

The TC Superannuation Fund

(“The Fund”)

SMSF Investment Strategy

**Trustee(s):
Carewzin Along Pty Ltd**

**Directors:
Timothy Shane Carew**

Contents Page

INVESTMENT STRATEGY REQUIREMENTS.....	3
ONGOING MONITORING.....	3
FUND PROFILE	4
FUND OBJECTIVES	5
RISK PROFILE	6
DIVERSIFICATION	7
LIQUIDITY	9
ABILITY OF FUND TO DISCHARGE EXISTING AND PROSPECTIVE LIABILITIES	10
INSURANCE CONSIDERATIONS	10
RESERVES MANAGEMENT STRATEGY	11
IMPLEMENTATION OF INVESTMENT STRATEGY	12

INVESTMENT STRATEGY REQUIREMENTS

The trustees/directors of the corporate trustee are required to prepare an investment strategy (or strategies) that provide a framework for making investment decisions to increase members' benefits for their retirement. This duty is codified in section 52(2)(f) of the Superannuation Industry (Supervision) Act 1993 ("SIS Act") and is an operating standard set out in SIS Regulation 4.09, which applied to all trustees.

This investment strategy report considers, at the fund level:

- the risk and likely return from investments;
- the diversification of the investments;
- the liquidity and cash flow requirements;
- the ability of the fund to discharge its liabilities; and
- whether a contract of insurance that provides cover for one or more members is required

This written investment strategy has been prepared to demonstrate that investment decisions comply with the strategy and the various superannuation laws including:

- Sole Purpose test;
- Restrictions on investments and acquisitions from members;
- Ownership and protection of assets;
- Lending to members;
- Placing charges over fund assets (with limited exceptions);
- Investing in collectables and personal use assets
- Investments being made on an arm's length basis; and
- Restrictions on holdings of in-house assets

Complying Status

The Fund is an Australian Superannuation Fund as defined in subsection 295-95(2) of the Income Tax Assessment Act 1997 and Section 45 of the Superannuation Industry (Supervision) Act 1993 ("SIS Act").

ONGOING MONITORING

The obligation for the trustee to formulate and implement an investment strategy also requires the trustee to monitor and regularly review the investment strategy on an ongoing basis to help ensure that the investments made by the trustee(s) continue to be consistent with the investment strategy. Where this is not the case, the trustee(s) will be required to amend the investment strategy to reflect the change in the investment approach.

FUND PROFILE

Fund Benefit Design:	Accumulation Fund
Fund Structure	Self-Managed Super Fund (SMSF)
Approximate Current Fund Assets (\$):	\$890,000
Number of Fund Members:	1
Fund Phase:	Accumulation, Pension , Composite
Time horizon of the Fund:	10
Member directed investments	Yes (Segregated) / No (Pooled)

Age profile

Age	Number of Members
Less than 40 years	
41-49 years	
50-59 years	1
60-64 years	
65-69 years	
70 years and over	

FUND OBJECTIVES

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).

To provide protection against the chance of a negative return over any 5 year period.

The Fund has a long investment horizon, therefore the members are prepared to endure a reasonable level of volatility of returns in expectation of long term growth. The members are prepared that there might be years where the returns are negative.

Other (please specify)
.....
.....

Specific Objectives

[Select/tick from the following as appropriate]

- ☐ To achieve the RBA cash rate of return each year. It is expected that the capital value of the Fund is preserved at all times, and to avoid negative returns.
- ☐ To obtain a rate of return exceeding CPI by 3% over a period of five years. It is expected that the fund may incur occasional negative returns in any one year.
- ☐ To obtain a rate of return exceeding the benchmark indices by 3% over a period of five years. It is expected investment returns will fluctuate, with the likelihood of negative returns in any one year.
- ☒ To provide real long term (minimum of ten years) capital growth of at least 5% compounded and a level of income no less than 4%. It is expected that the fund may incur occasional negative returns in any one year.
- ☐ To borrow funds in order to maximize the growth of the Fund assets over the long term.
- ☐ Other -
.....
.....

