

INVESTMENT STRATEGY GUIDE

The Netscher Superannuation Fund

MEMBERS

GUY NETSCHER

TRUSTEES

GKF NETSCHER

HEM NETSHCER

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:

Asset	Range
Cash	20 %
Fixed interest Investment	%
Australian Equities	80 %
International Equities	%
Property, direct and indirect	%
Derivatives, options, futures, foreign currency, etc.	%
Other investments: collectables, arts, coins, etc.	%
Total	100%

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

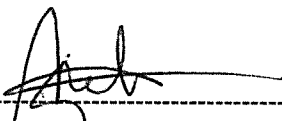
Policies

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

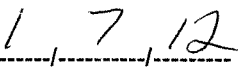
- Regular monitoring of the Fund's investments performance covering the rate of return in income and capital growth, risk profile of the portfolio and the expected cash flow requirements.
- Revising the investment portfolio according to changes in market conditions.

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

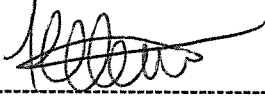
Executed by or on behalf of the Trustee



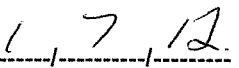
GUY NETSCHER



Date



HELENA NETSCHER



Date

Death Benefit Nomination

This document is a pro forma document only. Professional advice should be obtained before signing this document.

Name of Fund: THE NETSCHER SUPERANNUATION FUND
Member Name: GWY NETSCHER
Address: 1-3 DEAN ST MT HERBINA WA 6082
Date of Birth: 21/2/1968

I, the Member named above, direct the Trustee of the Fund to pay any benefit in respect of my membership of the Fund following my death ("Benefit") in accordance with this Nomination.

1. Revocation

I revoke any previous binding or non-binding nominations.

2. Binding or Non-Binding (Please mark the applicable box)

2.1 Binding

This Nomination is binding on the Trustee.

OR

2.2 Non-binding

This Nomination is not to be binding on the Trustee and the Trustee is under no obligation to comply with it, but may, in exercising its discretion, take into account this Nomination.

3. Duration of Nomination

Unless amended or revoked, this Nomination does not lapse or expire unless I have specified otherwise below by marking the applicable box.

This Nomination:

is revoked if I revoke it in accordance with the Trust Deed

OR

does not lapse

OR

lapses on _____
(date)

OR

expires in the event that _____
(eg 'if value of super fund is \$X', or 'Y person predeceases me')

4. Nominee(s)

Name of nominee beneficiaries	Relationship (Specify: spouse, child, interdependency relationship, financially dependant, or Legal Personal Representative of my deceased estate)	DOB	Amount of Benefit (% or \$ or remainder of Benefit)	Manner of Payment: Lump Sum or Pension* (Optional)
HELENA NETSCHER	CHILD	23-2-90	33%	<input type="checkbox"/> Lump sum <input checked="" type="checkbox"/> Pension (if allowable)
KRISTYN NETSCHER	CHILD	1-2-95	33%	<input type="checkbox"/> Lump sum <input checked="" type="checkbox"/> Pension (if allowable)
ALICIA NETSCHER	CHILD.	12-1-00	33%	<input type="checkbox"/> Lump sum <input checked="" type="checkbox"/> Pension (if allowable)
				<input type="checkbox"/> Lump sum <input type="checkbox"/> Pension (if allowable)
				<input type="checkbox"/> Lump sum <input type="checkbox"/> Pension (if allowable)

*If no manner of payment is specified, the Trustees of the Fund have the discretion to pay my Benefit as one or more lump sums or as a pension.

5. Redistribution (Please mark the applicable box)

Not Applicable

OR

If any person nominated above dies before me, I direct the Trustee to distribute the Amount allocated to that person as follows:

6. Remainder of Benefit

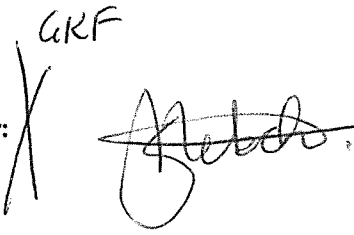
To the extent this Nomination does not deal with 100% of my Benefit, the Trustee may, in its discretion, treat any amount not so dealt with in accordance with the Trust Deed.

7. Reversionary Pension

This Nomination does not alter any reversionary pensioner's entitlement.

8. Acknowledgement


I acknowledge that the nominees are my dependants for the purposes of the *Superannuation Industry (Supervision) Act 1993*, being a spouse, child, person who is financially dependent on me, or a person with whom I am in an interdependency relationship, or my legal personal representative.

Signature of Member: ^{GKF}  Date: 1/2/19.

Witnesses

We declare that:

- this Nomination was signed by the Member in our presence;
- we are aged 18 or more; and
- we are not nominated as beneficiaries.

