

Two Little Indians Superannuation Fund

Projected Investment Strategy

For the year ended 30 June 2021

Background

The Trustees of the Fund have devised this Investment strategy for the Fund considering the objective of the Fund and in line with the governing rules of the Fund and superannuation law. Through this investment strategy the Trustees are seeking to maximise the superannuation benefits for all its members of the Fund having regard to risk and reward of each type of investment.

Among other things, the Trustees have considered and determined that the Fund's current asset mix of assets are appropriate for its members for the financial year. Trustees have given regard to the members age and their in-ability to withdraw from the Fund their superannuation interests for retirement purposes in devising a strategy for the next financial year.

There are two members in the Fund. James Greville is 54 years of age and will be in accumulation phase for the next 6 years. His member balance as at 30 June 2020 was \$382,964.12. Victoria Garret is 54 years of age and will also be in accumulation phase for the next 6 years. Her member balance as at 30 June 2020 was \$380,889.81.

Investment Objective

To maximise returns and minimise the risks of investment of the Fund's assets in managing and providing superannuation benefits to members and their dependants in meeting their retirement needs.

To ensure all investments are consistent with the governing rules of the Fund and appropriate Superannuation Legislations and the Fund's investment strategy.

The Fund has invested in commercial property at 610 Stanley Street, Woolloongabba in order to earn regular rental income. This investment is held under a limited recourse borrowing arrangement. The Trustees continue to be satisfied that this strategy remains in accordance with their overall investment strategy.

The Fund also has a small portfolio of Australian listed securities which provide dividend income.

Risk & Return on Investments

Each investment decision will be made with due regard to the associated, risk and expected return. With this in mind, the Trustees will, from time to time, seek professional investment advice in order to assist in the process of determining what investments are suitable for the Fund and also taking into account the concerns of the members.

The overall strategy is to maximise the returns of the Fund's investments and minimise the exposure of risk from any particular investment, the Fund will try to maintain a diversified portfolio.

In making a decision on the types of investments made by the Fund, the Trustees have consulted with the members in this regard. They have taken into account the members overall risk profile and their concerns about various investment opportunities.

After discussions with the members of the Fund, the Trustees have determined that they will invest most of the Fund in direct property and Australian listed securities.

Liquidity of Fund's Assets

Each investment decision will be made with due regard to the cash flow requirements of the Fund. The Trustees will consider the liabilities (current and prospective) of the Fund and ensure adequate cash is maintained by the Fund to meet its liabilities as and when they fall due.

The Fund's liquidity needs will be considered at the time of each investment and also during the regular review of the Fund's portfolio and investment strategy.

The Trustees have considered and determined that the current investment provides the Fund with all the necessary expenses of the Fund for the next year.

The Trustees are aware that once members reach pension age, are temporarily or permanently disabled or they will need to withdraw from the Fund due to compassionate or other grounds, the Fund will need higher cash flows.

Asset Class

The Fund's asset classes as at the beginning of the year (1st July 2019) and as close of the year (30th June 2020) are as below with the Trustees asset allocation for the following year:

| Asset Class | Assets 1/07/2019 \$ | Assets 30/06/2020 \$ | Target Range (% of Total Fund Assets) |
|------------------------------|---------------------------|----------------------------|------------------------------------------|
| Australian Shares | 21,859 | 16,494 | 0 % - 30 % |
| International Shares | | | % - % |
| Cash | 10,985 | 9,788 | 0 % - 30 % |
| Australian Fixed Interest | | | % - % |
| International Fixed Interest | | | % - % |
| Mortgages | | | % - % |
| Direct Property | 1,100,000 | 1,100,000 | 60 % - 100 % |
| Listed Property | | | % - % |
| Other | 0 | 0 | 0 % - 10 % |

Insurance Cover

The Trustees will assess the need of insurance for all members and will seek financial insurance advice where necessary to ensure all members are adequately insured. Insurance policies may be held by the Fund or by members personally. Both members have life insurance cover in the Fund. These policies have been reviewed, and the Trustees have decided to continue with both policies.

Trustees have considered insurance for all the assets of the Fund against fire and other natural perils.

Review

This Fund's strategy will be reviewed regularly and updated if any modifications are required.

Approved at meeting of Trustees dated: 21 / 06 / 2021



James Greville
Director of Trustee Company
Two Little Indians Pty Ltd



Victoria Garrett
Director of Trustee Company
Two Little Indians Pty Ltd

Two Little Indians Superannuation Fund

Projected Investment Strategy – Memorandum of Resolution

For the year ended 30 June 2021

ADOPTION OF INVESTMENT STRATEGY: The investment strategy for the financial year 2020 - 21, formulated by the Trustees of the Fund to achieve investment objectives of the Fund having regard to the whole of the circumstances of the Fund was tabled. The following was discussed:

1. Risk & Return on Investments

Have Trustees considered the risk involved in making, holding and realising a single asset class with risk to likely return of the Fund, having regard to its objectives and its expected cash flow requirements for the next financial year.

2. Risk Associated with limited diversification

Have Trustees considered lack of diversification in this investment strategy, all associated risks due to inadequate diversification and considered the following:

- Current volatility and investment climate in local and international share market - loss of capital;
- Low interest rates offered by deposit taking entities & Banks;
- Age of members, members wishes etc;
- Quality of the current property investment, rental return.

3. Liquidity of the Fund's Assets

Have Trustees considered the liquidity of the Fund's investments having regard to its expected cash flow requirements in the next two years and considered the following;

- Ability of the Fund to discharge its existing and future liabilities;
- Ability of the Fund to make any LRBA loan repayments considering anticipated contributions from members;
- Cash inflow and Fund expenses from past investment performance of the Fund.

RESOLUTION: It was resolved to adopt the Investment Strategy as set out in the attached document and implement the strategy for the following year.

CLOSURE: Signed as a true record –

Date: 21 / 06 / 2021



James Greville
Director of Trustee Company
Two Little Indians Pty Ltd



Victoria Garrett
Director of Trustee Company
Two Little Indians Pty Ltd

TWO LITTLE INDIANS SUPERANNUATION FUND

BAS/IAS Lodgement Declaration

For the year ended 30 June 2020
Document ID: 43432925775

Privacy

Taxation laws authorise the ATO to collect information including personal information about individuals who may complete this form. For information about privacy and personal information go to ato.gov.au/privacy

Important

The tax law provides heavy penalties for false or misleading statements.

Declaration

I declare that:

- All of the information I have provided to the agent for the preparation of this document is true and correct
- I authorise the agent to give this document to the Commissioner of Taxation.



Date: 05 / 07 / 2021 /