RISK PROFILE

Risk Tolerance

[Select/tick from the following as appropriate]

- ☐ The members are close to retirement and expect the Fund to invest in risk adverse investments to achieve capital preservation and avoid volatility in returns.
- ☒ 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.
- ☐ The composition of the members is diverse and the collective risk tolerance indicates that there should be a balance of reasonable risk and volatility to achieve long term capital and income growth.
- ☐ The Fund is paying a pension income stream(s). Investments should be made in risk adverse investments, which combine reasonable security of capital with the prospect of long term growth, with the view to prolonging the duration of the pension payments.
- ☐ 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;
- ☐ Other (please specify).....
.....
.....

Statement on Risk:

[Select/tick from the following as appropriate]

- ☒ Investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members' benefits on withdrawal.
- ☐ Investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members' benefits on withdrawal. The fluctuation is smoothed by the maintenance of a reserve to which returns are credited or debited according to the credit rate policy.
- ☐ Other (please specify).....
.....

DIVERSIFICATION

[Select/tick from the following as appropriate]

- ☐ 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.
- ☐ Diversification is achieved through a mix of Australian investments across a range of asset classes. The Trustee recognises that diversification can result in significant reduction to return volatility while maintaining the level of anticipated return.
- ☐ The funds are primarily invested in equities. The Trustee recognises the higher risk in investing predominantly in only one asset class and the volatility associated with shares. The volatility will be compensated by the prospect of achieving higher return and growth in the longer term. The shares are invested in different industries and sectors, which will spread risk to a satisfactory level.
- ☐ The Fund is invested in a Unit Trust and the underlying assets of the Trust are primarily invested in shares. The Trustee recognises that the Fund is subject to higher risk associated with investing predominantly in one asset class and the volatility associated with shares. The Trustee considers that the higher risk will be compensated by the prospect of achieving higher return and growth in the longer term. The shares are invested in different industries and sectors, which will spread risk to a satisfactory level.
- ☐ The funds are primarily invested in fixed interest securities and deposits. It is considered that investment in this asset class is suitable for the Fund's policy of maximising capital preservation and avoiding negative return.
- ☐ The Fund is invested in a Unit Trust and the underlying asset of the Unit Trust is an investment in a real property. The Trustee recognises that the Fund is subject to a high level of property specific risks. The Trustee considers that real property is a secure investment with the prospect of long term capital appreciation while generating steady income growth.
- ☒ The Fund is invested primarily in one real property. The Trustee recognises that the Fund is subject to a high level of property specific risks. The Trustee considers that real property is a secure investment with the prospect of long term capital appreciation while generating steady income growth.
- ☐ The Fund is invested primarily in cash and cash deposits. The trustee recognizes that the Fund will not be exposed to economic activity and that there will not be any growth in the asset class. The Trustee considers that cash and cash deposits is a secure investment.
- ☐ Other (please specify).....

.....

.....

Indicative asset mix and asset class strategic ranges formulated

[Enter percentages from 0 - 100% in the table below]

Asset Type	Strategic Ranges		Benchmark %
	From %	To %	
Australian Shares (inc. options, futures, Exchange traded options, warrants and CFD's)	%	%	%
Australian Fixed Interest (inc. deposits, debentures, bonds for 12 months & over)	%	%	%
Cash (CMT, Deposits < 12 months, A/c balances)	2%	100%	%
Managed Funds (covering a range of asset classes)	%	%	%
Direct Property	0%	98%	%
International Shares	%	%	%
International Fixed Interest (inc. deposits 12 months & over)	%	%	%
Listed Property	%	%	%
Mortgages	%	%	%
Physical Metals and Commodities	%	%	%
Collectibles and Art	%	%	%
Other	%	%	%
			100 %

LIQUIDITY

Statement on Liquidity

[Select/tick from the following as appropriate]

- ☒ There is no anticipated benefit payment in the next 10 years. Surplus cash (above anticipated liquidity requirements) will be invested in accordance with the Fund's investment strategy.
- ☐ A lump sum benefit payment will be made. The Trustee will monitor the liquidity position to ensure that there will be sufficient liquid assets to meet the benefit payments as and when they fall due.
- ☐ Members are drawing pension payments at least annually. The Trustee will monitor the liquidity position to ensure that there will be sufficient liquid assets to meet the benefit payments as and when they fall due.
- ☐ The fund has entered into a Limited Recourse Borrowing Arrangement (LRBA). The Trustee will monitor the liquidity position to ensure that there will be sufficient liquid assets to meet loan repayments in accordance with the terms and conditions of the lender.
- ☐ Other (please specify).....
.....
.....

