

Wright Bros Superannuation Fund

(“The Fund”)

SMSF Investment Strategy

Trustee:

John Wright

Katrina Wright

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COMPLIANCE

The directors of the corporate trustee are required to prepare an investment strategy (or strategies) that provide a framework for making investment decisions to increase members' benefits for their retirement. This duty is codified in section 52(2)(f) of the Superannuation Industry (Supervision) Act 1993 ("SIS Act") and is an operating standard set out in SIS Regulation 4.09, which applied to all trustees.

This investment strategy report considers, at the fund level:

- the risk and likely return from investments;
- the diversification of the investments;
- the liquidity and cash flow requirements;
- the ability of the fund to discharge its liabilities; and
- whether a contract of insurance that provides cover for one or more members is required

This written investment strategy has been prepared to demonstrate that investment decisions comply with the strategy and the various superannuation laws including:

- Sole Purpose test;
- Restrictions on investments and acquisitions from members;
- Ownership and protection of assets;
- Lending to members;
- Placing charges over fund assets (with limited exceptions);
- Investing in collectables and personal use assets
- Investments being made on an arm's length basis; and
- Restrictions on holdings of in-house assets

Complying Status

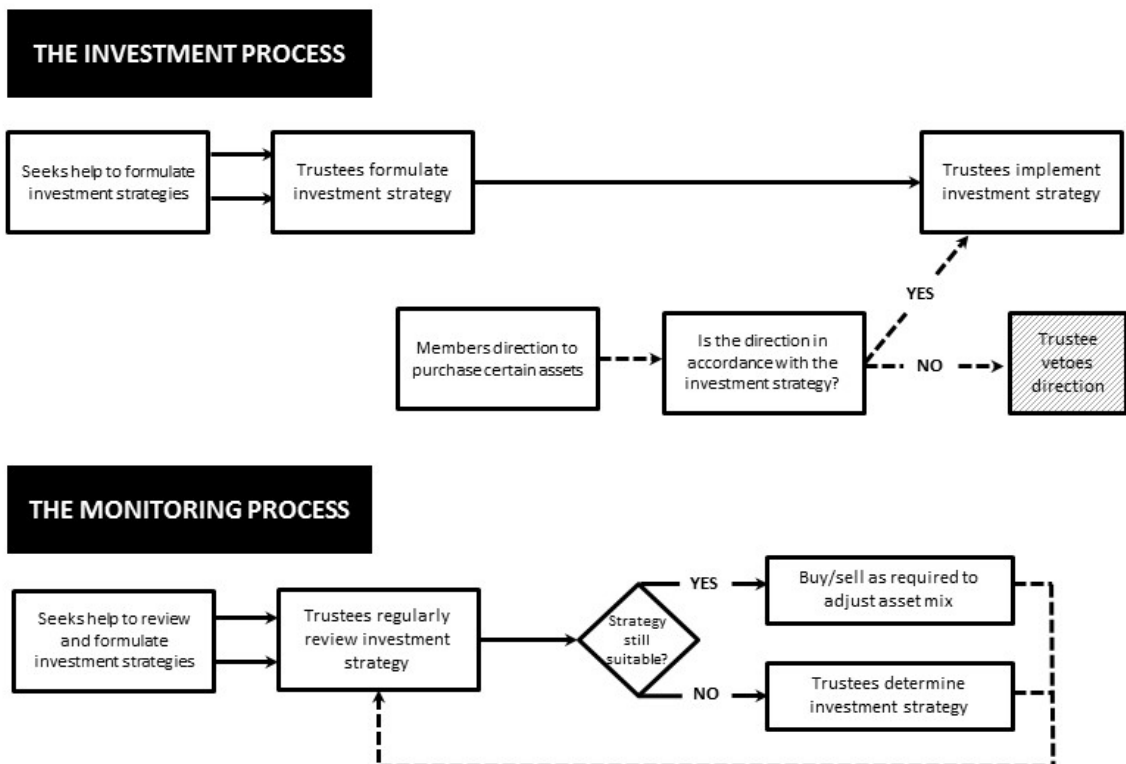
The Fund is an Australian Superannuation Fund as defined in subsection 295-95(2) of the Income Tax Assessment Act 1997 and Section 45 of the Superannuation Industry (Supervision) Act 1993 ("SIS Act").

ONGOING MONITORING

The obligation for the trustee to formulate and implement an investment strategy also requires the trustee to monitor and regularly review the investment strategy on an ongoing basis to help ensure that the investments made by the trustees continue to be consistent with the investment strategy. Where this is not the case, the trustees will be required to amend the investment strategy to reflect the change in the investment approach.

It is envisaged that the trustees will review the investment strategy of the fund on an annual basis and will table the review process at a meeting of the fund's trustees.

The following diagram illustrates the initial and ongoing process of the trustee(s):



FUND PROFILE

Fund Benefit Design:	Accumulation Fund
Fund Structure	Self-Managed Super Fund (SMSF)
Current Fund Assets (\$):	\$701,046.82
Number of Fund Members:	2
Fund Phase:	Accumulation
Time horizon of the Fund:	30 years
Member directed investments	No (Pooled)

Age profile

Age	Number of Members
Less than 40 years	
41-49 years	
50-59 years	2
60-64 years	
65-69 years	
70 years and over	

Membership growth (if applicable)

Years	Number of Members
One	
Two	
Five	

FUND OBJECTIVES

Specific Objectives

- ❑ To provide real long term (minimum of 20 years) capital growth of at least 2.5% compounded and a level of income no less than 5%. It is expected that the fund may incur occasional negative returns in any one year.

General Objectives

- ❑ To provide retirement benefit for the members. In the event of the members' death before retirement, to provide benefits for the dependants of the members.
- ❑ To ensure that sufficient assets will be available to meet benefit payments when those payments are due to be paid (solvency).
- ❑ To ensure that sufficient liquid assets will be available to meet benefit payments as and when those payments are due to be paid (liquidity).

RISK PROFILE

Risk Tolerance

- ❑ The Fund has a relatively long time horizon. The members are prepared to endure a reasonable level of volatility of returns in expectation of long term growth.

Statement on Risk:

- ❑ Investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members' benefits on withdrawal.

DIVERSIFICATION

- ❑ The Fund is looking to invest primarily in one real property. The Trustee recognises that the Fund is subject to a high level of property specific risks. The Trustee considers that real property is a secure investment with the prospect of long term capital appreciation while generating steady income growth.

Indicative asset mix and asset class strategic ranges formulated

Asset Class	Strategic Ranges		Benchmark %
	From %	To %	
Australian Shares	%	%	%
Australian Fixed Interest (inc. deposits 12 months & over)	%	%	%
Cash (CMT, Deposits < 12 months, A/c balances)	0 %	20 %	10%
Direct Property	0 %	95 %	90%
International Shares	%	%	%
International Fixed Interest (inc. deposits 12 months & over)	%	%	%
Listed Property	%	%	%
Mortgages	0 %	10 %	%
Other	0 %	10 %	%
			100 %

LIQUIDITY

Statement on Liquidity

- ❑ There is no anticipated benefit payment in the next 20 years. Surplus cash (above anticipated liquidity requirements) will be invested in accordance with the Fund's investment strategy.
- ❑ The fund will enter into a Limited Recourse Borrowing Arrangement (LRBA). The Trustee will monitor the liquidity position to ensure that there will be sufficient liquid assets to meet loan repayments in accordance with the terms and conditions of the lender.

ABILITY OF FUND TO DISCHARGE EXISTING AND PROSPECTIVE LIABILITIES

- ❑ Sufficient cash flow will be maintained to discharge administration expenses, borrowing costs (where applicable) and other outgoings. The Fund is a defined contribution fund and the members are entitled to the accumulation of contributions and earnings in the members' account on withdrawal. The Fund will be able to meet its obligations to the members and other parties at all times.

INSURANCE CONSIDERATIONS

Member insurance:

- ❑ The trustees are satisfied that the members have appropriate levels of insurance outside of the Fund.

DERIVATIVE RISK STATEMENT (DRS)

- ❑ The fund does not invest in derivatives

RESERVES MANAGEMENT STRATEGY

- ❑ The fund does not operate reserves

IMPLEMENTATION OF INVESTMENT STRATEGY

Professional Advice

- ❑ The trustees have the sufficient expertise in formulating and implementing the fund's investment strategy.

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

Trustee Signature: _____ Date: 9/11/23

Name: John Wright

Trustee Signature: _____ Date: 9/11/2023

Name: Katrina Wright