

Investment Strategy of the H K Superannuation

Objectives

The objective of the H K Superannuation (the Fund) is to:

- Accept Employer and Member contributions and contributions from other persons as the laws allow
- Provide superannuation benefits to members and their dependents to meet their retirement needs
- Ensure the appropriate mixes of investments are held by the fund to support these needs
- Ensure that the fund has sufficient liquidity at all times to meet all commitments
- To achieve a long term rate equal to or in excess of the CPI. It is expected that year-on-year returns might vary and there may be years when returns are negative

Investment Strategy

The Trustees have adopted an Investment Strategy aimed at accumulating assets in the Fund over the long term. The Trustees can invest within Australia or overseas and may include but not be limited to:

- Shares and related investments including participation in dividend reinvestment programs and rights issues, Listed Property Trusts and associated investments, Options, Futures, Exchange Traded Options, Warrants and CFDs and including the use of geared instalment warrants
- Managed Investments, Unit Trusts, separately Managed Accounts and related investments
- Foreign Exchange
- Physical Metals and Commodities
- Bank operating accounts, cash, secured and Unsecured notes, bonds, debentures, fixed term deposits and term deposits
- Residential , industrial and commercial property, including geared property investments purchased with allowable limited recourse arrangements
- Collectibles and Art
- Other assets considered appropriate by the Trustees and permitted by the Trust Deed and Superannuation Law

The Trustee seeks an overall investment return for the fund in the 7-10 year term of equal to or in excess of the CPI over that period. In order to achieve this, the Trustee may from time to time seek professional advice from Accountants, Lawyers and Financial Planners in the formulation or implementation of this or any future investment strategy.

Statement on Risk

It is recognised that timing and time in the investment affects returns. The Trustee of the fund has a strong emphasis on preserving the fund's capital. However, many sound investments are not capital guaranteed. 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. 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.

Investment risk is borne by the Members, as fluctuation in investment returns will affect the level of the benefits available to members.

Insurance

In consideration of the insurance needs of members, the trustees adopted the following process:

- Assessed the outstanding liabilities of each fund member
- Assessed the liabilities of the Fund and potential consequences of the death of a member
- Assessed the potential needs of the member's dependents and /or beneficiaries in the event of death or TPD
- Assessed the appropriateness of life insurance, TPD insurance and income protection insurance products available
- Investigated and evaluated the cost of holding insurance within the fund
- Considered any insurance held by members outside of superannuation

Following the above process, the trustees have resolved to review the insurance for members on an annual basis.

Liquidity and cash flow requirements

A sufficient cash balance in the Fund's bank account need to be maintained in order to meet outgoings when they fall due. Trustees will ensure that sufficient liquid assets are held, whereby they can easily be sold in the event of an obligation falling due or to meet unexpected cash flow requirements.

Cash in excess of anticipated liquidity requirements will be invested in accordance with the investment strategy.

Ability to discharge liabilities

All existing and prospective liabilities of the Fund will be met through maintaining cash flow to discharge administrative expenses and other outgoings.

The Fund is a defined contribution fund and the Members are entitled to the accumulation of contributions and earnings in the Members' account on withdrawal.

Diversification

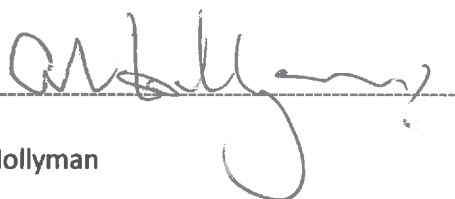
The Trustees consider that no specific percentage range for each of the above asset classes should be adopted but each asset should be considered on its own investment merits having regard to an appropriate degree of diversification.

Review of Strategy

The policies adopted by the Trustees in order to achieve these objectives are:

- Regular monitoring of the performance of the Fund's investments, the overall investment mix and the expected cash flow requirements of the fund
- Re-balancing the fund's investment portfolio due to changes in market conditions through asset sales and new investments as appropriate

The Trustees will aim to comply with the investment strategy. The trustees intend to review this strategy annually or when there is considered to be a major change in circumstances. However, they will at all times reserve the right to change the investment mix depending on the market situation and opportunities available to better meet the objectives of the fund.



Allan Hollyman

Trustee/ Director



Susan Kenrick
Trustee/Director

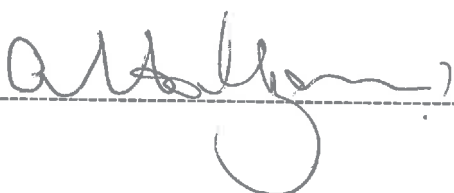
Dated 27 November, 2014

MINUTES OF TRUSTEES MEETING OF

H K SUPERANNUATION

- DATE:** 27 November, 2014
- HELD AT:** 18/55 Marine Parade Redcliffe Qld 4020
- PRESENT:** Allan Hollyman & Susan Kenrick
- MINUTES:** The Chairperson reported that the minutes of the previous meeting had been signed as a true record.
- BUSINESS:** To consider and adopt an appropriate investment strategies for members funds and to satisfy regulatory requirements including consideration of life insurance for members.
- OBJECTIVES:** Resolved that members funds should be invested consistent with the strategy set out in the attached, Investment Strategy of H K Superannuation, with the objective of achieving returns that are equal to or exceed CPI in the current year.
- STRATEGY:** Resolved to invest member's funds in accordance with the attached Investment Strategy of H K Superannuation.
- INVESTMENT PLAN:** Resolved that the attached document, Investment Strategy of H K Superannuation be adopted. The strategy document sets out the range of approved investment opportunities for member's funds and, provides an overview of investment policy, objectives and strategy, including consideration of life insurance for members.
- CONFIRMATION:** Resolved that these minutes be accepted as true and correct record of the proceedings in this meeting.

CONFIRMED:



27 November, 2014