ABILITY OF FUND TO DISCHARGE EXISTING AND PROSPECTIVE LIABILITIES

[Select/tick from the following as appropriate]

- ☒ Sufficient cash flow will be maintained to discharge administration expenses, borrowing costs (where applicable) 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 and other parties at all times.

☐ Other (please specify).....
.....

INSURANCE CONSIDERATIONS

Member insurance:

[Select/tick from the following as appropriate]

- ☐ The trustee considers that a contract of insurance is appropriate for one or more members

Policy holder	Insurance Type	Level of Cover	Comments

- ☒ The trustees are satisfied that the member(s) have appropriate levels of insurance outside of the Fund
- ☐ The trustees have considered a contract of insurance for the fund members and are satisfied that they are at a stage in life where insurance is not required or is inappropriate
- ☐ Member circumstances prohibit the ability to obtain a necessary contract of insurance.
- ☐ Other (please specify).....
.....

RESERVES MANAGEMENT STRATEGY

[Select/tick from the following as appropriate]

- ☒ The fund does not operate reserves
- ☐ The fund does operate reserves

Type of Reserves operated by fund (if any):

.....
.....

❖ Trust Deed clause to allow reserves

(Include some detail on types of reserves being used and comments on their prudential management)

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.....
.....
.....
.....

IMPLEMENTATION OF INVESTMENT STRATEGY

Professional Advice


[Select/tick from the following as appropriate]

- ☐ The trustee(s) may engage suitably qualified professionals for specialist advice in various asset classes where they are used as part of the investment strategy.
- ☒ The trustees have the sufficient expertise in formulating and implementing the fund's investment strategy.

Ongoing Review of the Investment Strategy

The trustees agree that they will regularly review the investment strategy in order to determine that its objectives continue to meet the needs of the members.

Signed as a true and correct record in accordance with the resolution of the Trustee by:

Director Signature:  Date: _____

Director Name: Timothy Shane Carew

Carewzin Along Pty Ltd ATF The TC Superannuation Fund

REVIEW SCHEDULE

The investment Strategy has been reviewed as per the schedule below:

[illegible]

THE TC SUPERANNUATION FUND INVESTMENT STRATEGY

This investment strategy of the Fund replaces the previous strategy in place.

1. Object of the Fund

The objective of the Fund is to maximise the retirement benefits available to the members through diversifying investments and managing risk.

2. Authorised Investments and Risk Profile:

The Trustee is authorised to invest in the following classes of investment. The Trustee is required to invest within the acceptable risk profile for each class of investment as detailed below. Prior to making any investment decision the Trustee will confirm the transaction complies with the provisions of the Superannuation Industry (Supervision) Act 1993.

- a) Shares, stocks or units of whatever kind in any company or trust whether formed or incorporated or trading in Australia or otherwise and regardless of whether the company or trust is a public or private.

Risk Profile

By their nature all shares, stocks and units (whether publicly listed or private), are subject to considerable price fluctuation and are therefore considered moderate risk investments. The Trustee is given the widest possible discretion in its decision making concerning the class of security. The Trustee is authorised to trade in options (both put and call) in any share or unit.

- b) Government Bonds and/or Bank Investment Bonds

Risk Profile

This class of investments attracts minimal risk.

- c) Cash on Deposit with any Bank, Bank or Commercial Bills

Risk Profile

This class of investment attracts minimal risk.

- d) Cash on Deposit with any Insurance Company or Company

Risk Profile

This class of investment attracts considerable but manageable risk. The Trustee may lend money to any company listed on the Australian Stock Exchange, which carries a credit rating (Standards & Poors) of AA or higher and which is secured by a debenture over the company's assets. The Trustee may loan monies to any person or company at its discretion provided the loan is secured by first mortgage real estate security and that the funds loaned do not exceed 70% of the real estate's value.

