

Investment Strategy of J & C Cooley Personal Superannuation Fund

Date: 1 July 2012

Objective

This investment strategy of J & C Cooley Personal Superannuation Fund (as amended to from time to time) is created in compliance with the *Superannuation Industry (Supervision) Act 1993*.

The Fund:

1. accepts employer and member contribution and contributions from other persons as the laws allow
2. transfers from other Superannuation funds and from a spouse as the laws allow
3. provides benefits to members upon retirement and as the laws allow
4. provides other activities as allowed by the laws and regulations from time to time
5. allows access to any unrestricted non-preserved benefits (as/when 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.

The fund complies with the current laws and regulations and the rules in the trust deed. It has the following investment objectives:

Risk and Rate of Return

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.

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.

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.

Diversity of the Member's Fund

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.

The Trustee may, in writing, change the spread of investments (even on a daily basis). However, the fund's current investment spread is:

Asset	Range (%) e.g. 0-100%
Cash	0 - 100%
Australian Fixed Interest	0 - 65%
International Fixed Interest	0 - 10%
Australian Equities	0 - 65%
International Equities	0 - 5%
Property	0 - 85%
Residential property, commercial property, retail property, either direct, listed or Unlisted	0 - 85%
Other investments (considered on a case by case basis) such as agribusiness, options, futures and foreign currency	0 - 15%
Total	100%

Reserving accounts

Prudential management requires that a strategy be put in place so that the trustee(s) have the ability to pay its liabilities and obligations, whether contingent or actual, as and when they fall due. They can be paid to either members or for paying the expenses of the fund.

From time to time the Trustee is at liberty to put in place reserve accounts, in accordance with the deed for any classes including these categories:

1. Investment (It can also hold undistributed investment income and income above the fund's required return.)
2. Contributions (Such as an unallocated contribution made by an employer on behalf of a group of employees.)
3. Miscellaneous (These include pre 12 May 2004 forgone and forfeited benefits, plus expenses and other legal provisions.)

The trustee is also at liberty to create a separate and additional investment strategy for reserving for each type of fund reserve.

These can be for any lawful purpose including, smoothing returns, advisory fees, accounting fees, taxes, surcharge liabilities, life and disabled insurance premiums, death and disability payments and any purposes set out in Australian Tax Offices' Superannuation Contributions Ruling 1999/1.

The Trustee is at liberty under section 55(6) *Superannuation Industry (Supervision) Act 1993* to defend against any loss or damage suffered by a member because the reserves were managed in accordance with section 52(g)(2) *Superannuation Industry (Supervision) Act 1993*.

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 gives thought to the level of benefit required to be paid to the member. However, while no terminations or benefits are expected to be paid out in the short to medium term the Trustee is at liberty to examine investments that are medium term. However, when the member is in pension phase the time horizon may be far shorter.

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, derivatives, derivatives securities 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 including listed and unlisted securities including shares, warrants, derivatives, derivatives securities and managed funds.

Property

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

Review

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

Signed by the Trustee(s)

John B. Cooley 7/12
.....
.....

cc
* *J. B. Cooley* 7/12
.....
.....