

THE PFEIFFER SUPERANNUATION FUND

MINUTES OF THE MEETING OF THE TRUSTEES

Venue: 23 Tynte St, NORTH ADELAIDE, SA.

Date: 27/06/2014

Trustees: Beverley Pfeiffer. Kjersti Selnes

Present: Beverley Pfeiffer, Kjersti Selnes

Chair: Beverley Pfeiffer

The trustees have resolved that the following Investment Strategy be adopted, regularly reviewed, and implemented for the Pfeiffer Superannuation Fund.

Investment Strategy

As per Regulation 4.09 of the Superannuation Industry Supervision (SIS) Regulations, this investment strategy has been formulated by the trustees with specific regard to:

- the risk and likely return from its investments having regard to the objectives of the fund and its cash flow requirements;
- the composition of the fund's investments as a whole, including the extent to which they are diverse or involve exposure of the fund to risks from inadequate diversification;
- the liquidity of the fund's investments, having regard to its expected cash flow requirements;
- the ability of the fund to discharge its existing and prospective liabilities;
- whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

Investment Objectives:

The investment objectives of the Pfeiffer Superannuation Fund are as follows:

- To target a total annual real return above the Australian inflation rate. For example, if the Australian inflation rate for the financial year is 3%, the return objective for the year would be to exceed at least 3%.
- To preserve the capital of the fund as much as possible through the investment cycle, whilst paying out income streams to members in the pension phase of the fund.

Cash Flow Requirements:

As some or all members of the fund are in the Pension phase, the cash flow requirements of the fund will include pension payments and expenses of the fund.

Composition of Investments:

Asset Allocation:

The trustees will invest in a diversified portfolio of assets from across three broad types of investments, according to the trustee's assessment of risk and likely returns

from each asset at any point in time, and taking into account the objectives and cash flow requirements of the fund:

- **Secure assets:** these are highly secure with a very low risk of capital loss such as Cash and Term Deposits.
- **Defensive assets:** these are defensive assets with fixed income characteristics, however with added price and/or default risks of varying degrees. This includes Government bonds, investment grade corporate bonds & subordinated debt, mortgage trusts etc.
- **Risk assets:** these offer the highest potential returns but also the highest volatility and risk of permanent capital loss. This includes Australian and international equities, property trusts, direct property, commodities, currencies, collectibles, and derivatives.

Diversification between asset classes and within each asset class will reduce concentration and underperformance risk.

The trustees will use a strategic approach to allocating to the different types of assets, attempting to take advantage of positive market conditions where they exist, but also to attempt to manage risk in negative market conditions.

However, this is managed within the framework of the following allocation limits;

	Min	Max
Secure Assets	%	%
Defensive Assets	%	%
Risk Assets	%	%

Further to this, the trustees will limit investment in the various Risk assets to the following maximum limits:

	Maximum fund investment
Equities	%
Property	%
Collectibles	%
Commodities	%
Currencies	%

Exposure to any asset class includes both Australian and International based assets, and can be either via direct investments (either listed on an exchange or not), managed investments, or via derivative contracts (either exchange traded or over-the-counter). The trustees believe the demonstrated returns available from Equities and property over a long term are worthy of the risks associated therewith.

Investment Selection:

The trustees will draw on a range of research sources to generate individual investment ideas, in line with the overall strategy.

Liquidity to meet cash flow requirements

As some, or all, members are in the Pension phase, the cash flow requirements of the fund (as stated above) will include consideration to the payment of minimum pensions each year.

The trustees will maintain sufficient cash balance in the fund's bank account to meet its short term cash flow requirements when they fall due.

In the longer term, the trustee appreciates the reality of needing to either sell property and/or equities or distribute the property in specie to enable the Trustee to meet its benefit payment obligations.

Ability of the fund to discharge its existing and prospective liabilities

As some, or all, members of the fund are in the Pension phase, the existing and prospective liabilities of the fund will include:

- pension liabilities paid on a regular basis; and
- expenses that are paid on a semi regular basis; and
- death benefits from the unexpected death of a member where a death benefit nomination requires benefit payments to beneficiaries.

The composition and liquidity of all investments will ensure that all existing and prospective liabilities of the fund can be met through sale or in specie distribution.

Insurance for members

The trustees have considered if the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

Based on assessment by the trustees, and taking into account the age of the members any other insurance the members may already hold, the trustees have concluded that it holds the following insurance covers for the members:

Member	Insurance Type	Amount
Beverley Pfeiffer	Death	\$0
	Total & Permanent Disablement	\$0
	Income Protection	\$0
Kjersti Selnes	Death	\$0
	Total & Permanent Disablement	\$0
	Income Protection	\$0

Signed :



Ms Beverley Pfeiffer

Ms Kjersti Selnes

Trustees of the Pfeiffer Superannuation Fund

Date : 27/06/2014