

R G Dunn Superannuation Fund
(“The Fund”)

SMSF Investment Strategy Report

Trustee:

R G Dunn Pty Ltd

Date Prepared: 30/06/2021

Review Date: 30/06/2022

Overview

The Investment Strategy outlined below represents an expansion and clarification of the Investment Strategy agreed on at the formation of The Fund. The aim of this strategy is to provide the members with an income on retirement.

Compliance

In recognition of the sole purpose test as required under SIS Legislation, this Investment Strategy has been created in compliance with the Superannuation Industry (Supervision) Act 1993 (SIS Act) and relevant Regulation.

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").

Review & Monitoring

The Trustees will monitor and review the fund's investment activities on a regular basis and communicate with the members should they feel that any change in strategy is necessary in order to achieve the fund's objective.

Fund Objectives

The Trustee will at all times, act prudently to maximise the rate of return, subject to acceptable risk parameters, and maintenance of appropriate diversification across a broad range of assets.

Having considered the risk profile of the fund and the member's needs and circumstances, the trustee has adopted the following objectives for the investment of assets of the fund:

- Invest the assets of the Fund in such a way as to protect and enhance the superannuation benefits of its members to meet their retirement needs. In the event of a member's death before retirement, this would be to provide benefits to the dependants of the members.
- To achieve an investment return (based on market values and net of tax and charges) that exceeds the CPI by at least 3% per annum when measured over a rolling 5 year period.
- To have a probability of zero or negative returns in any 12 month period of less than one in five years; and
- Have sufficient liquidity to meet liabilities as and when they fall due.

The Trustee recognises that the rate of return on investments can vary due to levels of risk and volatile markets and that the Trustee has no liability should the rate of return not be achieved.

Risk Profile & Risk Tolerance:

The Trustee will strive to identify, measure and manage risks associated with the Funds particular investments.

Member 1 – Raymond Dunn	Member 2 – Vicki Latham
<p>Age: 81</p> <p>Employment Status: Retired</p> <p>Account Type: Pension Phase</p> <p>Retirement Objectives: The member is receiving a pension income stream. Investments should be made in risk adverse investments, which combine reasonable security of capital with the prospect of long term growth and a view to prolonging the duration of the pension payments.</p>	<p>Age: 69</p> <p>Employment Status: Retired</p> <p>Account Type: Pension Phase</p> <p>Retirement Objectives: The member is receiving a pension income stream. Investments should be made in risk adverse investments, which combine reasonable security of capital with the prospect of long term growth and a view to prolonging the duration of the pension payments.</p>
<p>Investment Risk Preference:</p> <p><input type="checkbox"/> Low</p> <p><input checked="" type="checkbox"/> Low-Medium</p> <p><input type="checkbox"/> Medium</p> <p><input type="checkbox"/> Medium-High</p> <p><input type="checkbox"/> High</p>	<p>Investment Risk Preference:</p> <p><input type="checkbox"/> Low</p> <p><input checked="" type="checkbox"/> Low-Medium</p> <p><input type="checkbox"/> Medium</p> <p><input type="checkbox"/> Medium-High</p> <p><input type="checkbox"/> High</p>

Diversification of Asset Allocation

The Trustee recognises that diversification in the number of investments held by the Fund is an effective method of spreading risk of failure in individual investment. In order to achieve the Funds objectives and remain considerate of the Funds Risk Profile and expected Rate of Return, the Trustee has determined the following asset spread to be appropriate for the Fund.

Asset Class	Target Range	Benchmark
Australian Shares	25-40%	30%
International Shares	0-5%	1%
Cash	0-100%	1%
Australian Fixed Interest	20-40%	22%
International Fixed Interest	0-0%	0%
Mortgages	0-0%	0%
Direct Property	40-60%	45%
Listed Property	0-0%	0%
Other	0-5%	1%

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The funds are invested in a combination of cash, listed trusts and listed shares. When making investment decisions, the Trustee will review and consider these investment ranges and the associated risks and rates of return of each investment.

Liquidity

The member is 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.

Insurance Considerations

The Trustee has considered and consulted Professional Advice where necessary regarding a contract of insurance for the fund members and are satisfied that the members currently have appropriate levels of insurance held in a personal capacity. The Trustee has determined at present, that no additional insurance contracts will be required to be maintained by the Fund, however this Insurance Strategy will be regularly reviewed and updated, should members circumstances change.

Professional Advice

The Trustee has sufficient expertise in formulating and implementing the fund's Investment Strategy.

This Investment Strategy supersedes all previous Investment Strategies.

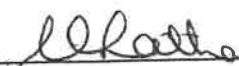
The Trustee commits to manage the Fund's investments in line with this Investment Strategy.

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


* _____

Date: 30/06/2021

Raymond Dunn (Trustee)


* _____

Date: 30/06/2021

Vicki Latham (Trustee)

ANTHONY BOYS
PO BOX 3376,
RUNDLE MALL 5000

Dear Anthony,

R G Dunn Superannuation Fund
Superannuation Fund Management/Trustee Representation Letter

In connection with your audit examination of the financial report of R G Dunn Superannuation Fund for the year ended 30 June 2021, hereby confirm, at your request that to best of our knowledge and belief, the following representation relating to the accounts are correct.

Financial Report

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report.

The management/trustee have determined that the fund is not a reporting entity for the year ended 30 June 2021 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the fund. Accordingly, the financial report prepared is a special purpose financial report, which is for distribution to members of the fund and to satisfy the requirement of the SISA and the SISR, and to confirm that the financial report is free of material misstatements, including omissions.

Sole Purpose

The fund has been maintained for the sole purpose of providing superannuation benefits to its members and their dependents.