Signature of Witness:  Date: 22/8/2019

Print Name of Witness: Janet Gordon Occupation: Manager Corporate Services

Signature of Witness: _____ Date: _____

Print Name of Witness: _____ Occupation: _____

Additional Information

If you decide to give a binding or non-binding direction by completing this Nomination, it is important for you to note the following:

1. You can only direct the Trustee to pay the benefit either to your Legal Personal Representative, (that is, to the executor of your will or the administrator granted letters of administration of your estate if you do not leave a will) or to the dependants that you specify in this Nomination.
2. If, on this Nomination, you direct the Trustee to pay any part of your death benefit to a person who is not a dependant (as described below), or your estate, your direction will be void and of no effect and the Trustee will be required to decide to whom to pay your death benefit.
3. For the purposes of the Superannuation Industry (Supervision) Act 1993 (Cth), a dependant is:
 - a spouse of a Member
 - any children of a Member
 - any other person (whether related to the Member or not) with whom the Member has an interdependency relationship.

"Spouse" of a person includes:

- (a) another person (whether of the same sex or a different sex) with whom the person is in a relationship that is registered under a law of a State or Territory prescribed for the purposes of section 2E of the *Acts Interpretation Act 1901* as a kind of relationship prescribed for the purposes of that section; and
- (b) another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

Two persons (whether or not related by family) have an "interdependency relationship" if:

- (a) they have a close personal relationship;
- (b) they live together;
- (c) one or each of them provides the other with financial support; and
- (d) one or each of them provides the other with domestic support and personal care.

If two persons (whether or not related) have a close relationship, but do not satisfy these requirements because either or both of them suffer from a physical, intellectual or psychiatric disability, they are considered to have an interdependency relationship.

The following matters are to be taken into account when determining whether two people have an interdependency relationship, or had an interdependency relationship immediately before death:

- (a) all of the circumstances of the relationship between the persons, including (where relevant):
 - (i) the duration of the relationship
 - (ii) whether or not a sexual relationship exists
 - (iii) the ownership, use and acquisition of property
 - (iv) the degree of mutual commitment to a shared life
 - (v) the care and support of children
 - (vi) the reputation and public aspects of the relationship
 - (vii) the degree of emotional support
 - (viii) the extent to which the relationship is one of mere convenience, and
 - (ix) any evidence suggesting that the parties intend the relationship to be permanent
- (b) the existence of a statutory declaration signed by one of the persons to the effect that the person is, or (in the case of a statutory declaration made after the end of the relationship) was, in an interdependency relationship with the other person.

Each one of the above need not be met and the extent to which any one matter exists or does not exist does not necessarily of itself confirm or exclude an interdependency relationship.

If you have any doubt as to whether a person you wish to nominate to receive any part of your death benefit is a dependant, you should seek professional advice before completing a Nomination.

4. A nomination requiring a benefit to be paid to your spouse will be revoked if proceedings have commenced under the Family Law Act 1975 (Cth) or similar laws seeking a dissolution of a relationship (including, but not limited to a marriage) between you and your spouse, or if proceedings have been instituted for Orders concerning property following separation from your spouse.

Trustee declaration

To be completed by new trustees and directors of corporate trustees of self-managed super funds.



Read this declaration in conjunction with *Self-managed super funds – Key messages for trustees* (NAT 71128).





Self-managed super fund trustee declaration

I understand that as an individual trustee or director of the corporate trustee of

Fund name

THE NETSCHER SUPERANNUATION FUND

I am responsible for ensuring that the fund complies with the *Superannuation Industry (Supervision) Act 1993* (SISA) and other relevant legislation. The Commissioner of Taxation (the Commissioner) has the authority and responsibility for administering the legislation and enforcing the fund's compliance with the law.

If I do not comply with the legislation, the Commissioner may take the following actions:

- impose administrative penalties on me
- enter into agreements with me to rectify any contraventions of the legislation
- disqualify me from being a trustee or director of a corporate trustee of any superannuation fund in the future
- remove the fund's complying status, which may result in a significant tax penalty on the fund
- prosecute me under the law, which may result in fines or imprisonment.

I must keep myself informed of changes to the legislation relevant to the operation of my fund and ensure the trust deed is kept up to date in accordance with the law and the needs of the members.

SOLE PURPOSE

I understand it is my responsibility to ensure the fund is maintained for the purpose of providing benefits to its members upon their retirement (or attainment of a certain age) or their beneficiaries if a member dies.

