



REI Super Investment Policy Statement

(as at February 2010)

Fund Structure

REI Super is an accumulation fund (that is, the Member bears the investment risk) providing strong long-term superannuation investment performance and superior administration for employees and employers in the property services sector.

REI Super has four main investment options available to all Members that are expected to cover the broad range of risk profiles and additional five sector specialist investment options available only to Members of REI Super Elite.

Further detail on each of the options follows but the full range of investment options offered by REI Super is set out below:

- Super Growth
- Trustee Super Balanced
- Super Stable
- Super Cash
- Australian Shares
- International Shares
- Australian Property
- Global Property
- Fixed Income

The Fund has appointed Intech Investment Consultants, a wholly-owned subsidiary of Morningstar Inc., to provide an implemented asset consulting service. The Fund invests in registered Managed Investment Schemes (unit trusts), for which IOOF Global One Limited is the Responsible Entity. The Fund invests in products that in general are designed to provide a real rate of return over and above inflation.

In determining the earnings to be credited to Members, the Fund does not maintain specific investment reserves. The actual net return achieved by each investment option after tax and fees will be credited to Members' accounts.

The Fund is designed to allow Members to:

- select from one or more investment options provided by the Trustee that best suits their needs and risk tolerance;
- increase their benefits by making voluntary contributions;
- maintain their accumulated benefits in the Fund whilst transferring employment;
- provide additional benefits for people dependent on them in the event of death; and

- provide additional benefits for themselves and their dependants in the event of total and permanent disablement or temporary disablement of up to two years.

Death and disablement benefits are covered by group-life insurance policies.

Unitisation

The assets of the Fund within each investment option are unitized and Members buy units when a contribution or rollover is received or sell units when they are paid a benefit or make an investment switch. Units in a Member's account are held at their redemption (or sell) value and this is the value shown on the Fund website, provided in benefit estimates or on the annual statement of benefits.

There is a difference in the buy and sell value of units. The difference reflects the transaction costs and market impact involved in buying or selling the underlying assets, e.g. shares or bonds. The buy/sell spread for the range of investment options are:

Super Growth	0.50% (50 basis points)
Trustee Super Balanced	0.40% (40 basis points)
Super Stable	0.18% (18 basis points)
Super Cash	Zero% (0 basis points)
Australian Shares	0.60% (60 basis points)
International Shares	0.50% (50 basis points)
Australian Property	0.40% (40 basis points)
Global Property	0.70% (70 basis points)
Fixed Income	Zero% (0 basis points)

When feasible, the Fund uses available cash flow to pay benefits rather than redeem units. The saving is retained in the Fund and is available for distribution to Members.

Unit prices are calculated weekly by the Fund's custodian and fluctuate according to the underlying investment performance of the assets of each investment option.

Currently, the Fund calculates unit prices weekly. The unit prices are currently determined based on investment values at close of business each Wednesday.

Members can submit a request to change their investment option at any time. Changing investment options is effected by the Fund Administrator once the next weekly unit price is struck. A Member Investment Choice Transfer form is available from the Fund website at www.reisuper.com.au or by calling the Helpline on 1300 13 44 33. Members can also change their investment options through the website after signing in with their Member number and PIN.

Implemented Consulting

REI Super has appointed Intech to provide implemented asset consulting services to the Fund. Implemented consulting places responsibility for key day-to-day investment decision-making in the hands of full-time investment professionals who are leaders in areas such as: asset allocation, portfolio configuration, manager selection and investment monitoring and co-ordination.

REI Super uses Intech's Implemented Consulting investment trusts for almost all of its investments. This arrangement provides REI Super access to Intech's research ideas, while reducing investment and operational risks. It also provides the Trustee of REI Super with greater capacity to focus on higher level strategic issues.

Intech has been delegated responsibility for selecting and monitoring specialist investment managers within each asset class, implementing investment decisions and managing the day-to-day cash flow, asset allocation and other ongoing investment administration matters by providing instructions to the investment custodian.

The Trustee of REI Super has responsibility for monitoring the performance of the Implemented consultant, and to periodically examine alternative providers of such services.

The Trustee of REI Super retains full control over the type and number of investment options offered to Members. The Trustee of REI Super sets the primary investment objectives for each investment option.

For the Super Growth and Trustee Super Balanced Options, the Trustee has invested in a mix of underlying Intech Sector Trusts (e.g. Australian shares, International bonds), to construct these diversified portfolios.

For the Super Cash and Super Stable Options the Fund invests directly into appropriate Intech trusts (Intech Cash Trust and Intech Conservative Growth Trust) as these have asset allocations consistent with the investment objectives of the Fund's investment options.

