determined and partly from a monthly deduction from account balances
Service fees⁴		
Investment switching fee. The fee for changing investment options	Nil	Not applicable

¹ No adviser remuneration fee applies.

² See Breakdown of Management costs on page 18.

³ The annual percentage fee range for the investment options are estimates only based on fees charged in 2012/13, including performance fees.

⁴ In some cases, user pays fees may also apply.

Fees and other costs

pension members

Management costs

Breakdown of Management Costs

The following table shows a breakdown of the Management Costs included in the Fee table on page 19. These management fees are deducted partly from investment earnings prior to the earning rate for that investment option being determined and partly from a monthly deduction from account balances.

Investment Option	Investment Management Fee %	Buy/Sell Spread %	Administration Fee 2012/13 % ¹	Total Management Fee 2012/13 %	Performance Fee 2012/13 %
Cash	0.18	Nil	0.20	0.38	nil
Conservative	0.53	Nil	0.20	0.73	0.07
Cautious	0.58	Nil	0.20	0.78	0.13
Moderate	0.67	Nil	0.20	0.87	0.19
Assertive	0.70	Nil	0.20	0.90	0.22
Aggressive	0.75	Nil	0.20	0.95	0.27

Administration charge

¹An asset-based fee of 0.2% p.a. is charged to members each month at the rate of 1/12th of 0.2%, based on members' account balances at the end of the month. The maximum monthly charge for 2012/13 year was \$33.33 for members with account balances of \$200,000 and over. This charge is intended to cover operating expenses incurred by the Trustee in managing the Pension and typically includes expenses that can be deducted from NESS Super's assets in accordance with the Trust Deed. The asset based administration fee may vary within the range of .20% to .25% (up to a maximum amount of \$9.59 per week) depending on the operating expenses incurred by the Trustee in managing NESS Super.

Fees and other costs

general information

Goods and Services Tax (GST)

Fees and costs shown in the Fees section include GST and stamp duty if applicable, unless stated otherwise.

Income Tax and its effect on fees

Tax is payable on investment earnings of NESS Super at a maximum rate of 15%. However, as NESS Super is allowed a tax deduction in respect of certain fees and costs, the rate of tax actually payable by NESS Super is likely to be less than 15%.

The benefit of any income tax savings are passed to members indirectly when the Trustee determines the crediting rate that applies to members' accounts.

Insurances

Default insurance cover at 30 June 2013 was 2 units of Death cover and 2 units of Temporary Salary Continuance cover at a cost of \$2.40 and \$1.25 per week, respectively.

As advised to members in the "NESS Super Notice to Members" from 1 July 2013, NESS Super has extended and improved its default insurance coverage as follows:

2 units of Death cover, Temporary Salary Continuance cover and Total and Permanent Disablement cover at a cost of \$2.34, \$1.28 and \$3.18 per week, respectively. Please refer to The NESS Super Insurance Guide, available on the website www.nesssuper.com.au, for terms and conditions that apply to your age, cover and membership.

Member Benefit Protection

NESS Super protects the benefits of members with small account balances from erosion by administration fees, as required by law for year to 30 June 2013. If your account balance is less than \$1,000, the management costs charged to your account cannot exceed the total interest credited during that year. However, a maximum of \$10 in administration charges can be applied to your account in a year when the interim or annual crediting rate is negative or low.

At each Annual Review (30 June) or upon closure of a NESS Super account for any purpose, member protection will be applied to members with account balances of less than \$1,000. Members who have made a portability claim are not eligible for Member Benefit Protection.

The principles of member protection have been subject to the Super System Review and the introduction of MySuper which requires members to be charged on the same basis with respect to their MySuper interest. Accordingly, it has been repealed, effective, 1 July 2013.

Surcharge

An additional tax known as Surcharge may apply to certain employer contributions and before - tax member contributions for higher income earners for the financial years 1997-2005. This tax was abolished for contributions paid after 30 June 2005. However the Trustee may still receive a surcharge assessment or amended surcharge assessment for you for the financial years 1997-2005.

If the Trustee does receive a surcharge assessment or amended surcharge assessment that applies to you, it will be deducted from your account in the Fund. If the Trustee receives an assessment after you have left NESS, it will generally be forwarded on to the fund or institution to which you have forwarded your benefits.

Changes to fees

The fees quoted on the preceding pages may change from time to time. You will be notified of any increase at least 30 days in advance of the change becoming effective.

Additional Information

Our partners providing benefits to members

NESS Super has arranged for a number of additional benefits to members including:

- Health insurance cover through NIB.
- Banking products and home loans through ME Bank.
- Financial advice through Money Solutions.

NESS SUPER'S Eligible Rollover Fund

Your superannuation account balance may be transferred to an eligible rollover fund (ERF) if your super account balance falls below \$500 and if we have not received contributions for 15 months or more. The nominated Eligible Rollover Fund for NESS Super is AUSfund ABN 85 945 681 973.

