

VHS SuperFund

Investment Strategy Report

Trustee: V Hyde Smith Pty Ltd

Date Prepared: 15 March 2010

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COMPLIANCE

The Fund is a complying superannuation fund under Part IX of the Income Tax Assessment Act 1936 and Section 45 of the Superannuation Industry (Supervision) Act 1993.

OBJECTIVES

Specific Objectives

- To achieve a long term rate of return in excess of the CPI. It is expected that year-on-year returns will vary widely and that there will be years when returns are negative.

General Objectives

- To provide retirement benefit for the members. In the event of the members' death before retirement, to provide benefits for the dependants of the members.
- To ensure that sufficient assets will be available to meet benefit payments when those payments are due to be paid (solvency).
- To ensure that sufficient liquid assets will be available to meet benefit payments as and when those payments are due to be paid (liquidity).

FUND PROFILE

Fund benefit design:	Accumulation
Fund structure:	Self Managed Superannuation Fund
Tax File Number:	886754180.
ABN:	43637126292.
Current size of the Fund:	\$462,000
Annual contributions this financial year:	\$0.0
Percentage of unrestricted non-preserved benefits in Fund:	0.0%

Trustees:

Name & Address	Date Appointed
V Hyde Smith Pty Ltd 41 Acres Rd Kellyville NSW 2155	

Members:

Name & Address	Date Of Birth	Date Appointed
Ross Hyde Smith	21.04.1965	
Vicki Hyde Smith	05.05.1967	

Age Distribution of Members:

Age	Number Of Members
Less than 40 years	
41-49 years	2
50-59 years	
60-64 years	
65-69 years	
70 years & over	

Membership in the VHS Superfund is not expected to grow in the next 5 years.

RISK PROFILE

Risk Tolerance:

- The Fund has a relatively long time horizon. The members are prepared to endure a reasonable level of volatility of returns in expectation of long term growth.

Statement on Risk:

- Investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members' benefits on withdrawal.

LIQUIDITY

Number of existing members:	2
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Time horizon of Fund:	20 years
	+

Statement on Liquidity

- There is no anticipated benefit payment in the next 5 years. Cash in excess of anticipated liquidity requirement will be invested in accordance with the Fund's investment strategy.

DIVERSIFICATION

- Diversification across currencies, economies and asset classes is achieved through a mix of international and Australian investments. The Trustee recognises that diversification can result in significant reduction to return volatility while maintaining the level of anticipated return.

ABILITY OF FUND TO DISCHARGE EXISTING AND PROSPECTIVE LIABILITIES

- Sufficient cash flow will be maintained to discharge administration 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. The Fund will be able to meet its obligations to the members at all times.

INDICATIVE ASSET MIX AND ASSET CLASS STRATEGIC RANGES

FORMULATED

Asset Class	Tactical Ranges (when fully invested)		Strategic Benchmark
	From %	To %	%
<i>Australian Shares</i>	20.0	40.0	[30%]
<i>International Shares</i>	8.0	28.0	[18%]
<i>Australian Bonds (incl Deposits 12 months & over)</i>	2.0	22.0	[12%]
<i>International Bonds (incl Deposits 12 months & over)</i>	2.0	22.0	[12%]
<i>Cash (CMT, Deposits < 12 months, A/c balances)</i>	1.0	100	[6%]
<i>Listed Property</i>	0.0	17.0	[7%]
<i>In-house Assets</i>	0.0	5.0	[0%]
<i>Collectibles</i>	0.0	5.0	[0%]
<i>Alternatives eg. Commodities, direct property</i>	5.0	25.0	[15%]

Note: There may be times when more cash is held and as a consequence other assets may be below their minimum tactical exposure. This will be remedied as funds are invested.

RESERVES MANAGEMENT STRATEGY

- The fund does not operate reserves

IMPLEMENTATION OF INVESTMENT STRATEGY

- The fund's working cash account is a Cheque Account. This account is the central record for all the fund's contributions, transactions and also receives any ETP rollovers from other superannuation funds. Any benefit payments will be facilitated through this account. All investment transactions are initially facilitated from this account.
- The Cheque Account is linked to a WRAP Investment Account. Investment in Wholesale Managed Funds and Direct Shares is made via the WRAP Account. Additionally, the fund may participate in IPO's and investment in Listed Managed Investments within the WRAP facility.
- Investment in Direct Property (property syndicates) and other direct investments is facilitated through the Cheque Account but are held externally to the WRAP Facility.
- Dividends and distributions will not be automatically invested to the working account.

TRUSTEE ACKNOWLEDGEMENT

As Trustee of the VHS Superannuation Fund we acknowledge this Investment Strategy (dated 15.03.2010), we confirm that the members of the VHS Superannuation Fund have received a copy of this Investment Strategy.

Ross Hyde Smith Director -V Hyde Smith Pty Ltd



Date: 15.03.2010

Victoria Hyde Smith Director -V Hyde Smith Pty Ltd



Date: 15.03.2010

MEMBER ACKNOWLEDGEMENT

I acknowledge that I have received a copy of the VHS Superannuation Fund's Investment Strategy dated 15.03.2010 and I approve of the fund's Investment Strategy.

Ross Hyde Smith



Member Signature

Date: 15.03.2010

Vicki Hyde Smith



Member Signature

Date: 15.03.2010