- e) Real Estate

Risk Profile

This class of investment attracts moderate risk. The Trustee may invest in this class of investment whether the real estate is bought to generate an income, capital appreciation, or both.

THE TC SUPERANNUATION FUND INVESTMENT STRATEGY

f) Other Collectible Assets

Risk Profile

This class of investment is considered high risk. Whilst authorised, the Trustee may only purchase antiques, jewellery or works of art which has been valued by at least two independent experts.

g) Such other Investments as the Trustee considered will fulfil the object of the Fund

Risk Profile

No risk profile can be qualified.

3. Diversification of Investments

The Trustee may invest in such class or classes of investment as it may in its discretion decide, save that category f) investments shall not at any time constitute greater than 5% the Fund's assets. The Trustee is specifically authorised to vary the mix of investments at its absolute discretion and may sell or trade any asset or assets of the Fund at any time, in accordance with the ranges set below.

The Trustee believes the following mix of investments is appropriate to meet the objective of this investment strategy:

Category	Range	Return
a) Shares, stocks or units	0-50%	
b) Government Bonds and/or Bank Investment Bonds	Nil	
c) Cash on Deposit with any Bank, Bank or Commercial Bills	0-100%	
d) Cash on Deposit with any Insurance Company or Company	Nil	
e) Real Estate	0-95%	
f) Other Collectible Assets	Nil	
g) Such other investments as the Trustee considered will fulfil the object of the Fund	Nil	

THE TC SUPERANNUATION FUND INVESTMENT STRATEGY

4. Liquidity

Due consideration will be given, prior to any investment decision, as to the liquidity requirements of the fund to ensure the fund will be able to pay its debts as and when they fall due.

As member(s) of the Fund will be entitled to receive a benefit from the Fund in the next [insert period] years, the required liquidity of the Fund will need to be such that any pay out as well as any recurrent taxation liability can be met. The Trustee is therefore required to maintain an appropriate level of liquidity in order to meet the liabilities of the Fund as and when they fall due, otherwise the Trustee must ensure that the class or classes of assets is comprised of assets that are transferable in specie.

5. Insurance

Taking into consideration the age of the members, the amount of the insurance premium for members, the existence of child dependents [or the fact that there are no child dependents], the wealth of the members personally and the size of members' accrued benefits, the trustee has deemed it unnecessary for the fund to take out any insurance over the member [or the trustee has decided that the fund requires life insurance cover over the members].

6. Performance

The Trustee will review performance on an annual basis, or more frequently as appropriate. Performance is to be measured against the above return ranges for the asset categories applicable, taking into account current market circumstances.

The members have agreed to the preceding investment strategy, and to signify the adoption and confirmation of The TC Superannuation Fund Investment Strategy, the signatures of the Trustee appear below.



Director - Timothy S Carew

Dated: __ / __ /2013

THE TC SUPERANNUATION FUND INVESTMENT STRATEGY

The Investment Strategy of the Fund is to be:-

1. Object of the Fund

The objective of the Fund is to maximise the retirement benefits available to the members through diversifying investments and managing risk.

2. Authorised Investments and Risk Profile:

The Trustee is authorised to invest in the following classes of investment. The Trustee is required to invest within the acceptable risk profile for each class of investment as detailed below. Prior to making any investment decision the Trustee will confirm the transaction complies with the provisions of the Superannuation Industry (Supervision) Act 1993.

- a) Shares, stocks or units of whatever kind in any company or trust whether formed or incorporated or trading in Australia or otherwise and regardless of whether the company of trust is a public or private.

Risk Profile

By their nature all shares, stocks and units (whether publicly listed or private), are subject to considerable price fluctuation and are therefore considered moderate risk investments. The Trustee is given the widest possible discretion in its decision making concerning the class of security. The Trustee is authorised to trade in options (both put and call) in any share or unit.

- b) Government Bonds and/or Bank Investment Bonds

Risk Profile

This class of investments attracts minimal risk.