In essence, REI Super has delegated investment implementation to Intech - in accordance with the objectives and strategies for each investment option.

Investment Structure

All investments must balance potential risk (volatility) against possible returns. There are two classes of assets; growth assets (e.g. shares, property and global trading strategies) and defensive assets (e.g. cash and bonds). Growth assets are more risky (volatile) but have the potential to provide a higher expected return. On the other hand, defensive assets are less risky (volatile) but the cost is a lower expected return.

For each investment option, an overall objective has been defined by the Trustee, together with a set of investment objectives (covering return and risk).

A brief description of each investment option follows:

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REI Super Growth

Primary Objective

To provide Members with a top performing diversified growth style investment.

Investment Objectives

To earn a rate of return, after tax and fees that exceeds CPI by at least 4% per annum over rolling 10 year periods.

Risk Profile - High

The Super Growth investment option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option has the potential for the highest return over the long term. However, returns will vary and are expected in some years to be low or negative.

To provide an illustration of the risk profile, this option is expected to deliver a positive return on average in around 4 out of every 5 years.

Asset Class	Target Allocation (%)	Min/Max Range (%) +/- 10
Australian Shares	49.5	39.5 – 59.5
International Shares (Unhedged)	14	4 – 24
International Shares (Hedged)	14	4 – 24
Australian Property Securities	9.5	0 – 19.5
International Property Securities	4	0 – 14
Alternatives	8	0 – 18
Cash	1	0 – 11
Total	100	N/A
Total Growth Assets	99	
Total Defensive Assets	1	

REI Trustee Super Balanced

Primary Objective

To provide Members with a top performing growth-oriented diversified investment.

Investment Objectives

To earn a rate of return, after tax and fees that exceeds CPI by at least 3% per annum over rolling 7 year periods.

Risk Profile – Medium To High

The Trustee Super Balanced investment option is designed for Members who prefer to accept a medium to high potential return for medium risks. This option invests mainly in growth assets, with some defensive assets. It has potential for high returns over time due to the significant proportion of growth assets. However, returns will vary and are expected in some years to be low or negative, although to a lesser degree than the Super Growth option.

To provide an illustration of the risk profile, this option is expected to deliver a positive return on average in around 5 out of every 6 years.

Asset Class	Target Allocation (%)	Min/Max Range (%)
Australian Shares	38	28 – 48
International Shares (Unhedged)	10	0 – 20
International Shares (Hedged)	10	0 – 20
Australian Property Securities	8	0 – 18
International Property Securities	3	0 – 13
Australian Bonds	9	0 – 19
International Bonds (Hedged)	6	0 – 16
Global Inflation Linked Securities	3	0 – 13
Alternatives	8	0 – 18
Cash	5	0 – 15
Total	100	N/A
Total Growth Assets	77	
Total Defensive Assets	23	

REI Super Stable

Primary Objective

To provide Members with a top performing, conservative diversified investment option.

Investment Objectives

To earn a rate of return after tax and fees that exceeds CPI by at least 1% pa over rolling 3-year periods.

Risk Profile – Medium To Low

The Super Stable investment option is designed for Members who require more stable returns. This option invests mainly in interest bearing assets (cash and bonds), with some growth assets (shares and property). Returns have the potential to be higher than just investing in cash investments. Returns will vary and there is still a slight possibility of delivering a negative return in any one year, but are likely to be more stable than options with a higher proportion to growth assets.

To provide an illustration of the risk profile, this option is expected to deliver a positive return on average in around 9 out of every 10 years.

Asset Class	Target Allocation (%)	Min/Max Range (%)
Australian Shares	17	0 – 27
International Shares (Unhedged)	5	0 – 20
International Shares (Hedged)	5	0 – 20
Australian Property Securities	3	0 – 14
International Property Securities	1	0 – 14
Australian Bonds	17	0 – 27
International Bonds (Hedged)	11	0 – 30
Global Inflation Linked Securities	6	0 – 16
Alternatives	7	0 – 25
Cash	28	12 – 38
Total	100	N/A
Total Growth Assets	38	
Total Defensive Assets	62	

REI Super Cash

Primary Objective

To provide Members with a secure investment that has a very high chance of capital being preserved over any 12 month period, after fees and tax.

Investment Objectives

To match and where possible enhance performance relative to the benchmark over rolling 3 year periods.

The Super Cash investment option is designed for Members who seek a lower potential return in exchange for low risk.

Risk Profile – Low

Returns will be comparatively stable, with only a negligible risk of delivering a negative return in any one year.