TRUSTEE DUTIES

I understand that by law I must:

- act honestly in all matters concerning the fund
- exercise skill, care and diligence in managing the fund
- act in the best interests of all the members of the fund
- ensure that retirement benefits are only accessed by members upon a legitimate condition of release being met
- not enter into transactions that circumvent restrictions on the payment of benefits
- ensure that my money and other assets are kept separate from the money and other assets of the fund
- take appropriate action to protect the fund's assets (for example, have sufficient evidence of the ownership of fund assets)
- not enter into any contract or do anything that would prevent me from, or hinder me in, properly performing or exercising my functions or powers as a trustee or director of the corporate trustee of the fund
- prepare and implement an investment strategy that takes the whole of the fund's circumstances into account, which includes, but is not limited to
 - the risks associated with the fund's investments
 - the likely return from investments, taking into account the fund's objectives and expected cash flow requirements
 - investment diversity and the fund's exposure to risk due to inadequate diversification
 - the liquidity of the fund's investments having regard to the fund's expected cash flow requirements in discharging its existing and prospective liabilities
- allow all members of the fund to have access to information and documents as required, including details about
 - the financial situation of the fund
 - the investments of the fund
 - the members' benefit entitlements.

Investment restrictions

I understand that, as a trustee or director of the corporate trustee of the fund, subject to certain limited exceptions specified in the law, I am prohibited from the following:

- lending money of the fund to, or providing financial assistance to, a member of the fund or a member's relative (financial assistance means any assistance that improves the financial position of a person directly or indirectly, including the provision of credit)
- acquiring assets (other than listed securities, business real property, in-house assets, mergers and special determinations) for the fund from members or other related parties of the fund
- borrowing money (or maintaining an existing borrowing) on behalf of the fund except in certain limited recourse borrowing arrangements
- having more than 5% of the market value of the fund's total assets at the end of the income year as in-house assets (these are loans to, or investments in, related parties of the fund (including trusts) or assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party)
- entering into investments on behalf of the fund that are not made or maintained on an arm's length (commercial) basis (this ensures the purchase or sale price of the fund's assets reflects their market value).

Accepting contributions and paying a benefit

I understand that I can only accept contributions and pay benefits (pensions or lump sums) to members or their beneficiaries when the conditions specified in the law and the fund's trust deed have been met.

Administration

I understand that the trustees of the fund must:

- keep and retain for at least 10 years
 - minutes of all trustee meetings at which matters affecting the fund were considered (this includes investment decisions and decisions to appoint members and trustees)
 - records of all changes of trustees, including directors of the corporate trustee
 - each trustee's consent to be appointed as a trustee of the fund or a director of the corporate trustee
 - all trustee declarations
 - copies of all annual returns lodged
 - copies of all reports given to members
- ensure that the following are prepared and retained for at least five years
 - an annual statement of the financial position of the fund
 - an annual operating statement
 - accounts and statements that accurately record and explain the transactions and financial position of the fund
- notify the ATO within 28 days of any changes in the
 - membership of the fund, trustees, directors of the corporate trustee or members of the fund
 - name of the fund
 - details of the contact person and his/her contact details
 - postal address, registered address or address for service of notices for the fund
- notify the ATO in writing as soon as practicable (not later than 28 days) after becoming aware that the fund has ceased to be a SMSF or ceased to exist
- notify the ATO in writing within 28 days of the fund being wound up
- ensure that an approved auditor is appointed to audit the fund for each income year and provide that auditor with documents as requested
- lodge the fund's annual return by the due date.

DECLARATION

By signing this declaration I acknowledge that I understand my duties and responsibilities as a trustee or director of the corporate trustee of the self-managed superannuation fund named on this declaration (or if the fund's name changes, that name). I understand that:

- I must ensure this document is retained for at least 10 years or while I remain a trustee or director of the corporate trustee (whichever is longer) and, if I fail to do this, penalties may apply
- I may have to make this document available for inspection by a member of staff of the ATO and, if I fail to do this, penalties may apply.

Trustee's or director's name

HELENA ELIZABETH MARY NETSCHER

Trustee's or director's signature

Helena

Date

Day: 01 / Month: 07 / Year: 2012

Witness' name (witness must be over the age of 18 years)

TRACY OVERSLUIZEN

Witness' signature

Tracy

Date

Day: 01 / Month: 07 / Year: 2012

**Minutes of Trustee Meeting
The Netscher Superannuation Fund ("the Fund")
Purpose of Meeting – Appointment of Member**

Attended by **Guy Karl Francis Netscher Simone Chance Netscher ("The Trustee")** and **Helena Elizabeth Mary Netscher ("The New Member")**

Held at:

Date: 22 / 1 / 13

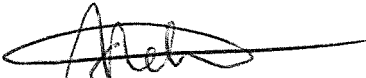
Present: Guy Karl Francis Netscher
Simone Chance Netscher
Helena Elizabeth Mary Netscher

Chairman: *GUY NETSCHER* was appointed Chairman of the meeting.