- c) Cash on Deposit with any Bank, Bank or Commercial Bills

Risk Profile

This class of investment attracts minimal risk.

- d) Cash on Deposit with any Insurance Company or Company

Risk Profile

This class of investment attracts considerable but manageable risk. The Trustee may lend money to any company listed on the Australian Stock Exchange, which carries a credit rating (Standards & Poors) of AA or higher and which is secured by a debenture over the company's assets. The Trustee may loan monies to any person or company at its discretion provided the loan is secured by first mortgage real estate security and that the funds loaned do not exceed 70% of the real estate's value.

**THE TC SUPERANNUATION FUND
INVESTMENT STRATEGY**

- e) Real Estate

Risk Profile

This class of investment attracts moderate risk. The Trustee may invest in this class of investment whether the real estate is bought to generate an income, capital appreciation, or both.

- f) Other Collectible Assets

Risk Profile

This class of investment is considered high risk. Whilst authorised, the Trustee may only purchase antiques, jewellery or works of art which has been valued by at least two independent experts.

- g) Such other Investments as the Trustee considered will fulfil the object of the Fund

Risk Profile

No risk profile can be qualified.

3. Diversification of Investments

The Trustee may invest in such class or classes of investment as it may in its discretion decide, save that category f) investments shall not at any time constitute the Fund's assets. The Trustee is specifically authorised to vary the mix of investments at its absolute discretion and may sell or trade any asset or assets of the Fund at any time, in accordance with the ranges set below.

The Trustee believes the following mix of investments is appropriate to meet the objective of this investment strategy:

Category	Range	Return
a) Shares, stocks or units	0-90%	10-15%
b) Government Bonds and/or Bank Investment Bonds		
c) Cash on Deposit with any Bank, Bank or Commercial Bills	0-100%	3-7%
d) Cash on Deposit with any Insurance Company or Company		
e) Real Estate	0-90%	10-15%
f) Other Collectible Assets		
g) Such other investments as the Trustee considered will fulfil the object of the Fund		

**THE TC SUPERANNUATION FUND
INVESTMENT STRATEGY**

4. Liquidity

Due consideration will be given, prior to any investment decision, as to the liquidity requirements of the fund to ensure the fund will be able to pay its debts as and when they fall due.

As a member of the Fund will be entitled to receive a benefit from the Fund in the next fifteen years, the required liquidity of the Fund will need to be such that any pay out as well as any recurrent taxation liability can be met. The Trustee is therefore required to maintain an appropriate level of liquidity in order to meet the liabilities of the Fund as and when they fall due, otherwise the Trustee must ensure that the class or classes of assets is comprised of assets that are transferable in specie.

5. Performance

The Trustee will review performance on an annual basis, or more frequently as appropriate. Performance is to be measured against the above return ranges for the asset categories applicable.

The members have agreed to the preceding investment strategy, and to signify the adoption and confirmation of the TC Superannuation Fund Investment Strategy, the signature of the Trustee appear below.



Director – **Tim Carew**

Dated: **28 June 2008**

DOCUMENTATION SUMMARY FOR
THE TC SUPERANNUATION FUND

1. ESTABLISHMENT OF FUND

In order to establish the above superannuation fund, we now enclose the following:

✓ **1.1. Resolution of Trustee Accepting the Position as Trustee of the Fund and Admitting Members**

This document is headed Resolution of Trustee (for individual trustees) or Resolution of Directors (where the trustee is a company). It establishes the Fund and admits the Members to membership of the Fund. This resolution also deals with other machinery aspects of trusteeship requirements. Please arrange for this to be completed and executed by the relevant persons where specified and held on the records of the Fund.

✓ **1.2. Consent of Trustees/Directors**

Under the SIS Act all trustees or directors of regulated superannuation funds must specifically consent to act as trustee or director.

Please arrange for this to be completed and executed by the relevant persons where specified and held on the records of the Fund.

✓ **1.3. Trust Deeds**

Superannuation Fund Trust Deeds in triplicate (plus one unbound copy), to be executed by all parties where indicated.

The Trust Deed contains two divisions:

- Division A of the Deed deals with the administration of the Fund.
- Division B contains the benefit provisions reflecting the payment of benefits to Members.

