

Hughes Superannuation Fund

Minutes of the Annual Meeting of the Trustees of the Hughes Superannuation Fund

Venue	15 / 14-18 Coonanbarra Road, Wahroonga NSW 2076
Date	21 July 2021
Present	Geoffrey Wilson Hughes Roberta Ruth Hughes
Chair	Geoffrey Wilson Hughes

Maintenance of the Hughes Superannuation Fund

- 1 **Resolved** that the Hughes Superannuation Fund be maintained with the sole or primary purpose of providing pensions for the members of the Fund during their retirement.
- 2 **Resolved** that the persons present continue to act as Trustees of the fund in accordance with the Trust Deed.
- 3 **Resolved** that Shuriken Consulting be retained as Fund Accountant and as the contact address for the Fund.
- 4 **Resolved** that the St George Bank accounts in the name of the Hughes Superannuation Fund be continued, and that the accounts be operated by either of the Trustees.
- 5 **Resolved** that all investments, including cash, shares, hybrid notes, managed funds and term deposits, be established or continued in the name of the Hughes Superannuation Fund with operation by either of the Trustees.
- 6 **Resolved** that either of the Trustees may sign receipts, acceptances, applications, contracts and other documents on the Fund's behalf.
- 7 **Resolved** that Shuriken Consulting be retained to audit the Fund.
- 8 The need for death and disablement insurance for the Fund's members was discussed. As the Fund has only two members who have only minor debts, no dependants, adequate private health cover and adequate funds for funeral expenses, it was **resolved** that the Fund currently provides an adequate resource and that death and disablement insurance will not be required.

Investment Objectives

- 9 **Resolved** that the Fund should continue to have the following investment objectives:
 - to achieve a long term investment return in excess of inflation
 - to hold assets in a form to enable the Fund to discharge existing and future liabilities in a manner which satisfies the members.

Investment Strategy

10 **Resolved** that the Fund will have the ability to invest in the following areas:

- direct equities and stocks, including participation in dividend reinvestment programs and rights issues or any other similar investments offered in this area;
- property trusts and associated investments;
- managed investments and associated products;
- direct property investments; and
- any other investment that is legal under the laws of the Commonwealth of Australia and its States and Territories.

11 **Resolved** that in determining this strategy, the Trustees will:

- consider in respect of each of the Fund's investments, the requirement that the investment should be in accordance with the Fund's investment objectives and relevant legislation.
- consider in respect of each investment, the risk to the Fund and its members of acquiring it, the diversification of the investment in relation to all of the other investments owned by the Fund, the liquidity requirements of the Fund in meeting its liabilities and the effect that this investment will have on those requirements and all matters relating to the prudential nature of the investment after having assessed the entire financial position of the Fund.
- ensure that all the Fund's investments are monitored and continue to comply with this strategy and the relevant legislation. The Trustees reserve the right to alter this strategy at any time to better suit the changing investment climate.

Specific Investment Guidelines

12 **Resolved** that the following guidelines continue to be adopted

- **Risk and Rate of Return**

It is recognised that the timing of entering into the investment and the duration for holding the investment will affect returns. Different investments have different returns and volatility.

The Trustees of the Fund have a strong emphasis on preserving the Fund's capital. However, many sound investments are not capital guaranteed.

Security of capital has to be tempered with the need to achieve the desired rate of return. Therefore, even assets that show volatility may be of benefit to the Fund.

Return from Investment in equities will include dividends and capital appreciation. Equities will generally be held for the medium term, but some may be sold earlier if the capital value begins to deteriorate.

The Trustees are vigilant to balance these two objectives - protecting the capital and growing the value of the Fund by obtaining an acceptable rate of return.

- **Diversity of the Members' Funds**

The Trustees are mindful of the need to hold a diversity of investments to minimise risk, where possible, although this needs to be tempered by the availability of quality investments at a purchase price that represents value, the general economic climate, the state of the market, the reliability of investment data and liquidity requirements for pension payments.

The Trustees may change the spread of investments (even on a daily basis). However, the Fund's target investment spread is:

Asset	Range (%)
Cash	0 - 100%
Australian Fixed Interest	0 - 30%
International Fixed Interest	0 - 10%
Australian Equities	0 - 100%
International Equities	0 - 100%
Property	NIL
Residential property, either direct or in a unit trust	NIL
Other investments (considered on a case by case basis) such as agribusiness	NIL
Total	100%

- **Required Rate of Return**

The Trustees seek an overall investment return for the Fund in the 3-5 year term (medium term) of at least 3% above the average rate of inflation over that period. As market forces will impact the rate of return achieved at any given time, higher returns without undue risk will be targeted when conditions permit in order to offset potential low or negative returns at other times.

- **Trustees' Obligations**

The Trustees will ensure that the Fund meets the legislated standards to continue to obtain concessional taxation status on the income.

The Trustees will consider the tax consequences of all investments. Tax-advantaged products may reduce the Fund's taxation burden. Tax is one of the Trustees' relevant concerns.

The Trustees acknowledge that members' benefits are a liability of the Fund. The Trustees have to give thought to the level of benefit required to be paid to the members. The Trustees will examine investments with due consideration of this requirement.

- **Paying Debts**

The Trustees will pay tax, expenses and benefits within the prescribed periods. The Trustees will ensure that the Fund holds sufficient cash to meet such obligations. Moneys will also be kept in reserve to meet the risk and reward objectives of the Fund.

- **Cost of Investing**

The Trustees will minimise the costs of investing. However, at times upfront investment costs are payable in order to obtain the best investment products that fit into this investment strategy. Exit costs and penalties may also be part of the cost of carrying out this investment strategy.

- **Investments**

Cash

Money can be held in kind, in banks, building societies, lending institutions and cash management accounts.

Australian Shares

These include listed and unlisted securities including shares, warrants, derivatives, derivatives securities and managed funds.

Australian Fixed Interest

These include deposits in banks, building societies, lending institutions, cash management accounts, government and non-government bonds, bank bills, debentures, corporate notes and specialist fixed interest funds.

International Shares

These include investments directly or indirectly in listed and unlisted shares from around the world including listed and unlisted securities including shares, warrants, derivatives, derivatives securities and managed funds.

Property

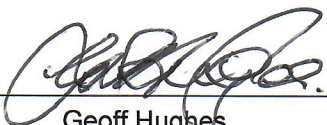
This includes both direct and indirect investments in listed and unlisted property trusts and property securities funds.

Review

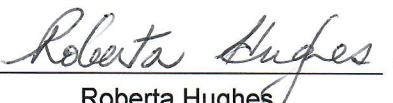
The trustees will review this strategy as required.

There being no further matters to discuss, the meeting was closed.

Signed as a true record of the meeting:

Chairperson:  Date: 21 July 2021
Geoff Hughes

Agreed:

Trustee:  Date: 21 July 2021
Roberta Hughes