Quorum: The Chairperson note that a quorum was present at the meeting to pass the proposed resolution.

Approval of New Member: **IT WAS RESOLVED** to approve Helena Elizabeth Mary Netscher's Application Form and admit her as a Member of the Fund.

Meeting Closed: There being no further business the meeting was declared closed.

OKF Confirmed as a true and correct record.


Chairman

Date: 22 / 1 / 13

Minutes of Trustee Meeting
The Netscher Superannuation Fund ("the Fund")
Purpose of Meeting – Replacement of Trustee

Attended by **Guy Karl Francis Netscher** ("the Continuing Trustee"), **Simone Chance Netscher** ("The Retiring Trustee") and **Helena Elizabeth Mary Netscher** ("The New Trustee")

Held at:

Date: 22 / 1 / 13

Present: Guy Karl Francis Netscher
Simone Chance Netscher
Helena Elizabeth Mary Netscher

Chairman: GUY K F NETSCHER was appointed Chairman of the meeting.

Quorum: The Chairperson note that a quorum was present at the meeting to pass the proposed resolution.

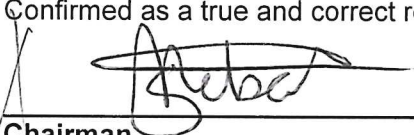
Amendment of Deed and Replacement of Trustee:

The Chairman tabled an Acceptance to act as Trustee of the Fund and a Replacement Deed ("the Deed") and noted that the Retiring Trustee upon execution of the Deed would resign with effect from the date of the Deed and the New Trustee as described in the Deed would be appointed.

IT WAS RESOLVED to accept the resignation of the Retiring Trustee and the Appointment of the New Trustee.

Execution: It was resolved that the New Trustee execute the Deed tabled by the Chairman before the meeting.

Meeting Closed: There being no further business the meeting was declared closed.

GKF Confirmed as a true and correct record.


Chairman

Date: 22 / 1 / 13

Application for Membership

of The NETSCHER SUPERANNUATION FUND

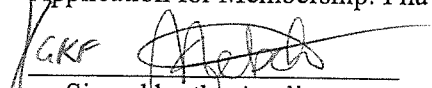
New Member Full Name LWY KARL NETSCHER

Address of Applicant 1-3 DEAN ST MT HELENA WA 6082

Employer SELF

Trustee LWY NETSCHER

1. I apply for the membership of the Fund.
2. If applicable, I have been invited by the Employer for membership to the Fund.
3. I have been advised of the benefits which I am entitled to receive from the Fund on retirement, death, disablement or termination of service with the Employer (where applicable).
4. In consideration of my admission to membership, I agree to abide by and be bound by the provisions of the Trust Deed governing the Fund. I declare that I have no entitlement to any annuity and I am not a member of, nor have I received benefits from, any other superannuation fund or approved deposit fund, other than as set out on the attached page (please supply details of benefits paid or payable on a separate page).
5. I undertake to advise the Trustee, in writing, if at any time I receive or become entitled to receive a benefit from any superannuation fund or approved deposit fund or deferred annuity not declared according to the above.
6. I undertake to advise the trustee in writing of any contributions made by or on behalf of me, other than by the Employer, which would vary the amount specified above.
7. I agree to the Trustee acting as Trustee of the Fund.
8. I enclose my **Nomination Form**.
9. I have read and understood the Fund's Trust Deed. I have noted the benefits payable under this Trust Deed. I have also received my own copy of the Product Disclosure Statement which was attached to this Application for Membership. I have fully read and understood the Product Disclosure Statement.


Signed by the Applicant

Date: 2/6/2000



Self-managed super fund trustee declaration

I understand that as an individual trustee or director of the corporate trustee of

Fund name

THE AETSCHER SUPERANNUATION FUNDS

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If I do not comply with the legislation, the Commissioner may take the following actions:

- impose administrative penalties on me
- enter into agreements with me to rectify any contraventions of the legislation
- disqualify me from being a trustee or director of a corporate trustee of any superannuation fund in the future
- remove the fund's complying status, which may result in a significant tax penalty on the fund
- prosecute me under the law, which may result in fines or imprisonment.

I must keep myself informed of changes to the legislation relevant to the operation of my fund and ensure the trust deed is kept up to date in accordance with the law and the needs of the members.