Please ensure that the original Trust Deeds are retained in a safe place.

✓ **1.4. Application to Register for The New Tax System, and Instructions**

You have the choice of completing a form on-line at www.abr.gov.au, or you may complete the paper copy Application provided. If the Fund has a Tax Agent, lodgement of the form may be done by the Tax Agent electronically – you should consult the Tax Agent as to the procedure involved in electronic lodgement. Whichever method you choose, it should be completed by the Trustee (or an appropriately authorised person on-line) and lodged with the ATO within 60 days of establishment. In lodging either a paper or electronic/on-line form of Application with the ATO, the trustee:

- applies for a tax file number;
- elects to become a regulated fund;
- applies for an ABN; and
- can register for GST.

If you choose to use the paper copy Application, there is some information you will need to complete in the Application. If the trustee is a company, the Application must be signed in accordance with the company's Constitution.

The election is irrevocable. Once the election is made, the Fund is subject to the standards and requirements of SIS.

A copy of a paper copy Application, or the acknowledgement of electronic/on-line registration should be retained with the superannuation fund records

✓ 1.5. **Applications for Membership**

This is to be signed by the proposed Members of the Fund.

The bottom of the Application allows for the nomination of one or more beneficiaries of death benefits. While the Trustee has a discretion as to how death benefits are paid (see section 3.2 below), completing the nomination provides some guidance as to how the Member would like the benefits to be paid.

1.6. **Membership Classes**

The Trust Deed specifies that there is one class of membership of the Fund.

✓ 1.7. **Product Disclosure Statement**

This document contains important information for new members about the Fund.

A copy must be provided to all Members, and includes details of the benefit provisions of the Trust Deed.

The purpose of the PDS is to make Members aware of the main features of the Fund, the management and financial condition of the Fund, and the investment performance of the Fund. One PDS per new Member should be executed on behalf of the Trustee where specified and be given to each new Member.

The following must be completed in each Notice:

- Paragraph 7, which requires the Trustee to nominate the eligible rollover fund to which automatic or compulsory rollovers will be paid; and
- Paragraph 1, which needs Trustee contact details.

✓ 1.8. **Proposed Rollover Notice**

Trustees of funds from which funds will be rolled often require confirmation as to certain things before releasing the funds. The Proposed Rollover Notice should be signed and retained with the Fund records for use as required.

The Proposed Rollover Notice covers the more commonly required items, but a particular fund may have extra requirements.

✓ 1.9. **Admission of Participating Employer**

Application for Admission as Employer, Resolution of Trustee Admitting Employer TSC (Aust) Pty Ltd, Resolution of Principal Employer consenting to Admission. These are to be executed by the appropriate persons where indicated. We recommend the Participating Employer also execute Schedule C of the Trust Deed.

2. FUTURE ADMINISTRATION OF THE FUND

✓ 2.1. **Notice of Compliance** (In Plastic Sleeve In folder)

Addressed to the employers, a Notice of Compliance should be signed at the end of each financial year so that an Employer who has contributed to the Fund can claim a tax deduction for the contributions.

✓ 2.2. **Section 82AAT Notice** (In Plastic Sleeve in folder)

For a Member to claim a tax deduction for personal contributions, the Member must give the Trustee notice under section 82AAT.

A draft notice is provided for use by members in those cases .

2.3. **Product Disclosure Statement** (Included in Sec 1.7)

See section 1.7 above. The document must also be given to any person who joins the Fund as soon as practicable and in any event within 3 months after the person is admitted as a Member.

2.4. **Contribution Splitting Request** - In trust deed

The trust deed allows contributions to be split in accordance with SIS, and this is a pro forma request that can be completed by the member and the member's spouse when the member wishes to split part or all of contributions for or by the member.

If the trustee accepts the notice and actions the contribution split the trustee should complete the acceptance section and give a copy to the member, retaining the original with the fund records.

3. OTHER RELEVANT ISSUES

3.1. Mandatory Rollover Fund

Under the SIS Act all regulated funds must select an approved rollover fund to which unclaimed benefits will be transferred in the circumstances set out in Section 244 of the SIS Act. Notice of this fund must be given to all new members and as part of the Annual Member Statement.

