

YOONG SUPERANNUATION FUND INVESTMENT STRATEGY

INVESTMENT OBJECTIVES

The objective of the Superannuation Fund is to achieve reasonable long term growth without subjecting the Fund to unnecessary risk, whilst accepting that short term volatility will occur within asset classes.

Any investments will be made exclusively for the purpose of providing superannuation benefits for the Fund's members. Accordingly all investments will be made in a manner considered prudent for the funding of such benefits.

The aim is for the average investment return for the fund to be at least one percent above the annual increase in the Consumer Price Index in order to protect the real value of members' benefits.

The Trustee acknowledges that this objective may result in negative returns in some years and will bring this to the attention of members.

INVESTMENT STRATEGY

To achieve the above objectives the Trustee will, over the long term, invest in a diversified portfolio of assets. The level of diversification will be determined by the Trustee having regard to the above objectives and the applicable SIS legislation.

In formulating the portfolio the Trustee will have regard to all the circumstances relevant to any decision, including, but not limited to:

- the risk involved in making, holding and realising the investment;
- the likely return from the investment;
- the liquidity of the investment having regard to expected future cash flow requirements;
- the ability to discharge existing and prospective liabilities;
- the composition of the fund's investments as a whole, including the level of diversity;
- the exposure to risks arising from inadequate diversification.

ALLOWABLE INVESTMENTS

The Trustee may invest in one or more of the following asset classes:-

Cash - usually at 24 hour call, including Cash Management Trust accounts.

Fixed Interest - including but not limited to Term Deposits, Debentures, Unsecured Notes, Loans, Mortgages, Leases of Plant etc and other items.

Property - including but not limited to Property Trusts, industrial and residential real property. Provided that the property selected for investment has a reasonable chance to be sold within 12 months of listing for sale.

Equities - in listed and unlisted corporations and trusts provided that shares in unlisted corporations and trusts have a reasonable chance of being realised within 12 months of offering for sale.

Other Investments - including gold bullion, jewellery, paintings, antiques including furniture and antiquities provided that items selected as appreciating investments have a reasonable chance to be sold within 12 months of listing for sale.

Overseas Investments – any of the above classes of allowable investments may be held overseas

Any other investment allowed by superannuation legislation.

DEATH AND PERMANENT DISABILITY INSURANCE

Because of the nature of the investment strategy in the event of a death or disablement of a member the Trustee may not be able to quit certain investments immediately without incurring a loss. To provide liquidity the Trustee may, at its total discretion, arrange relevant insurance cover of at least \$50,000 per member with a recognised Insurance company unless a member's age and health is such that the cost of purchasing cover is prohibitive. The Trustee will consider existing cover in respect of the member if it plans to arrange such cover.

REVIEW

The Trustee will review the objectives and strategy on a regular basis as and when required. As a minimum the Trustee will perform a formal review at the end of each financial year. The Trustee may amend or revise the Investment strategy at their discretion.



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21 FEB 2019

Date

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