



**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS  
SUPERANNUATION SECTOR**

**NGS Super**

**NGS91QW:**

**Please provide the titles of all externally commissioned reports over the past five years that have reviewed any of the following:**

- a. Performance of funds.**
- b. Investment strategies for funds.**
- c. Conflicts of interest for funds.**

Over the five years to 30 June 2020, the Fund did not commission specific reports with external providers that involved reviewing (a) to (c) above, as they relate to the Fund's investments.

In accordance with the Fund's obligations under superannuation prudential standard 521, the Fund's internal auditor conducts a comprehensive review of the Fund's Conflicts Management Framework every three years.

The Fund obtains regular input from its asset consultants and other professional advisors in respect of its investments, in particular performance and investment strategies, which may come in the form of an investment paper or other document. However, such ongoing input is not part of a specific report commissioned by the Fund and is more in the nature 'business as usual' as part of ongoing requirements under service agreements with the Fund's appointed asset consultants.

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**NGS92QW:**

For each fund where more than 30 per cent of capital is managed by another entity, please complete the below table including:

- a. The name of the fund.
- b. The allocation of capital as a percentage of the total capital held by the fund.
- c. The allocation of capital of the total capital held by the fund.
- d. The entity managing the capital.
- e. Whether you are a shareholder in that entity.

Fund	Allocation of fund capital		Managing entity	Shareholder
	%	\$		
i.e. Hostplus infrastructure options	i.e. 70%	i.e. \$10 billion	i.e. IFM Investors	i.e. Yes

As at 31 May 2020, the Fund did not have more than 30% of its capital managed by another single entity.



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**NGS93QW:**

**If you do have capital managed by another entity that you are also a shareholder in, please identify how you manage conflicts of interest.**

NGS Super invests capital with Select Core Property Pty Limited and Select Office Pty Limited (Select Entities). The Select Entities are in practice investment vehicles via which the Fund holds certain assets.

The Select Entities are 100% owned by NGS Super and NGS Super is the sole investor in and beneficiary of the underlying trusts for which the Select Entities act as trustee.

Given the factors outlined above, no actual or potential conflict of interest has been identified.



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**NGS94QW:**

**Please provide details of the following reduction to remuneration packages since 11 March 2020:**

- a. Board members.**
- b. The chief executive.**
- c. Executive management.**

There has been no reduction to remuneration packages since 11 March 2020. The Fund does not have a variable remuneration structure.



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### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

#### NGS Super

#### **NGS95QW:**

**Is the fund considering divestment from pure play fossil fuel producers in order to mitigate climate-related financial risks and to increase the cost of capital for those producers?**

**If not, how has the fund arrived at the conclusion that this approach would not be in members' best interests?**

NGS Super is in the process of drafting its first Task Force on Climate Related Financial Disclosures (TCFD) report which has the objective of considering both the risks and opportunities presented by climate change. This process will result in the Fund articulating, and where possible mitigating the identified risks associated with climate change and the impending transition to the low carbon economy. In addition, it will also highlight potential opportunities presented by climate change. Both of these outcomes will guide the Fund in the evaluation of the current investment portfolio and importantly, in the consideration of new investment opportunities, ensuring we are positioning the portfolio in a risk adjusted manner.

In addition, the Fund recently commenced a research project with the aim of determining the role, if any, that fossil fuels will have within its investment portfolio in the medium to long term. The purpose of performing this research is to ensure that any exclusion of fossil fuels, whole or in part is not to the detriment of members' financial returns and instead, enhances the risk and return profile of the Fund's investment options.

Any decisions made by the Trustee in relation to its position on fossil fuels will be disclosed and communicated to the membership appropriately.