

Rule 60: The Education Fund Notice of Benefit Fund meeting

Notice is hereby given that a Benefit Fund meeting (member meeting) of members of Rule 60: The Education Fund (TEF) will be held at Monash Conference Centre, Monash University Level 7, 30 Collins Street, Melbourne on Friday 28 October 2016 at 12.20pm to conduct the following business:

1. Benefit Fund rule amendments: To consider and, if thought fit, pass the following resolutions as special resolutions:

(1) That, with effect from the conclusion of the 2016 member meeting of TEF, the Benefit Fund Rules of TEF are to be amended as follows:

By deleting the definition of "**Authorised investments**" in Rule 60.2 and replacing it with the following:

"Authorised investments" in relation to the fund means:

(a) *Loans secured by a mortgage:*

(i) *of freehold or leasehold land; or*

(ii) *of a lease or licence of such land that is issued under the Land Act 1958;*

(b) *Australian fixed and floating interest bearing securities;*

(c) *International fixed and floating interest bearing securities;*

(d) *Cash and deposits at call, bank deposits, floating rate notes, indexed bonds, bank accepted and bank endorsed bills of exchange, negotiable certificates of deposit, certificates of deposit or equivalent;*

(e) *Shares or related equity instruments in corporations listed on the official list of a recognised Australian stock exchange;*

(f) *International Shares or related equity instruments in corporations listed on the official list of a recognised international stock exchange;*

(g) *Units in a trust that is a registered managed investment scheme;*

(h) *Units in a wholesale investment trust that is a managed investment scheme;*

(i) *Freehold properties including fixtures and equipment, acquired for the sole purpose of leasing to State, Territory and Federal Governments for educational purposes; and*

(j) *Derivative instruments for the purposes of hedging. Hedging may be achieved through the use of futures, exchange traded options, over-the-counter options, forward rate agreements and interest rate swaps or similar instruments provided that these instruments are used solely for the purpose of protecting Members' funds rather than for speculative purposes.*

In the case of debt instruments, only securities from issuers which have a credit rating of investment grade BBB- or higher or equivalent from an independent rating agency and in the case of short term securities and cash, only securities from issuers which have a short term credit rating of investment grade A-3 or equivalent from an independent rating agency."

(2) That, with effect from the conclusion of the 2016 member meeting of TEF, the Benefit Fund Rules of TEF are to be amended as follows:

By deleting the allowable investment range table in Rule 60.3 and the paragraph immediately underneath and replacing it with the following:

Type of Investment	Minimum Percentage of Fund %	Maximum Percentage of Fund %
Australian Shares	0	40
International Shares	0	40
Property and Infrastructure	0	20
Australian Fixed Interest	0	70
Mortgage Securities	0	10
International Fixed Interest	0	70
Cash and Deposits at Call	0	100

2. Other business

To transact any other business that may be legally brought forward.

Note: Information about these proposed special resolutions appears in Item 1 of the Explanatory Notes to this Notice of Meeting.

Notes:

- (a) Explanatory notes accompany this notice of Benefit Fund meeting.
- (b) If you are unable to attend and vote at the member meeting or any adjournment thereof and wish to vote by proxy or to appoint a person to attend the meeting as your proxy, please complete and return the attached 'proxy form'. Your proxy does not have to be a member of ASG but should be able to provide suitable identification to verify he or she is your nominated proxy.
- (c) All documents relevant to the meeting will be available at the meeting or they may be obtained on request from ASG from **10 October 2016**.

By order of the Board of Directors.

F Ferro
Company Secretary
30 July 2016

Explanatory notes

Item 1 - Benefit fund rule amendments

The Board has reviewed the authorised investments and asset allocation applicable to the TEF in the context of the investment strategy for the TEF which is "to provide market related returns on investments within a balanced risk environment" and within specific investment type limits. This investment strategy is expressed in the Benefit Fund Rules for the TEF.

The investment types referenced in the Benefit Fund Rules for the TEF as well as the list of authorised investments are outdated and do not give the Society the scope necessary to ensure it can access the full investment universe required for achieving a balanced risk approach to investment. Since the establishment of the TEF in 2004, the classification of investments and the types of investments available have changed significantly. The changes proposed by the Board will ensure that this information in the Benefit Fund Rules reflects a contemporary approach to managing balanced risk investments.

The Board is proposing that members approve, by way of special resolution, a revised definition of 'Authorised investments' and to update the allowable investment range table in the Rules. The Board does not believe that this will materially change the risk profile of the TEF.

Note: This resolution is proposed as a 'special resolution' and, in accordance with the Society's constitution, for the resolution to be passed, at least 75 per cent of votes cast by members entitled to vote on each resolution, either personally or by proxy must be in favour of it.