SOLE PURPOSE

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TRUSTEE DUTIES

I understand that by law I must:

- act honestly in all matters concerning the fund
- exercise skill, care and diligence in managing the fund
- act in the best interests of all the members of the fund
- ensure that retirement benefits are only accessed by members upon a legitimate condition of release being met
- not enter into transactions that circumvent restrictions on the payment of benefits
- ensure that my money and other assets are kept separate from the money and other assets of the fund
- take appropriate action to protect the fund's assets (for example, have sufficient evidence of the ownership of fund assets)
- not enter into any contract or do anything that would prevent me from, or hinder me in, properly performing or exercising my functions or powers as a trustee or director of the corporate trustee of the fund
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- acquiring assets (other than listed securities, business real property, in-house assets, mergers and special determinations) for the fund from members or other related parties of the fund
- borrowing money (or maintaining an existing borrowing) on behalf of the fund except in certain limited recourse borrowing arrangements
- having more than 5% of the market value of the fund's total assets at the end of the income year as in-house assets (these are loans to, or investments in, related parties of the fund (including trusts) or assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party)
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Administration

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 - an annual operating statement
 - accounts and statements that accurately record and explain the transactions and financial position of the fund
- notify the ATO within 28 days of any changes in the
 - membership of the fund, trustees, directors of the corporate trustee or members of the fund
 - name of the fund
 - details of the contact person and his/her contact details
 - postal address, registered address or address for service of notices for the fund
- notify the ATO in writing as soon as practicable (not later than 28 days) after becoming aware that the fund has ceased to be a SMSF or ceased to exist
- notify the ATO in writing within 28 days of the fund being wound up
- ensure that an approved auditor is appointed to audit the fund for each income year and provide that auditor with documents as requested
- lodge the fund's annual return by the due date.

DECLARATION

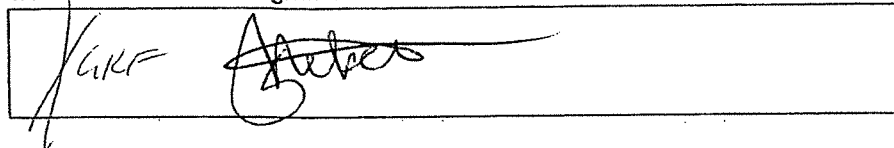
By signing this declaration I acknowledge that I understand my duties and responsibilities as a trustee or director of the corporate trustee of the self-managed superannuation fund named on this declaration (or if the fund's name changes, that name). I understand that:

- I must ensure this document is retained for at least 10 years or while I remain a trustee or director of the corporate trustee (whichever is longer) and, if I fail to do this, penalties may apply
- I may have to make this document available for inspection by a member of staff of the ATO and, if I fail to do this, penalties may apply.

Trustee's or director's name

GUY NETSCHER

Trustee's or director's signature



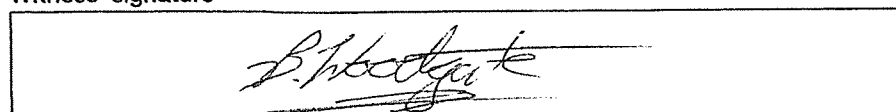
Date

Day: 01 / Month: 07 / Year: 2017

Witness' name (witness must be over the age of 18 years)

BRAS RODRIGUE

Witness' signature



Date

Day: 01 / Month: 07 / Year: 2017

Product Disclosure Statement
THE NETSCHER SUPERANNUATION FUND

Trustees: GUY KARL FRANCIS NETSCHER
SIMONE CHANCE NETSCHER

Name of Member: GUY KARL FRANCIS NETSCHER

Date of issue of this Statement:

1 Introduction

- 1.1 The Trustees issues this Product Disclosure Statement (**PDS**) to prospective Members of the Fund.
- 1.2 The purpose of this PDS is to provide persons interested in becoming Members of the Fund with relevant information about the provisions of the Fund.
- 1.3 The Fund is a Regulated Superannuation Fund and a Complying Superannuation Fund under the *Superannuation Industry (Supervision) Act (1993)* including Regulations (**SIS Act**) and is eligible for concessional tax treatment under the Income Tax Assessment Act 1936 and 1997. The regulator of the Fund is the Australian Taxation Office (**Regulator**).
- 1.4 The provisions of the Fund are set out in the Fund's Deed. The Fund will also comply with the standards set out in the SIS Act.
- 1.5 Terms and phrases used in this PDS are defined in the Rules of the Fund, which are part of the Fund Deed.
- 1.6 The Corporations Act 2001 (Clth) and Regulations provides that Members who become members of the Fund when it is established, are to be given this PDS as soon as practicable but, in any event within 3 months of becoming a Member. Other Members are to be given the PDS at the time they join the Fund.
- 1.7 Contributions are made to the Fund on behalf of each Member and credited to the Member's account. The Fund invests these contributions and any income (e.g. earnings on investments) is credited to the Member's account. Expenses (e.g. Fund expenses, tax and losses) are debited to Member's account. A Member's benefit is preserved in the Fund and cannot be received by the Member until such time as the Member satisfies a condition of release. At that time, a benefit representing the balance of the Member's account and/or the proceeds of death or disability insurance taken out by the Fund, if any, may be payable to that Member. The benefit may be in the form of a lump sum payment or Pension or both, depending on the Rules of the Fund and the provisions of the SIS Act.
- 1.8 The primary purpose of a Fund, where the Trustees are persons, is to provide benefits in the form of old age pensions for its Members.
- 1.9 If the Trustee is a corporate Trustee, benefits may be paid by lump sum payment when an appropriate condition of release has been met.

