

NAME OF SUPERANNUATION FUND:	NAME OF SUPERANNUATION FUND																															
<p>Objective</p> <p>This investment strategy, as amended to from time to time, is created in compliance with the <i>Superannuation Industry (Supervision) Act 1993</i>.</p> <p>The Fund:</p> <ol style="list-style-type: none"> 1. Accepts employer and member contribution and contributions from other persons as the laws allow 2. Accepts transfers from other Superannuation funds 3. Provides benefits to members upon retirement 4. Performs other activities as allowed by the laws and regulations from time to time 5. Allows access to any unrestricted non-preserved benefits (as allowed by the laws and regulations) 6. Provides for the payment of pension benefits at a rate as determined in the future from time to time <p>The fund complies with the current laws and regulations and the rules in the trust deed. It has the following investment objectives:</p> <p>Risk and Rate of Return</p> <p>It is recognised that timing (when you get into the investment) and time in the investment (how long you are in the investment) affects returns. Different investments have different returns and volatility.</p> <p>The Trustee (from time to time) of the fund has a strong emphasis on preserving the fund's capital. However, many sound investments are not capital guaranteed.</p> <p>Security of capital has to be tempered with the need to achieve the desired rate of return. Therefore, assets that show volatility may be of benefit to the fund.</p> <p>The Trustee is ever vigilant to balance these two objectives: protecting the capital and growing the value of the fund by obtaining an acceptable rate of return.</p> <p>Diversity of the Member's Fund</p> <p>Holding a number of investments is the essence of diversity. This may have the effect of reducing volatility. However, diversification is only one factor to be considered in this strategy.</p> <p>The Trustee may, in writing, change the spread of investments (even on a daily basis). However, the fund's current investment spread is:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #e6f2ff;">Asset</th> <th style="background-color: #e6f2ff;"></th> <th style="background-color: #e6f2ff;">Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td style="text-align: center;">0 – 100%</td> <td style="text-align: center;">0-100%</td> </tr> <tr> <td>Australian Fixed Interest</td> <td style="text-align: center;">0 – 50%</td> <td style="text-align: center;">0-50%</td> </tr> <tr> <td>International Fixed Interest</td> <td style="text-align: center;">0 – 20%</td> <td style="text-align: center;">0-20%</td> </tr> <tr> <td>Australian Equities</td> <td style="text-align: center;">0 – 75%</td> <td style="text-align: center;">0 – 75%</td> </tr> <tr> <td>International Equities</td> <td style="text-align: center;">0 – 65%</td> <td style="text-align: center;">0 – 65%</td> </tr> <tr> <td>Property</td> <td style="text-align: center;">0 – 100%</td> <td style="text-align: center;">0 – 100%</td> </tr> <tr> <td>Residential Property, either direct or in a unit trust</td> <td style="text-align: center;">0 – 100%</td> <td style="text-align: center;">0 – 100%</td> </tr> <tr> <td>Other investments (considered on a case by case basis) such as agribusiness</td> <td style="text-align: center;">0 – 50%</td> <td style="text-align: center;">0 – 50%</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>			Asset		Range (%)	Cash	0 – 100%	0-100%	Australian Fixed Interest	0 – 50%	0-50%	International Fixed Interest	0 – 20%	0-20%	Australian Equities	0 – 75%	0 – 75%	International Equities	0 – 65%	0 – 65%	Property	0 – 100%	0 – 100%	Residential Property, either direct or in a unit trust	0 – 100%	0 – 100%	Other investments (considered on a case by case basis) such as agribusiness	0 – 50%	0 – 50%	Total		100%
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Required Rate of Return

The Trustee seeks an overall investment return for the fund in the 3-5 year term (medium term) of 3% above the average rate of inflation over that period.

Trustee's Obligations

The Trustee ensures that the fund meets the legislated standard minimums to continue to obtain concessional taxation status on the income.

It is also incumbent on the Trustee to consider the tax consequences of all investments. Tax-advantaged products may reduce the fund's taxation burden. Tax is one of the Trustee's relevant concerns.

The Trustee acknowledges that members' benefits are a liability of the fund. The Trustee has to give thought to the level of benefit required to be paid to the member. However, no terminations or benefits are expected to be paid out in the short to medium term. Therefore, the Trustee will continue to examine investments that are medium term.

Insurance

The trustee should as part of its duties, investigate whether Life Insurance is appropriate for the fund and if so, put in place a policy based on the requirements of members.

Paying Debts

The Trustee is obliged to pay tax, expenses and benefits. It will do so within 31 days. The Trustee ensures that it holds sufficient cash to meet such obligations. Moneys must also be kept in reserve to meet the risk and reward objectives of the fund.

Cost of Investing

The Trustee strives to reduce costs of investing. However, at times upfront investment costs are payable in order to obtain the best investment products that fit into this investment strategy. Exit costs and penalties may also be part of the cost of carrying out this investment strategy.

Investments

Cash

Money can be held in kind, in banks, building societies, lending institutions and cash management accounts.

Australian Shares

After research and due diligence, these include listed and unlisted securities including shares, warrants and managed funds.

Australian Fixed Interest

These include deposits banks, building societies, lending institutions, cash management accounts, government and non-government bonds, bank bills, debentures, corporate notes and specialist fixed interest funds.

International Shares

After research and due diligence, these include investments directly or indirectly in listed and unlisted shares from around the world.

Property

This includes both direct and indirect investments in listed and unlisted property trusts and property securities funds.

Property via limited recourse borrowing:

- The trustees have allowed a substantial proportion of fund assets to be used for the purchase of a property via a limited recourse borrowing arrangement.
- The maximum loan value ratio is 60%
- The loan was obtained from a bank at a commercial rate of interest
- The lender's recourse against the trustee in the event of default on the borrowing and related fees, is limited to rights relating to the property (limited recourse).
- The trustees consider there is a sufficient level of income (including rental) & contributions being received by the fund to meet the ongoing interest/principal loan repayments
- It is noted however that direct property is an illiquid asset (i.e., it is not easily sold) and has the potential to cause cash-flow problems in the fund. Although the trustees consider this unlikely, it is accepted that there may be a need to sell the property in the future to enable benefit payment obligations and/or loan repayments.

- The trustees have accepted the increased level of risk associated with a reduction in the diversification due to the property's projected annual returns.
- The trustees the trustee considers the risk and return of the investment strategy to be moderately high. This is considered appropriate given the long-term investment objective of the members.

Review

The Trustees may review this strategy as required, but it will be reviewed at least annually.

SIGNED BY ALL TRUSTEES OF THE SMSF:

Signature

Signature

Trustee

Trustee

Signature

Signature

Trustee

Trustee

____/____/____

Date