Asset Class	Target Allocation (%)	Min/Max Range (%)
Australian Shares	0	N/A
International Shares	0	N/A
Australian Property	0	N/A
International Property	0	N/A
Australian Bonds	0	N/A
International Bonds (Hedged)	0	N/A
Cash	100	N/A
Total	100	N/A

REI Super Elite Options

Members of REI Super Elite may choose from the range of additional options for investment of their superannuation. Any combination of the options detailed below, and also the four main Fund options (detailed above) may be chosen by REI Super Elite Members.

- Australian Shares
- International Shares
- Australian Property
- Global Property
- Fixed Income

Australian Shares

Primary Objective

To provide Members with a top quality, professionally managed diversified Australian Shares Investment.

Investment Objectives

To earn a rate of return, (gross of fees and tax) above benchmark over rolling 5 year periods within a clearly defined risk profile. The benchmark is the S&P/ASX 300 Accumulation Index.

Risk Profile - High

The Australian Shares investment option is designed for Members who want higher potential returns and are more comfortable with greater fluctuations in returns. This option invests only in growth assets (Australian Shares) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be negative.

Investment Mix

100% Intech Australian Shares Active Trust

International Shares

Primary Objective

To provide Members with a top quality professionally managed diversified international shares investment.

Investment Objectives

To earn a rate of return (gross of fees and tax) above benchmark over rolling 5 year periods within a clearly defined risk profile. The benchmark is the MSCI All Country World ex-Australia with net dividends reinvested (50% hedged into \$A).

Risk Profile - High

The International Shares investment option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns.

This option invests only in growth assets (international shares) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.

Investment Mix

50% Intech International Shares Active Trust (unhedged)

50% Intech International Shares Active Trust (hedged)

Australian Property

Primary Objective

To provide Members with a top quality professionally managed diversified domestic property securities investment.

Investment Objectives

To match and where possible, enhance performance relative to the benchmark (gross of fees and tax) over rolling 5 year periods. The benchmark is the S&P/ASX 300 Property Accumulation Index.

Risk Profile – High

The Australian Property investment option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (Australian Listed Property) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.

Investment Mix

100% Intech Australian Property Securities Trust.

Global Property

Primary Objective

To provide Members with a top quality professionally managed diversified global property securities investment.

Investment Objectives

To earn a rate of return (gross of fees and tax) above benchmark over rolling 5 year periods. The benchmark is the UBS Global (ex-Australia) Property Investors Index (fully hedged into A\$).

Risk Profile – High

The Global Property investment option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (Global listed property) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.

Investment Mix

100% Intech International Property Securities (Hedged) Trust.

Fixed Income

Primary Objective

To provide Members with a top quality professionally managed bond and fixed interest investment.

Investment Objectives

To earn a rate of return (gross of fees and tax) above benchmark over rolling 3 year periods. The benchmark is 50% UBS Government Bond (All maturities) Index, and 50% Barclays Capital Global Aggregate (hedged into \$A) Index.

Risk Profile Medium Low

The Fixed Income investment option is designed for Members who require more stable returns. This option invests in interest bearing assets (bonds), with possibly a small amount of cash. Returns have the potential to be higher than just investing in cash investments. Returns will vary and there is the slight possibility of delivering a negative return in any one year, but are likely to be more stable than options with a higher proportion to growth assets.

Investment Mix

50% Intech Australian Bond Trust (Passive)
40% Intech International Bond Active Trust (Hedged)
10% Intech International Bond Trust (Hedged) (Passive)

Default Investment Option

Members who do not choose an investment option will have their account balance invested in the Trustee Super Balanced option.

Peer Group Objectives

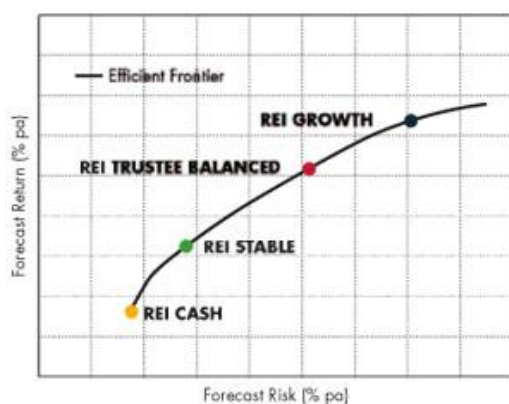
The REI Super Trustee aims to deliver competitive investment performance to Members over the medium-to-long term (typically rolling 3-year periods).

To measure its success, the Trustee looks at the performance and risk characteristics of REI Super's investment options against a range of industry surveys and comparable funds. Currently, the primary survey the Trustee uses to assess the performance of the REI Super investment options is the Intech Investor Choice Survey.