2 Benefits

- 2.1 Benefits based on the value of the Member's account, are payable to Members as a lump sum payment or pension or both as permitted by the Rules of the Fund and the SIS Act and when a condition of release is satisfied. Until a condition of release is satisfied a Member cannot obtain access to the Member's benefit.
- 2.2 A Member is not compelled to withdraw benefits from the Fund and they may remain in the Fund indefinitely. A Member may elect to transfer their benefit from the Fund to a Superannuation Entity. If the Trustee expels a Member from the Fund, at the Trustee's discretion the Member's benefit will be paid to the Superannuation Entity nominated by the Member, and if none is nominated, to an Eligible Rollover Fund chosen by the Trustee.
- 2.3 The value of the Member's account is calculated based on contributions made by a Member, increases or decreases in the value of the Fund's investments and accrued income on contributions and investments less payment of taxes, Fund expenses and investment losses.

Retirement

- 2.4 On a Member's retirement (as defined by the SIS Act) or when turning 65 years, a Member will be entitled to payment of a benefit calculated according to the value of the Member's account.
- 2.5 Member benefits will be paid by the Trustees as permitted under SIS Act in the form of a lump sum or a pension or a combination of both.

Pension Benefits

- 2.6 The Trustee may permit a Member to elect to receive a lump sum benefit in the form of an income stream called a pension.
- 2.7 Pensions paid by the Fund after 1 July 2007 will be account based pensions.

A person can commence an account based pension in accordance with the rules that require:

- (a) the total payments made annually must be made at least for the amount calculated by using the applicable percentage amount below applied to the pension account balance. There is no maximum limit on the amount of annual payments that may be made.
- (b) an amount or percentage of the pension cannot be prescribed as being left over when the pension ceases;
- (c) the pension's capital value and the income from it cannot be used as security for borrowing;
- (d) the pension can be commuted;
- (e) the pension may be transferable to a pension dependant only on the death of the pensioner; and

- (f) the pension account balance cannot be increased by contributions or rollovers.

Age of member	% of account balance to be taken
Under 65	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95+	14

2.8 A transition to retirement pension may be paid to a Member who has reached the preservation age, as set out below, but continues to work. This pension is an account based pension that must meet certain other requirements, as follows:

- (a) total pension payments in any year must be no greater than 10% of the account balance at the start of that year; and
- (b) the pension cannot be commuted and taken as a lump sum until the member meets a condition of release of retirement (as defined in the SIS Act), death, permanent incapacity or attaining age 65 years of age.

2.9 The preservation age depends on the date of birth of the Member as follows:

Date of Birth	Preservation Age
Before 1/7/60	55
1/7/60 to 30/6/61	56
1/7/61 to 30/6/62	57
1/7/62 to 30/6/63	58
1/7/63 to 30/6/64	59
After 30/6/64	60

2.10 The Trustees may make available any other form of pension permitted by the SIS Act.

Death Benefits

2.11 If a Member dies, a benefit is payable calculated according to the value of the Member's account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.

2.12 In the absence of a valid binding death benefit nomination, the benefit will be payable to one or more of the Member's dependants or the Member's estate in proportions determined by the Trustees.

- 2.13 Members are able to notify the Trustees of one or more of the Member's dependants or the Member's estate who they wish to be considered in the payment of the death benefit. Members can do so by providing the Trustees with a non-binding death benefit nomination. The Trustees however are not bound by the wishes set out in this non binding nomination.
- 2.14 Alternatively, Members may give a binding death benefit nomination to the Trustees nominating one or more of the Member's dependants or the Member's estate to whom the Trustees will pay benefits on the Member's death. The binding death benefit Nomination is binding on the Trustees.
- 2.15 Both types of nominations can be updated at any time and should be revised if circumstances change – for example marriage or children.
- 2.16 Death benefits are tax free if paid as a lump sum to death benefit dependants (as defined by section 302.195 of the Income Tax Assessment Act 1997) of the Member. Tax is payable on lump sum payments to persons who are not death benefit dependants. The taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 15 per cent.
- 2.17 Some persons who may qualify to receive a death benefit as a dependant may be liable for tax on the benefit if they do not fall within the definition of a death benefit dependant.
- 2.18 Only a pension dependant can apply to receive a death benefit as a pension, but the taxation treatment will depend on the age of the deceased Member and the pension dependant.
- (a) if the deceased Member was age 60 or over at the time of death, the pension payments to the Pension Dependand will be tax free;
 - (b) if the deceased Member was under age 60 years at the time of death, the pension will be taxed at the pension dependant's marginal tax rate and is eligible for a tax offset equal to 15 per cent of the taxed element of the taxable component. If (or when) the pension dependant is aged 60 years and over, the pension payment will be tax free.
- 2.19 The tax treatment of benefits paid as pensions or lump sum payments will depend on whether the recipient is a death benefits dependant as defined in section 302.195 of the Income Tax Assessment Act 1997.

Permanent Incapacity Benefit

- 2.20 A Member who suffers permanent incapacity may receive a benefit according to the value of the Member's account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.

Temporary Incapacity Benefit

- 2.21 In some cases an income stream benefit may be payable on a Member's temporary incapacity from the Member's account or from the proceeds of an insurance policy if taken out by the Fund to cover such an event.

Severe Financial Hardship

- 2.22 Members may apply for benefits to be paid on the basis of the Member's severe financial hardship in circumstances prescribed by the SIS Act.

Compassionate Grounds

- 2.23 A Member may apply to the Regulator for the release of benefits to the Member on compassionate grounds as set out in the SIS Act. A lump sum, not exceeding an amount determined by the Regulator will be paid to a Member if that Member satisfies the requirements of the SIS Act.

3. Investments and risks

- 3.1 The Trustees or directors of a corporate Trustee, (and therefore the Members because they are the Trustees or directors) have full responsibility for the management and administration of the Fund. These include the significant function to invest contributions made to the Fund on behalf of Members.
- 3.2 The Trustees are required to formulate an investment strategy to meet the Fund's investment objectives taking into account relevant circumstances, but they do not guarantee the performance of the Fund or any particular investment.
- 3.3 The performance of the Fund will depend on the success or otherwise of the investment strategy together with external factors, such as prevailing or changing economic conditions. The way in which the Fund performs, will affect the value of benefits a Member will receive from the Fund.
- 3.4 The Trustees may seek professional assistance in performing their management, administration and investment functions.
- 3.5 As control of the Fund rests with the Trustees, prospective Members should be aware that voting at Trustee meetings to make decisions regarding the administration, investment and management functions of the Fund is according to a majority of votes based on the size of Member account balances and therefore these functions may be controlled by the Trustees who represent the Members with the largest Member account balances.
- 3.6 Factors such as account labour standards, environmental, social or ethical matters are not taken into account in the selection, retention or realisation of investments.

4. Contributions

- 4.1 A Member and others, such as employers, the Government (by co-contributions), spouses, may make contributions to the Fund on behalf of a Member.
- 4.2 Contributions made to the Fund on behalf of a member are credited to the Member's account. Deductions are made from this account for benefit payments, Fund expenses, losses and taxes. Earnings are credited (or debited) to this account.
- 4.3 Members may apply to split contributions with their spouse.
- 4.4 There is no limit to the amount of contributions that may be made, however there are tax implications should contributions exceed certain capped amounts.
- 4.5 There are two types of contributions: concessional and non-concessional.
- 4.6 In general, all concessional contributions are included in the assessable income of the Fund. They include employer contributions, salary sacrifice contributions, deductible contributions made by a Member, super guarantee amounts transferred to the Fund.

- 4.7 Concessional (or tax deductible) contributions made to the Fund on behalf of a Member were capped from 1 July 2007 to \$50,000.00 per annum (indexed to average weekly ordinary time earnings-AWOTE), irrespective of the age of the Member. For Members who are 50 or over or when they turn 50 between 1 July 2007 and 30 June 2012, concessional contributions are capped to \$100,000.00 per annum (not indexed).
- 4.8 Concessional contributions are taxed at 15 per cent in the hands of the Fund. Concessional contributions in excess of the cap will be taxed in the hands of the Member for an additional 31.5 per cent. That additional tax can be paid from the Member's entitlement in the Fund at the Member's request. Excess concessional contributions will be counted against the Member's non-concessional contributions cap, as set out below.
- 4.9 Members aged between 65 years and 75 years, who wish to contribute to the Fund, must satisfy the work test (currently 40 hours work in a 30 day period). The Fund cannot accept contributions from Members aged 75 years or more.
- 4.10 Non-concessional contributions are generally after tax contributions for which no tax deduction is claimed. For instance, they will include personal contributions made by a Member for which they do not claim a tax deduction.
- 4.11 Members can make non-concessional contributions when they are:
- (a) under 65 years old, and may contribute up to \$150,000.00 per annum (increasing to remain at 3 times the concessional contributions cap as above) or \$450,000.00 if averaged over 3 years; or
 - (b) between 65 years to 74 years old, and may contribute up to \$150,000.00 per annum (no averaging) provided the Member satisfies the work test.
- 4.13 Non-concessional contributions within the above limits will be tax free when contributed or withdrawn from the Fund. The earnings in the Fund on non-concessional contributions are taxed concessionally at 15 per cent in the Fund.
- 4.14 Contributions made in excess of the non-concessional contributions cap are taxed at 46.5 per cent. The tax must be paid by the Member with money withdrawn from the Member's entitlement in the Fund. The remaining excess non-concessional contributions may stay in the Fund.
- 4.15 Members should seek professional advice when making such contributions to avoid adverse taxation consequences.

