

THE SALLY S SUPERANNUATION FUND INVESTMENT STRATEGY

INVESTMENT OBJECTIVE

The investment objective is to target investment returns of CPI plus 5.0% over rolling 7-year periods.

MEMBER PROFILE

Sally and Mark Sheehan are the two members of the fund and directors of the corporate trustee of the fund – Penemm Pty Ltd.

Sally and Mark are both expecting to transition to retirement over the next 5 years. The purpose of the fund will be to provide Sally and Mark with ongoing pension payments to supplement their retirement income once retired.

INSURANCE CONSIDERATIONS

The trustee has considered whether it is appropriate to hold insurance cover for the members of the fund. They have taken into account various factors including the age of the members, the member's personal circumstances and their financial position.

The trustee considers it is appropriate for the fund to hold insurance cover for its members within the fund. The following insurance policies are currently held within the fund:

Mark: Death & TPD with MLC Life
Sally: Death & TPD with AMP Life

These policies will be regularly reviewed by the trustees for their appropriateness

INVESTMENT STRATEGY

The proposed investment strategy for the Sally S Superannuation Fund encompasses:

- An investment strategy that embraces dynamic asset allocation. Dynamic asset allocation helps the trustees manage sequencing risk and drawdown risk.
- This approach is driven by a focus on wealth preservation and desire to minimise volatility and is achieved by changing allocations between asset classes and using a wide range of sources of return.
- A focus on asset allocation as the key to risk management and an acceptance that the exposure to different asset classes may be reduced on occasion to preserve capital.
- A diversified portfolio across asset classes and across securities within those asset classes. The neutral and maximum bounds to be allocated to these asset classes is shown below

Asset Class	Neutral	Maximum
Cash	5.00%	100.00%
Australian Fixed Interest	5.00%	80.00%
International Fixed Interest	5.00%	80.00%
Australian Equities	25.00%	70.00%
International Equities	40.00%	70.00%
Australian Property	5.00%	25.00%
International Property & Infrastructure	5.00%	25.00%
Alternatives	10.00%	50.00%

- A diversity of professional fund managers to ensure diversification of manager risk.
- A preference to delegate most investment decisions to an Investment Manager so long as the trustees are kept informed of such changes. This delegation ensures the portfolio is regularly reviewed and changes can be made in an efficient and disciplined manner.
- A portfolio that has a very high level of liquidity and minimises investment in illiquid assets.
- An investment portfolio that is tax aware and focused on after tax returns as opposed to just gross returns.
- A mixture of active and index fund managers, as appropriate.
- Implementation through a WRAP platform where appropriate to minimise administration and aid efficiency.
- A portfolio that is continually cognisant of its "fee budget" by managing costs in all aspects of the value chain – platform, investment consultant and investment managers.

The trustees believe the investment process matters. Deciding on the best way to invest matters and having a dynamically managed portfolio driven by changes in asset allocation is the most reliable way of the trustees achieving their stated objectives.

RISKS

Investment risk refers to the unpredictability of future asset values. Investment risk management does not require the elimination of risk but the balancing of expected returns against expected risks.

Each asset class apart from cash has some inherent risk however this risk can be best managed through adherence to the adopted diversification policy below. Short term fluctuations are acceptable given the uncertainty of investing in the short-term.

DIVERSIFICATION

The trustee intends to hold various investments across the asset classes selected above. Due to the number of assets held, the amount invested, the characteristics of the current membership and diversification within each asset class, it is considered that overall diversification is appropriate. The Trustee will regularly review the assets in order to confirm that an acceptable range of investments is held from a diversification perspective.

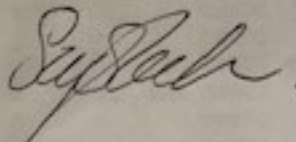
LIQUIDITY

The Trustee is of the opinion that the investment strategy is structured in such a manner that the Fund is sufficiently liquid to discharge its current and future liabilities.

STRATEGY REVIEW

The Trustee will regularly review the investment strategy to determine whether it remains appropriate. This will ensure any changes to the circumstances of the fund and its members are reflected in the strategy.

Sally Sheehan
Director of Trustee
Penem Pty Ltd



Mark Sheehan
Director of Trustee
Penem Pty Ltd



Date: