

*THE MINUTES OF THE TRUSTEE MEETING
OF THE B&A DAVIES SUPERANNUATION FUND
HELD BY THE DIRECTORS OF THE TRUSTEE COMPANY
B&A DAVIES SUPERANNUATION FUND PTY*

Held at: 7 Hillview Avenue, Panorama, SA 5041

Date: 23rd May 2022

Chairman: Benjamin Davies

Present: Benjamin Davies
Alexandra Davies

General Business:

The Trustee considered the requirement under the Superannuation Industry (Supervision) Act 1993 to formulate an investment strategy for the fund.

The following investment strategy replaces the previous investment strategy.

The trustee indicated that the investment strategy is appropriate, taking into account risk, return, diversification, liquidity, investment objective and the ability of the fund to discharge its liabilities.

Resolution: the trustee resolved that the investment strategy be adopted.

Declaration: the trustee hereby declares that these minutes are a true and correct record.

Acknowledgement: the trustee acknowledges that they are not a disqualified persons under any laws. The trustee further acknowledges that they have capacity at law to act as trustee and consents to act as trustee

Closure: there being no further business the meeting closed.


_____ Date 23rd May 2022
Benjamin Davies as Director of the Trustee Company


_____ Date 23rd May 2022
Alexandra Davies as Director of the Trustee Company

INVESTMENT STRATEGY

FOR THE

B&A DAVIES SUPERANNUATION FUND

AS AT

23rd DAY OF May 2022

MEMBERS & TRUSTEE

Director Trustee: Benjamin Davies
Alexandra Davies

Members: Benjamin Davies
Alexandra Davies

FUND OBJECTIVES

- To provide benefits for the member in retirement
- To ensure all investments are made in accordance with the trust deed and relevant legislation
- To secure member benefits through prudent investments having regard to the whole of the circumstances of the fund.

INVESTMENT OBJECTIVES

- To aim to obtain a level of return that exceeds inflation over the long-term in order to protect the real value of the member's benefits while mitigating, wherever possible, the risks associated with the fund investments.
- That the deployment of the fund's investments must be appropriate to meet cash flow requirements, including the need to pay benefits, tax and accountancy fees when they are likely to fall due.
- To diversify the investments by use of asset allocation both within sectors and underlying investments and within the fund to reduce risk.

INVESTMENT STRATEGY – ALLOWABLE INVESTMENTS

- a. To invest in assets only allowed by the Trust Deed and not prohibited by the SIS Legislation which meets the objectives outlined above. The trustee resolved that this could include, but not be limited to the following type of investments, provided that the fund would maintain its tax concessional status as a result of such investments.
- I Any shares, notes, options, debentures, hybrids or other securities
 - II Deposits with any bank, building society, companies or trust funds.
 - III Unit of any unit trust, property trust or common fund
 - IV Any securities or bonds of any government, Semi-government body or public authority.
 - V Commercial or Residential rental property.
 - VI Any Investments authorised by law for the investment of trust funds.
 - VII Any mortgage of a charge on freehold or leasehold lands.
 - VIII Real or personal property.
 - IX Any policies of life insurance

DIVERSIFICATION RESTRICTIONS

- b. The trustee resolved that the following maximum limits on any individual investment not to be exceeded.
- I Property
Not more than 40% of total assets in any one direct property investment.
 - II Shares listed on Australian Stock Exchange and in unlisted Australian Companies
Not more than 30% of total assets invested in any one company.
 - III Option, Warrants and other Derivatives
Investment in any type of derivative, including warrants, foreign exchange, options exchange traded options, hedge funds, commodities CFD's etc may if appropriate form part of the investment strategy, subject to the following. If the fund enters into investing in derivative positions a separate Derivatives Risk Statement will be prepared by the trustee prior to transactions commencing and should be read in conjunction with this investment strategy.

RISK PROFILE

- c. Given the member's age and their wish to pursue a growth attitude to risk, the trustee has directed that the fund should have a larger exposure towards growth orientated investments, such as shares and property rather than cash and fixed interest style investments. This strategy may result in fluctuations of return from year to year and the asset allocation will vary from time to time at the discretion of the trustee after considering advice from their investment advisers.
- d. A minimum cash position will be maintained in order to meet annual liabilities.
- e. The trustee resolved to monitor and if necessary, review its superannuation fund investment strategy and objectives from time to time.

INVESTMENT ALLOCATION STRATEGY

- f. The investment strategy is the method to be implemented in order for the trustee to achieve the investment objective. The investment strategy of the trustee is to invest the superannuation fund's assets in the following manner:

<i>Asset Class</i>	Lower Investment Range	Trustee Benchmark	Upper Investment Range
<i>Australian Equities</i>	15.00%	31.00%	70.00%
<i>International Equities</i>	10.00%	30.00%	60.00%
<i>Property</i>	0.00%	9.00%	25.00%
<i>Cash</i>	1.00%	4.00%	100.00%
<i>Australian Fixed Interest</i>	0.00%	14.00%	30.00%
<i>International Fixed Interest</i>	0.00%	12.00%	30.00%
<i>Alternatives</i>	0.00%	0.00%	15.00%

These ranges are purely indicative, and the trustee may vary the allocation at any time if satisfied that conditions warrant such a change.

In formulating the above investment strategy, the trustee has taken account of:

- The risk and return of the investments.
- Diversification strategies.
- Cash flow and liquidity needs to meet its liabilities.

- g. In arriving at the investment strategy, the trustee considered the following:

Shares: The main risk of shares is the volatility in the value of the shares. In respect of risk, any shares included in the portfolio will be as part of a well-diversified portfolio and this should help reduce the volatility in the portfolio. Any shares the trustee holds from time to time will be held for the longer-term (i.e. aiming for between three and five years) and should not be required to be sold in the short-term. However, this does

not prevent the trustee from cashing out of an investment should the individual share or sector, in the trustee's opinion, become inappropriate to be included in the portfolio.

Equity based Managed Funds: the main risk with investing in equity based managed funds is the volatile nature of the underlying investments (shares) leading to volatility in their unit prices affecting the value of the investment. In relation to the risk, any investment into managed funds included within the portfolio will be into a range of managers and investment sectors or into managed funds that invest into a range of assets themselves to diversify the portfolio. Any managed funds the trustee holds from time to time will be held for the longer-term (i.e. aiming for between three and five years) and should not be required to be sold in the short-term. However, this does not prevent the trustee from cashing out of an investment should the sector or fund manager, in the trustee's opinion, become inappropriate to be included in the portfolio.

Property based Managed Funds: The main risk with investing in Property based managed funds is the volatile nature of the underlying investments (Property) leading to volatility in their unit prices affecting the value of the investment. In relation to the risk, any investment into managed funds included within the portfolio will be into a range of managers and investment sectors or into managed funds that invest into a range of assets themselves to diversify the portfolio. Any managed funds the trustee holds from time to time will be held for the longer-term (i.e. aiming for between three and five years) and should not be required to be sold in the short-term. However, this does not prevent the trustee from cashing out of an investment should the sector or fund manager, in the trustee's opinion, become inappropriate to be included in the portfolio.

Direct Property: The main risk with investing into direct property is the illiquid nature of the investment and the potential for external circumstance affecting the value of the property, such as poor tenants and poor local property market conditions. In relation to the risk, any investment into direct property included within the portfolio will be into property carefully selected by the trustee to minimise the external risks. Any direct property the trustee holds from time to time will be held for the longer-term (i.e. aiming for more than five years) and should not be required to be sold in the short-term. However, this does not prevent the trustee from cashing out of an investment should the sector, in the trustee's opinion, become inappropriate to be included in the portfolio.