Superannuation Fund Books/Records/Minutes

- (a) We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.
- (b) We have made available to you Minutes of all trustee(s)' meetings and the Trust Deed.
- (c) We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- (d) We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
- (e) Records maintained during the period were in accordance with the Australian Taxation Office requirements.

Asset Form

The assets of the superannuation fund are being held in a form suitable for the benefit of the members of the fund, and have been held in accordance with the fund's investment strategy.

Ownership and Pledging of Assets

The superannuation fund has satisfactory title to all assets disclosed in the Statement of Financial Position. Investments are registered in the name of the trustee(s).

No assets of the superannuation fund have been pledged to secure liabilities of the superannuation fund or of others.

Investments

- (a) We have considered the requirement of generally accepted accounting standards in regards to impairment of assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- (b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments that have not been disclosed in the financial statements.
- (c) The investment strategy has been determined with due regard to risk, return, liquidity, diversity and the insurance needs of fund members, and the assets of the fund are in line with this strategy.
- (d) All investments are acquired, maintained and disposed of on an arm's length basis.

Trust Deed

The superannuation fund is being conducted in accordance with its Trust Deed.

Superannuation Industry (Supervision) Act and Regulations

- (a) The fund meets the definition of a self-managed superannuation fund under the SISA.
- (b) The fund has been conducted in accordance with the SISA, the SISR and its governing rules at all times during the year. Also there were no amendments to the governing rules during the year, except as notified to you.
- (c) The fund is being conducted in accordance with the SISA and the SISR, in particular the relevant requirements of the following provisions:

Sections: 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67,67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA
- (d) The trustee(s) have been nominated and may only be removed in such manner and circumstances as are allowed in the Trust Deed.
- (e) The trustees are not disqualified persons under s126K of the SISA.
- (f) Any vacancy among the trustee(s) is filled in accordance with the Trust Deed.
- (g) The trustee(s) have complied with all trustee standards set out in SISR and the covenant prescribed by section 52 of the SISA.
- (h) The trustee(s) have complied with all investment standards set out in the SISA and the SISR.
- (i) Information retention obligations have been complied with.

- (j) All contributions accepted and benefits paid have been in accordance with the governing rules of the fund and relevant provisions of the SISA and the SISR.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial report or to the Australian Taxation Office.

Commitments

- (a) There are no material commitments for construction or acquisition of property, plant and equipment to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
- (b) There were no commitments for purchase or sale of securities or assets or any options given by the fund including options over share capital.

Taxation

- (a) We have calculated income tax expense, current tax liability, deferred tax liability and deferred tax asset according to the definitions of taxable income and allowable deductions. We have calculated and recognised all other applicable taxes according to the relevant tax legislation.
- (b) There are no activities that invoke the anti-avoidance provisions of any applicable tax legislation.

Borrowings

The trustees have not borrowed money on behalf of the superannuation fund with the exception of borrowings which were allowable under the SIS Act and the SIS Regulations.

Related Parties

- (a) The fund has not made any loans to, or provided financial assistance to members of the fund or their relatives.
- (b) No asset has been acquired from a member or related party other than as permitted under the SISA and the SISR.
- (c) Related party transactions and related amounts receivable or payable have been properly disclosed in the financial statements.
- (d) All related party transactions have been conducted on commercial terms as if the transaction was undertaken on an arms length basis in accordance with section 109 of the SIS Act, **AND** those related party transactions do not contravene *practical Compliance Guidelines* issued by the Regulator regarding non arms length Income and non arms length expenditure.

Accounting Misstatement Detected by Audit

There has been no misstatement noted by audit during the course of the current year audit.

Insurance

The superannuation fund has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks where relevant. This review has been

performed and where it is considered appropriate, assets and insurable risks of the superannuation fund are adequately covered by insurance.

Accounting Estimates

We confirm the significant assumptions used in making accounting estimates are reasonable.

Fair Value Measurements and Disclosures

We confirm that significant assumptions used in fair value measurements and disclosures are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the fund.

Going Concern

In the opinion of the trustees there are reasonable grounds to believe that the superannuation fund will be able to:

- Pay its debts as and when they fall due.
- Continue as a going concern for the foreseeable future.

We, therefore, confirm that the going concern basis is appropriate for the financial report.

Events after Balance Sheet Date

We are not aware of any events that have occurred between the financial reporting date to the date of this letter that we need to disclose or recognise in the financial report.

Comparative Information

We confirm that there have been no restatements made to correct a material misstatement in the prior period financial report that affects the comparative information.

Fraud and Error

- (a) There has been no:
 - (i) Fraud, error, or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure.
 - (ii) Fraud, error, or non-compliance with laws and regulations that could have a material effect on the financial report.
 - (iii) Communication from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- (b) The superannuation fund has disclosed to the auditor all significant facts relating to any frauds or suspected frauds known to management that may have affected the superannuation fund.
- (c) The superannuation fund has disclosed to the auditor the results of its assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (d) The superannuation fund has disclosed to the auditor the results of its assessment of the risk that the financial report may be materially misstated as a result of fraud.

Legal Matters

We confirm that all matters that may result in legal action against the fund or the trustees in respect of the fund, have been discussed with a solicitor and brought to the attention of the auditor so that a solicitor's representation letter may be obtained.

General

- (a) Neither the superannuation fund nor any Trustees have any plans or intentions that may materially affect the book value or classification of assets and liabilities at balance sheet date.
- (b) The superannuation fund accepts responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- (c) There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
- (d) The superannuation fund has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

We understand that your examination was made in accordance with the Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the fund taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Additional Matters

There are no additional matters.

Signed by the Directors of R G Dunn Pty Ltd as Trustee for R G Dunn Superannuation Fund.

x 

Raymond George Dunn

Director

x 

Vicki Latham

Director