

RUSSELL SUPERANNUATION FUND

INVESTMENT STRATEGY

Purpose of the fund

The purpose of RUSSELL SUPERANNUATION FUND is to provide retirement benefits for members and their dependants. Benefits are provided through the maintenance of an accumulation account for each member and the payment of lump sums and Account Based Pensions when a member satisfies a condition of release and requests a benefit.

Membership Profile

| Member Name | Date of Birth | Account Profile |
|-----------------------|---------------|-----------------|
| Trevor Robert Russell | 24/05/1960 | Full Pension |

Risk Profile

The risk from the investments of the fund and the benefits from returns on such investments is borne by the member. The Trustee/s are aware of the risk profile the member, and this has been considered in setting an appropriate risk/return trade-off for the investments selected.

Liquidity

The Trustee/s acknowledge the fund needs to have sufficient liquidity to pay the funds ongoing expenses, tax liabilities and member benefits. The Trustee/s will ensure the fund retains enough liquidity to meet these needs by holding adequate cash reserves or assets that can be liquidated in a timely manner.

The member of the fund is in full pension phase. To ensure liquidity for regular pension payments the Trustee/s have focused on investments with strong income yields.

Diversification

In determining investments, the Trustee/s have had regard to appropriate levels of diversification to manage and control the risk and volatility of returns accruing from different asset classes. Diversification is usually obtained by investing across a range of asset classes, investing in a number of assets within a single asset class, investing in different markets (i.e Australia and Overseas) or investing in different funds with different management styles.

The Trustee/s acknowledge their preference for Fixed Interest and Australian Shares over other asset classes. This is based on the Trustee/s own knowledge and experience, availability to reliable research and strong income paying stocks which generally have refundable franking credits. The Trustee/s believe they can appropriately diversify within the Australian Shares asset class by choosing stocks from a variety of industry sectors.

Asset Allocation

The targeted asset allocation takes into account the liquidity needs of the fund, asset diversification and investment timeframes. The following asset classes and ranges will be targeted by the Trustee/s:

| Asset Class | Indicative Long Term Range |
|---|----------------------------|
| Cash & Fixed Interest | 10-40% |
| Australian Shares | 30-70% |
| International Shares | 0-20% |
| Property Trusts/Funds | 0-20% |
| Direct Property | 0% |
| Other (collectables, gold, silver, etc) | 0% |

Time Frame

The Trustee/s have considered the age of the member/s and the time frame for investments is medium-term (5-7 years). As the member has reached retirement age (65-67 years of age) and is in full pension phase, investments with strong income yields have mainly been chosen to fund pension payments and to allow the fund to hold onto investments without the need to regularly sell down investments to meet liquidity needs.

Insurance

The Trustee/s have considered the insurance needs of the fund's member, the fund's liquidity requirements and other risks in the event of the death or disablement of a member, and where required have obtained the appropriate type and level of insurance. The Trustee/s will review the insurance needs of each member on an on-going basis and amend, acquire or cancel policies as required.

Adopted as the investment strategy for RUSSELL SUPERANNUATION FUND

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DocuSigned by:

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Name: Trevor Robert Russell

07 October 2022

Date