Direct Fixed Interest and Fixed Interest based Managed Funds (including corporate bonds): The main risk with investing in Fixed Interest and Fixed Interest based managed funds is the exposure to interest rate risk of the underlying investments (Fixed Interest Securities). This can lead to some volatility in their price or unit price affecting the value of the investment. In relation to the risk, any investment into directly held fixed interest and fixed interest managed funds included within the portfolio will be into a range of directly held investments and/or investment managers and investment sectors or into managed funds that invest into a range of assets

themselves to diversify the portfolio. Any direct investments or managed funds the trustee holds from time to time will be held for the longer-term (i.e. aiming for between three and five years) and should not be required to be sold in the short-term. However, this does not prevent the trustee from cashing out of an investment should the investment, sector or fund manager, in the trustee's opinion, become inappropriate to be included within the portfolio.

Cash Management Trusts: The main risk to cash management trusts is the volatility of the assets in which the manager invests. In relation to risk, any investments into Cash Management Trusts will be into trusts that invest in a variety of bank-backed securities that are AAA rated. Any Cash Management Trusts the Trustee invests into will be to achieve higher investment returns than can be obtained in transaction accounts with cash required for liquidity purposes.

Cash Management Accounts: These are bank backed accounts with similar investment qualities as a Cash Management Trust but are reasonably risk free as they are backed by the financial institution that the account is held with. Any Cash Management Accounts the Trustee invests into will be to achieve higher investment returns than can be obtained in transaction accounts with cash required for liquidity purposes.

Term Deposit Accounts: These are bank backed accounts with similar investment qualities as a Cash Management Account but are reasonably risk free as they are backed by the financial institution that the account is held with. Any Term Deposit Accounts the Trustee invests into will be with the aim of achieving higher investment returns than can be obtained in Cash Management Trusts or Account with cash not required for immediate liquidity purposes. Term Deposits may also be used as an alternative to Fixed Interest investments, if the trustee deems it appropriate to do so.

DIVERSIFICATION OF INVESTMENT STRATEGY

- h. The trustee has considered the diversification of the superannuation fund's investments and is of the opinion that the strategy is appropriate given the size of the Superannuation fund in terms of both investments and the number of members.

LIQUIDITY OF THE INVESTMENT STRATEGY

- i. The trustee is of the opinion that the investment strategy is structured in such a manner that the fund is sufficiently liquid to discharge its current and future liabilities. Short-term liabilities can include lump sum payments, pension payments, tax liabilities, annual return fees, accounting and audit fees. The trustee does not anticipate the membership of the fund falling in the short-term. If, however the member terminates membership, the trustee can liquidate assets or if necessary, pay benefits 'in specie'.

The trustee believe that the investment strategy is appropriate, taking into account risk, potential portfolio return, diversification, liquidity and the ability of the fund to discharge its liabilities.

INSURANCE STRATEGY

j. In formulating and giving effect to the investment strategy, the trustee has reviewed the insurance requirements of the member. In particular, before making a decision the trustee has taken account of the following:

- The financial position of the member
- The member has no financial dependents
- The age, health and risks faced by the member
- The member's desire for cover

With due regard to the above, the trustee considered whether to hold a contract or contracts of insurance, on the life of the member, that provides Life and or Total and Permanent Disability and or Income Protection/Salary Continuance cover on the life of the member of the fund. As a result of the trustee's deliberations, it was resolved that because the trustee believe the members have sufficient cover outside of the SMSF, further insurance cover is not desired or necessary. Furthermore, the trustee are of the opinion that taking account of the age of the member, the cost of cover (if available at all) would be detrimental to the key objective of providing retirement benefits.

ONGOING REVIEWS

The trustee will continue to monitor the investment performance of the fund's assets. The review will be carried out at least annually.

Signed as a true and correct copy

	23 rd Day of May 2022
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Benjamin Davies as Director of the Trustee Company

Signed as a true and correct copy

	23 rd Day of May 2022
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Alexandra Davies as Director of the Trustee Company