

Investment Objectives and Strategy EJSJ Superannuation Fund Reviewed, 1st September 2019

Previous review: 23rd August 2018

Additions, deletions or changes since last review: None

Investment Strategy Overview.

- . Minimize Fees and Tax's
- . Maximize Long Term Returns
- . Balance risk against investment return
- . Protection of EJSJ wealth

Investment Objectives

The objective of the Fund is to maximise benefits for the purposes of providing benefits to members in accordance with Trust Deed governing the Fund.

The Trustee will:

1. at all times act prudently to pursue the maximum rate of return possible subject to acceptable risk
2. ensure a balance of diversification in assets
3. take into account the number of years to retirement of the members when considering investment options
4. have proper regard to the risks associated with the investments given the funds objectives and cash flow requirements.
5. invest to ensure sufficient liquidity is retained within the Fund to meet benefit payments and other liabilities as they fall due.

The Trustees before investing in a particular asset will have proper regard to the balance between the risk and return, so as to maximize the rate of return on member entitlements subject to an appropriate level of risk.

Investment Review

The Investment Objectives of the Fund will be reviewed annually and at such other times as a significant event occurs which affects the Fund.

Investment Strategy

With regard to the investment objectives outlined above the Trustees will pursue an investment strategy aimed at accumulating wealth over the long term via a diversified portfolio mix of the Australian Shares, cash and the future possibility of direct property and precious metals.. EJSJ will in most instances , not participate in any Dividend Reinvestment Plan (DRP) solely due to the additional cost base administration for CGT.

The Australian shares will be limited to direct investment using an online trading account.

The cash asset will consist of one or more of the following:

1. Financial institution account allowing electronic funds transfer
2. on call cash management
3. fixed interest term deposits
4. bonds
5. cash management trusts.

Likely returns from asset class's

The return from:

- . Cash deposits will be at Lending Institution rates.

- . ASX shares will be dividends and growth.
- . Non yielding shares will be growth only.

Cash flow requirements

It is anticipated that the SMSF will have not less than 3 monthly cash deposits from salary sacrifice arrangements from the employer(s) of the trustee(s).

All dividends from shares will also be deposited into the cash accounts electronically and automatically by the Share fund manager.

The minimum "on call" cash balance of the SMSF will typically not fall below \$10,000 and will always have sufficient funds to meet its obligations.

Investment Range

The Trustees consider each asset class will be considered on its own investment merits having regard to an appropriate degree of diversification but this investment strategy is aligned to Australian Shares and Cash and with the possibility of direct property purchase in the future and physical precious metals.

Share Asset Investment Strategy

A single share asset strategy will not be adopted by the Fund. Share diversification will occur in ASX Shares in companies across several sectors will be targeted.

There will also be a minimal amount (<10% of SMSF) of non yielding high growth shares. All tax liabilities associated with share trading will be held as cash.

Arms Length Basis

All investments by the Fund will be on an arms length basis and will be acquired, maintained or disposed of on commercial terms at market rates of returns.

The Trustee considers that this investment strategy will fulfil the principal objective of maximising member returns having regard to risk and is consistent with the investment objectives of the Fund.

Borrowing to invest in assets.

The trustees will not borrow money to invest in assets in the SMSF.

Loan of money.

The trustees will not loan money to any party from the SMSF.

Member Life Insurance.

After careful consideration, member life insurance will not be required for the EJSJ members due to personal circumstances in regard to wealth, minimal liabilities and stage of life in regard to dependants.

Deveries

1/9/19

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1/9/2019