3.2. Binding Nominations of Beneficiaries

A member is now able to make a nomination of beneficiary for death benefits which is binding on the Trustee. Subject to the requirements of the SIS Act and Regulations (for example, that benefits must be paid to dependants or the personal representative of the deceased member, plus any specific regulations that are prescribed), the Trustee must then pay the death benefits in accordance with the nomination.

However, the requirements contained in the Regulations are quite detailed, and make using binding nominations relatively complicated.

We have not provided a document for a binding nomination, and do not recommend using binding nominations as a matter of course. If you have a situation where the use of a binding nomination is appropriate or you would like more information on binding nominations, please contact us.

DMH10038220 1462804v1



Central Plaza Two, Level 23, 66 Eagle Street, Brisbane 4000, Australia
GPO Box 834, BRISBANE QLD 4001

Our Ref: DMH:SHB 10038220
Direct Dial: 3231 2453
Direct Fax: 3231 8453
Email: diane.horsburgh@cgwstructures.com.au
Your Ref:

7 February 2007

BDO Chartered Accountants & Advisors
72 Cavenagh Street
DARWIN NT 0800

BY OVERNIGHT COURIER

Attention: Janet Foong

THE TC SUPERANNUATION FUND

Thank you for your instructions. We have prepared the required documents.

Establishment of The TC Superannuation Fund

The Trust Deed for the Fund is drawn on the basis that the Fund will be conducted in future as a complying self managed superannuation fund in accordance with the standards and requirements of the Superannuation Industry (Supervision) Act 1993 (the SIS Act).

The **attached** document summary identifies each of the **enclosed** documents and what is to be done with these documents.

In the interests of future administrative convenience, some documents have been prepared in draft, for use when they are needed by the Trustee of the Fund. These drafts do **not** need to be executed now.

Advice on other issues relevant to the ongoing administration of the Fund is also included in the attached document summary.

Election to become regulated Fund

Under the SIS Act the trustee must lodge an election with the ATO to become a regulated superannuation fund for the fund to be entitled to concessional tax status. This Application to Register for The New Tax System, also applies for a TFN and an ABN, and can also register the trustee for GST.

This election must be made at the time of establishing the Fund and must be lodged within 60 days of establishment. It may be lodged in the form of the paper copy Application provided, electronically or on-line. Please refer to the Document Summary for further information.

The ATO must also be notified of some details of the Fund within 7 days of establishment of the Fund. We suggest this election is lodged within 7 days of establishment to satisfy both obligations.

Approval of ATO

There is no approval letter from the ATO confirming that the Trust Deed is acceptable because the ATO operates on the principle of self-assessment. However, it is our view that the Trust Deed contains all of the necessary standards required in the Trust Deed at the present time and that it will meet the requirements of the SIS legislation.

Binding Nominations of Beneficiaries

A member can make a nomination of beneficiary for death benefits which is binding on the Trustee. Subject to the requirements of the SIS Act and Regulations (for example, that benefits must be paid to dependants or the personal representative of the deceased member) the Trustee must then pay the death benefits in accordance with the nomination.

However, the requirements contained in the Regulations are quite complicated.

We have not provided a document for a binding nomination, and do not recommend using binding nominations as a matter of course. If you have a situation where a binding nomination is appropriate or you would like more information on binding nominations, please contact us.

Stamp Duty

If you would like us to forward the trust deeds to the Northern Territory Stamps Office for stamping please return the executed Trust Deeds to this office together with a cheque made payable to the Territory Revenue Management in the amount of \$20.00 plus \$5.00 for each copy of the trust deed thereafter.

We have been retained only to provide the documents in accordance with your instructions, and are not aware of the specific purpose for which the structures are established. We have not provided any advice in relation to the appropriateness of the documents to any particular transaction.

We **enclose** our account for preparing the documents.

If you have any questions or require any further information about these documents or any of our other services, please contact Scott Hay-Bartlem or Diane Horsburgh.

Yours faithfully

CGW STRUCTURES



DMH10038220 1462828v1