

## SCHEDULE 1: INVESTMENT POLICY STATEMENT

### J & E Rudan Superannuation Fund

#### A. Fund Design Benefit

The purpose of the fund is to provide retirement benefits to members and their dependants.

#### B. Investment Risk

Investments will be according to the Investment Policy. Because of the growth nature of the Policy, fluctuations in investment returns and the value of the Fund's investments will occur.

The level of risk and volatility of returns will be taken into account in determining the Investment Policy and the selection of individual investments.

#### C. Investment Objectives

Over longer periods of time, the primary investment objective of the Fund will be to maximise returns available in investment markets having regard to the need for an appropriate level of diversification of assets specified by the trustee(s) from time to time.

In seeking to maximise returns within acceptable levels of volatility the Trustees shall, if requested by the member(s), take into account the member(s) investments outside the Superannuation Fund.

The specific objectives are:

- 1) To achieve after tax returns over 5 year periods which exceed inflation by at least 3% p.a., and
- 2) To at least equal the after tax rate of return obtained by the average balanced pooled superannuation fund managers over rolling 5 year periods.

#### D. Investment Policy

- 1) The Fund will aim to maximise returns over the longer term by adopting a growth-oriented approach to investments. Reasonably secure, longer-term returns are likely where the Fund maintains a significant exposure to growth assets which do not exceed 95% of the total Fund value.
- 2) The Fund will attempt to minimise investment risk by appropriate diversification across the range of asset classes.
- 3) The Fund will utilise the services of professional investment managers and advisers where appropriate.
- 4) Strategic asset class ranges will be:

Asset Class	Min %	Max %
Australian Shares	5%	60%
International Shares	0%	30%
Property	10%	40%
Fixed Interest & Cash	5%	80%



- 5) In determining appropriate diversification and asset allocation the Trustees shall, if requested by the member(s), take into account the members' investments outside the Superannuation Fund and consider the members' sub Fund and external investments as one overall portfolio of investments.

**E. Monitoring Investment Performance**

The monitoring process will:

- 1) Regularly (not less than annually) review the performance of the individual investments in relation to the objectives of the fund.
- 2) Assess the returns against those achieved by a similar peer group of other professional managers.
- 3) Measure the performance of individual asset classes against suitable indices such as those indicated in the following table.

<b>Asset Class</b>	<b>Index</b>
<b>Direct Property</b>	Median Market Value as published by the Valuer General's Office of W.A.
<b>Australian Shares</b>	ASE All Ordinaries Accumulation Index
<b>International Shares</b>	Morgan Stanley Capital International World Ex- Australian Index
<b>Listed Property Trusts</b>	ASE Listed Property Accumulation Index
<b>Fixed Interest</b>	SBC Dominguez Barry Composite Bond Index

- 4) The annual review should consider in particular 3 and 5 year rolling results.
- 5) If a manager or asset fails to meet the objectives set, its role will be reviewed by the trustee.



**INVESTMENT STRATEGY GUIDE**  
**The JP & ER Rudan Superannuation Fund**

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**MEMBERS**

*Name: John Peter Rudan*

*Name: Elsie Rose Rudan*

**TRUSTEES**

*Name: John Peter Rudan*

*Name: Elsie Rose Rudan*

**Objectives**

The following investment objectives and strategies are in accordance with section 52(2)(f) of the *Superannuation Industry (supervision) Act, 1993* (SIS Act').

As a general investment objective, the Trustee aims to achieve reasonable medium to long term growth maintaining low levels of capital volatility and risk.

The Trustee however, accepts that volatility will occur within asset classes in the short- term but will seek sufficient diversification through the Fund's investment portfolio to minimize risk.

The Trustee aims to:

- Create superannuation Benefits to Members and their Dependents to meet their retirement needs; and
- Ensure that the allocations of resources are distributed amongst an appropriate selection of investments by the Fund to support the above objective.

**Investment Strategy**

The Trustee will determine the Fund's investment structure which may include but is not limited to all or one of the following:

- Stocks, derivatives, direct equities, divided reinvestment programs and rights issues;
- Property trusts and affiliated investments;
- Managed investments and affiliated products;
- Direct residential industrial or commercial property investment;
- The Fund may borrow to acquire the beneficial interest in listed Company shares provided the lender's rights on any default of the borrowing or the sum of the borrowing and charges related to the borrowing are limited to rights relating to those listed shares or any replacement to the listed shares.



- The Fund may borrow to acquire the beneficial interest in real estate, provided the lenders rights on any default of the borrowing or the sum of the borrowing and charges related to the borrowing are limited to rights relating to that real estate or any replacement to the real estate.
- Bank and other financial institution securities, term deposits, debentures, bonds and secured and unsecured notes; and
- Any other investment that does not breach the rules of the Fund.

The below listed range of investments are merely suggestive and is subject to the Trustee(s) discretion in varying the allocation of resources at any time if market conditions or other circumstances warrant a change.

However, if the Trustee wishes to venture into opportunities beyond the below listed parameters, the investment strategy of the Fund and all decisions made must then be fully revised and minuted.

The investment strategy of the fund is tabulated below in the following assets:

<b>Asset</b>	<b>Range</b>
Cash	%
Fixed interest Investment	%
Australian Equities	%
International Equities	%
Property, direct and indirect	%
Derivatives, options, futures, foreign currency, etc.	%
Other investments: collectables, arts, coins, etc.	%
<b>Total</b>	<b>100%</b>

The Trustee(s) may seek professional advice of accountants, solicitors or financial planners in the structure and planning of the investment strategy. The Trustee(s), in formulating the investment strategy, has taken into account the features of the investment types according to both the objectives and the superannuation laws summarized below:

- Investment risks and return;
- Liquidity and cash-flow requirements;
- Investment diversification;
- The Fund's ability to discharge liabilities





**Policies**

In order to achieve the objectives, the Trustees have agreed upon adopting the following policies:

- Regular monitoring of the Fund's investments performance covering the rate of return in income and capital growth, risk profile of the portfolio and the expected cash flow requirements.
- Revising the investment portfolio according to changes in market conditions.

The Trustee(s) will review the strategy at least annually, reserving the right to make changes when appropriate, and to ensure that investments align with the overall strategy

**Executed by or on behalf of the Trustee**

  
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**Name** John Peter Rudan

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**Date**

  
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**Name** Elsie Rose Rudan

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**Date**