5 Costs

- 5.1 The Trustee and the Directors of the corporate Trustee cannot charge the Fund fees for their services but can be reimbursed by the Fund for expenses incurred on behalf of the Fund in the management and administration of the Fund.
- 5.2 Fees and commissions may be paid by the Fund to the providers of financial products to the Fund, where the Fund elects to invest in those financial products.

6. Characteristics

- 6.1 Trustees make decisions regarding the administration and management of the Fund, such as setting the investment strategy and payment of benefits to Members. Decisions will be made by Trustees at meetings. Where the Trustees are persons, each Trustee at a meeting of Trustees will have the number of votes equivalent to the nearest dollar amount of the Member's account balance of the Member they represent, but no less than one vote each. If the Trustee is a company, the constitution of the company will determine the voting power of directors and legal advice should be sought by prospective Members regarding the company's constitution and the voting rights that will apply to Trustee's decisions as meetings.
- 6.2 The Fund must have fewer than 5 Members.
- 6.3 Members of the Fund, or their legal personal representative, must be either Trustees of the Fund or directors of a corporate Trustee of the Fund.
- 6.4 A Member cannot be the employer of another Member, unless they are relatives.
- 6.5 In the case of a sole or one Member Fund, the Member may be the sole director of a corporate Trustee or there may be two directors who are the Member and another person who is not an employer of the Member unless they are the relative of the Member. Where the Trustee is not a corporate Trustee, the Member and another person who is not an employer of the Member unless they are the relative of the Member, must be the Trustees of the Fund.

7 Taxation Implications.

- 7.1 The Fund will attract concessional taxation treatment provided it remains a regulated superannuation fund and a complying superannuation fund.
- 7.2 Tax is payable by the Fund on deductible or concessional contributions to the Fund and investment earnings of the Fund.
- 7.2 Taxation of contributions and benefits is complex and it is recommended that professional advice from a taxation advisor is sought.
- 7.4 Benefits paid from a taxed source either as a lump sum or pension will be tax free when paid to Members who are 60 years of age or older.
- 7.5 Superannuation benefits paid to Members who are under 60 years of age are subject to tax as follows:
- (a) the exempt component will be paid tax free and comprises: the pre-July 83 component; the capital gains tax (CGT) exempt component; the post-June 1994 invalidity component; the concessional component and the non-concessional (post-tax) contributions;
 - (b) the taxable component comprises the current post-June 1983 component and the non qualifying component and is subject to varying rates of tax depending on the Member's age. If the Member is below their preservation age, the tax rate will be 20 per cent. For Members of preservation age to age 59, it will be paid tax free up to the low-rate cap amount of \$140,000.00 and amounts above the cap will be taxed at 15 per cent;

(c) the taxable component of a pension paid to a Member who is under 60 years of age but has reached their preservation age, is taxed as assessable income and the Member is entitled to a pension rebate or tax offset equal to 15 per cent of the taxable component of the pension; and

(d) once the Member receiving the pension turns 60, their pension will be tax free;

7.6 Tax offsets may be available on certain contributions made for a non working or low income Member by the Member's spouse. Tax deductions may also be available for contributions by self-employed persons or by an employer for its employees.

8 Cooling-off period

8.1 There is no cooling-off period applicable to membership in this Fund.

8.2 Members can cancel their membership at any time; however, once contributions have been made to the Fund, it must be preserved in the superannuation system until a condition of release is satisfied.

9 Dispute resolution

9.1 The Trustees are bound to act in accordance with the Fund Deed.

9.2 Self managed superannuation funds are specifically excluded from the jurisdiction of the Superannuation Complaints Tribunal. Legal advice should be sought if Members are dissatisfied with the Trustees' decisions.

10 Annual reporting

Each financial year, the Trustees will prepare the Fund's financial statements and Members' statements disclosing financial and other information required under the SIS Act and Regulations.

I as Member of the Fund acknowledge that I have received information regarding the Fund and its benefits from the above Trustee(s) and hereby accept the terms disclosed in this product disclosure statement for **THE NETSCHER SUPERANNUATION FUND**.

XGM



GUY KARL FRANCIS NETSCHER

08 / 10 / 09

Date