If you are transferred to AUSfund you will cease to be a member of NESS Super and, therefore, any insurance cover held in NESS Super will cease and you will, instead, be subject to AUSfund's governing rules. If NESS Super can provide AUSfund with your current contact details, AUSfund will provide you with its current Product Disclosure Document which contains details of AUSfund, its investments and charges.

Members can transfer their AUSfund benefits to another complying superannuation fund at any time.

AUSfund's contact details are:

The AUSfund Administrator

PO Box 2468 Kent Town SA 5071.

Phone: 1300 361 798 (for the cost of a local call)

Fax: 1300 366 233 (for the cost of a local call)

Hours: 8.30am to 5.00pm Monday to Friday (local time)

Website: unclaimedsuper.com.au

Email: admin@ausfund.net.au

How we protect your privacy

The Privacy Act 2000 outlines standards for the collection, maintenance and disclosure of information about individuals, and the consequences of an individual not providing information when requested and provides for the destruction of personal information once it is no longer required. These policies, documentation and administrative procedures are necessary to ensure compliance with the requirements of the Act has been achieved. Please see the current NESS Super PDS for more information.

If you would like a copy of the NESS Super Privacy Statement, please contact us on freecall 1800 022 067 or visit our website www.nesssuper.com.au

Enquiries and complaints

NESS Super has established a procedure for the prompt handling of member enquiries and complaints. If you have a general enquiry about NESS Super or about your account, please ring our member helpline 1800 022 067 or write to:

NESS Super Administration

Locked Bag 20
Parramatta NSW 2124.

If you have a complaint please write to:

NESS Super Complaints Officer

NESS Super
Locked Bag 20
Parramatta NSW 2124
or phone 1800 022 067 (free call).

The Australian Securities and Investment Commission (ASIC) also has an infoline on **1300 300 630**, option 6, which you may use to make a complaint and obtain information about your rights.

There is no fee for lodgement or management of your complaint. NESS Super will respond in writing to your complaint within 90 days of receipt. If necessary your complaint will be considered by the Trustee Board, which will advise of its decision within 30 days.

If your complaint is not resolved within 90 days or if you are not happy with the Trustee's response, you can contact the Superannuation Complaints Tribunal (SCT). The SCT is an independent tribunal set up by the Federal Government to settle superannuation complaints. The SCT must consider whether the Trustee of a Fund has been fair and reasonable in making a decision that relates to a member. If you wish to complain to the SCT you should contact it to determine if it can deal with your complaint. The SCT will not consider a complaint that has not been through NESS Super's internal complaints process or if your complaint relates to the management of NESS Super generally.

Before lodging a complaint we suggest that you phone the SCT on 1300 884 114 for the cost of a local call anywhere in Australia.

Make sure your employer is paying your super

Generally, the law requires your employer to pay 9% super contributions (9.25% from 1 July 2013) for you in addition to your salary or wages.

These contributions are credited to your NESS Super account.

These contributions are shown on your NESS Super Annual Member Statement and half-yearly transaction report.

You can also access your account online at www.nesssuper.com.au using Member Access to check the payments your employer has made.

If you are concerned your employer isn't making super payments for you, you can write to the Australian Taxation Office and ask it to check with your employer on your behalf.

Information available on request

You can inspect other documents on request, for example:

- the Trust Deed
- the Investment Policy Statement
- the latest audited accounts and auditor's report
- details of how Trustee Directors are appointed
- the inquiries and complaints procedure
- NESS Super's Privacy Policy
- NESS Super's Risk Management Strategy
- NESS Super's Insurance Policies.

Call us to arrange for an inspection of these documents at our office.

If you have any questions about this Report, you can address them to the Fund Secretary via email on angiem@nesssuper.com.au

Stay in touch if you move

If you change address, don't forget to let us know so you can continue to get the information issued by NESS Super. You can advise us online through our website or you can call, email or write to NESS Super.

If we do lose track of you because we don't have your current address, your super may be classified as a "lost" or "unclaimed". If so, you may be able to find it via Australian Taxation Office's (ATO) online tool, SuperSeeker.

The ATO can be contacted on 13 28 65 or via the Individuals section of the ATO Web site www.ato.gov.au

Contact us

There are four easy ways to contact NESS Super if you have a question or want more information about your super.

Members who wish to inspect the full audited accounts of the Fund, the Trust Deed, the Annual report to APRA or the Auditor's certificate should contact:

Angie Mastroppolito
Chief Executive Officer
Telephone: (02) 9715 3720

For enquiries relating to annual member statements, benefit payments, rollovers, insurance and pensions, please contact a Helpline Officer on: 1800 022 067

Monday to Friday, between 8:00am and 8:00pm EST.

We are ready to help you with any information you need about your account.

Write to us:
NESS Super Administration
Locked Bag 20 Parramatta NSW 2124.

E-mail us:
nessadmin@aas.com.au

Website and online access:
www.nesssuper.com.au

Simply log on to access up to date news and information. You can also download the latest member publications and forms.

