

Investment Strategy

Accumulation (Customised)	Benchmark %	Minimum %	Maximum %
Cash	1.61	-	100.00
Australian Shares	49.24	-	98.00
Australian Fixed Interest	-	-	50.00
Mortgages	-	-	-
Direct Property	-	-	-
Listed Property	9.85	-	20.00
International Shares	39.30	-	78.00
International Fixed Interest	-	-	-
Other Assets	-	-	10.00

Asset Allocation

The Trustees will implement the fund's investment strategy by investing in a mix of cash, fixed interest, Australian shares, Australian property, international shares and international property with the objective of achieving the overall asset allocation identified above.

Insurance Information

The superannuation legislation allows funds to hold insurance cover in respect of fund members. To satisfy the superannuation legislation this cover must be limited to: life, terminal illness, total and permanent disablement (any occupation definition), and income protection cover.

The aim of such insurance cover is generally to provide financial support to members (or their dependants) in the event of the member's death, injury or illness. Insurance may also be taken out over the life of a fund member as a means of addressing any potential liquidity concerns which may arise on the death of the member.

There may be upfront tax benefits associated with holding such insurances via superannuation. However, depending upon the member's circumstances, any resulting benefit payments may be treated differently for tax purposes. Further, the personal circumstances of individual members will determine whether or not insurance cover is necessary, and whether it is appropriate to hold that cover via a superannuation fund.

Insurance Strategy

The Trustees consider that the holding of insurance cover is a decision to be made by members, based on their own personal circumstances. Accordingly, rather than providing automatic cover for fund members, the trustees will provide insurance cover at the request of individual members. It is expected that individual members will take into account their own personal circumstances before deciding whether or not to request cover from the Trustees.

The types of cover which will be provided will be limited to cover allowed by the superannuation legislation, including life, terminal illness, total and permanent disablement (any occupation definition) and income protection cover.

Generally speaking, the cost of this cover would be deducted from the specific member's account in the fund and similarly any proceeds received would be credited to that member's account.

The Trustees may also choose to take out a policy of insurance over the life of one or more members as a means of addressing any potential liquidity concerns which may arise on the death of a member. In this case, the cost of this cover would be borne by the fund as a whole (ie premiums would not be deducted from the insured member's account) and any proceeds received would be credited to a reserve account rather than a member account. The Trustees will notify members should they decide to take out cover of this nature.

Investment & Insurance Strategy Review

Investment Strategy

The Trustees will review this Investment & Insurance Strategy Statement at least annually. This review will assist the Trustees in determining whether any changes to the Investment & Insurance Strategy Statement are necessary to accommodate changes in the fund's circumstances or the superannuation legislation.

Investment Objectives and Benchmarks

The investment objective is to achieve a return on investment of at least the cash rate plus 2% per annum. This objective is to be measured:

- a) By comparison to the cash return which is the published return on average of the cash management trusts
 - b) After adjusting for tax by a reduction of 15% on the amount in (a) above;
 - c) Annually as at 30 June each year.
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Investment Policy

The fund's investment policy is as follows:

- i) The fund will seek to control investment risk by ensuring appropriate diversification through the use of targeted ranges for individual asset classes.
- ii) The fund will aim to achieve an investment return sufficient to comfortably secure members' benefits and meet their expectations in the medium to long term.

In developing the investment policy, objectives and strategy the following points were considered by the Trustees:

- A) The Trustees considered the profile of the fund members and the benefit design of the fund. This enabled the Trustees to ascertain the fund's cash flow requirements in general terms and its risk profile.
- B) The fund being an accumulation fund, the retirement benefits received by members are linked to the contributions made by the member and/or the employer and are directly influenced by the investment returns earned by the fund. As a consequence, the risks and rewards associated with investments are borne by the fund members.
- C) Members generally have different investment return expectations and, therefore, the Trustees were careful to take this into account in deciding on the investment structure of the fund.
- D) The Trustees are aware that investment returns are generally influenced by economic and financial factors which are unpredictable. Therefore, investments in any form will entail a certain degree of risk reflecting the uncertainty of future returns.

Without the benefit of perfect foresight, the uncertainties in future returns can never be completely eliminated. The risks however can be significantly reduced if the investments are spread across various assets.

Diversification can be achieved in various ways:

- A) investing in different asset classes as opposed to one single type of asset;
- B) investing in a spread of investments within each asset class;
- C) investing in different countries;
- D) gradually building up an exposure to any investment instead of making one large investment; and
- E) using more than one investment manager.

Assets with completely opposite return characteristics provide the best diversification. In practice however, no two assets will behave in exactly the opposite manner. In forming a portfolio therefore, assets with differing patterns of returns should be selected.

The Trustees were also aware that at some stage it may be appropriate to invest a significant part of the portfolio in a particular asset class (eg property) given the inherent nature of this asset. This would need to be done bearing in mind the lack of diversification involved in the short term and cognisant of the risks associated.

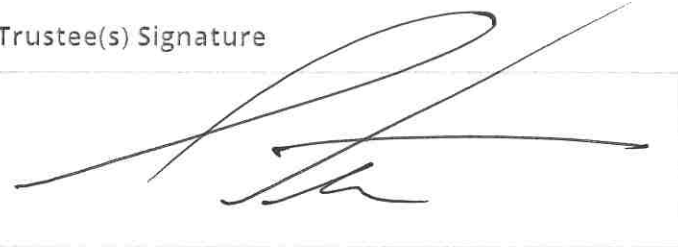
In relation to equities, the Trustees acknowledge that portfolios with higher equity weightings cannot be expected to produce higher returns than more conservative portfolios over all time periods. There will certainly be some periods, even quite long ones, when the reverse is true. Nevertheless, it is reasonable to plan on the basis that, over the long term, a portfolio with a higher weighting to shares and property will provide a higher long term return but will also produce the occasional year(s) of very low and even negative returns.

Liquidity & Discharge of Liabilities

Investment Strategy

The Trustees have considered the liquidity risks of holding property and shares at various stages of the investment cycle. They believe that the liquidity risks will be minimal as it is the intention to hold these assets for the long term. The Trustees consider that it is unlikely that there will be a requirement for a short term commitment to pay out the members.

Trustee(s) Signature



Date

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2018

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