Summary

The investment objectives of the four main options' primary investment options can be summarised as follows:

Option	Return Objective	Negative 12 Month Return Expectation
Super Growth	CPI + 4% over rolling 10 year periods	1 in 5 years
Trustee Super Balanced	CPI + 3% over rolling 7 year periods	1 in 6 years
Super Stable	CPI + 1% over rolling 3 year periods	1 in 21 years
Super Cash	CPI over 1 year	negligible



Derivatives

The trustee does not currently invest directly in futures, options and other derivatives and has no intention of doing so.

Intech Fiduciaries Limited is permitted to use such instruments to assist with the effective management of the assets of the Intech Investment Trusts to the extent described in its Derivative Risk Statement (DRS). Investment managers appointed by Intech Fiduciaries Limited are permitted to use such instruments to assist with the effective management of the assets, within constraints set both by Intech and as described in each asset manager's DRS.

Intech provides the Trustee with a Derivative Risk Statement (DRS) for the Intech Investment Trusts. This DRS includes the review conducted by Intech of the derivative activities of the asset managers used in the Intech Investment Trusts and an assessment of each asset manager's DRS.

Total exposures to the various asset classes through all Trusts will be monitored by Intech against the ranges in the investment policy, taking into account the impact of futures, options and other derivatives on an effective exposure basis.

The Trustee has made an allocation to Global Trading Strategies (GTS, also referred to as 'global tactical asset allocation'), in which underlying asset managers selected by Intech make extensive use of derivatives to take positions in various markets around the world (including stock markets, bond markets and currency markets).

By using derivatives, this allows the managers to efficiently implement both positive (long) and negative (short) positions in markets, allowing it to profit if it correctly predicts that one market will under-perform relative to another.

The Trustee understands that hedge fund strategies such as GTS represent a greater reliance on the skill of the underlying investment managers, with a substantially higher use of derivatives. The Trustee has made a modest investment in GTS, commensurate with the increased risks and potential for adverse outcomes that these features bring. In addition to controlling risk by its relatively small allocation, the Trustee is also relying on the diversification benefits from the use of a multi-manager approach as constructed by Intech, and Intech's due diligence and research of the individual underlying asset managers, and the monitoring of portfolios and manager performance.

Investment Managers

Intech has responsibility for the judicious selection, ongoing management and replacement of asset managers. While this is a continuing responsibility and asset managers will change from time to time, the following managers were appointed at the date of this document:

Australian Shares:

Northcape, Wallara, Perpetual, Barclays Global Investors, Platypus, Orbis, Dimensional

International Shares:

Altrinsic, Axiom, AXA Rosenberg, Bernstein, Marathon, Sands Capital, Dimensional, Vanguard

Australian Property Securities:

Vanguard

International Property Securities:

Perennial, ING Clarion

Australian Bonds:

Vanguard

International Bonds:

Vanguard, PIMCO, Colchester

Global Inflation Linked Securities:

Rogge

Cash:

Vanguard

Alternatives:

Global Trading Strategies Trust II, Alpha Strategies Trust, Alternative Markets Trust

Custody

The Fund has appointed BNP Paribas as its custodian. In appointing BNP Paribas, the Trustee has met the monitoring and assessment requirements as required by the Australian Prudential Regulation Authority (APRA) for APRA supervised entities.

BNP Paribas' key activities include maintaining security of the Fund's assets, calculating the unit prices of each Option in accordance with the agreed unit pricing model, implementing buy / sell transactions as instructed by Intech, maintaining investment and taxation records.

Monitoring And Review

On at least a triennial basis the Fund will formally reconsider the appropriateness of the objectives of its current investment options. The Trustee will also formally review the ongoing appointment of the Implemented Investment Consultant at regular intervals consistent with its RSE License obligations.

The Trustee will regularly carry out a formal review of the investment strategy, and:

- Confirm that the Investment Objectives remain appropriate.
- Review the Strategic Asset Allocation of each investment option and determine whether it remains appropriate for achievement of the objectives.
- Review the passive rebalancing ranges.

Process Of Review

The Trustee has appointed Intech as implemented asset consultant to provide on-going quarterly performance and other reports as agreed and to lead the Trustee through the conduct of any review.

In accordance with contractual arrangements between REI Super and Intech, the continuing appointment of Intech as the Implemented consultant will be periodically reviewed by the Board.

Notice

The information contained in this brochure does not constitute financial product advice. However, to the extent that the information may be considered to be general financial product advice, REI Super warns that:

- REI Super has not considered any individual person's objectives, financial situation or particular needs; and
- Individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation.