

Graham Family Superannuation Fund

ABN 84 736 611 675

Minutes of the Meeting of the Trustees to Adopt Investment Strategy

Held at 30 Parkers Beach Road, Koonya, TAS, 7187

Date: 2nd July 2020

Present: Robert Earle Graham, , Karen Patricia Graham, Thomas Edward Gordon Graham and Helen Lindsey Hilliard

Adoption of Investment Strategy

The chairperson tabled the investment strategy for the financial year , fomulated by the trustees of the fund to achieve the investment objectives of the fund having regard to the whole of the circumstances. The following were dscussed.

1. Risk and Return on Investments

The trustees have considered the risk involved in making, holding and realising a single class with risk to likely return of the fund, having regard to its objectives and its expected cash flow requirements for the next financial year.

2. Risk Associated with limited diversification

The trustees having considered the lack of diverfication in this investment strategy, all associate risks due to inadequate diverification and considered the following:

- current volatility and investment climate in the local and international share market - loss of captial;
- low interest rates offered by deposit taking entities and banks;
- age of members and members wishes etc;
- quality of the current property investment and the rate of rental return.

3. Liquidity of the assets

The trustees have considered the liquidity of the fund's investments having regard to its expected cash flow requirements in the next year and considered the following;

- ability of the fund to discharge its exisitng and future liabilites;
- ability of the fund to make any LRBA loan repayments considering thew anticipated contributions from members;
- cash inflow and funds rexpenses from past investment performance of the fund.

Resolution

The trustees of the Graham Family Superannuation Fund do hereby resolve as follows:
The trustees agreed to adopt the investment strategy of the fund as tabled and to implement the investment strategy in this year.

The investment objectives and the strategy considered are shown below:

Investment objectives

- 1 Resolved that the fund have the following investment objectives:
 - an investment return in excess of inflation, that is, in excess of the Consumer Price Index (All Groups Weighted Average);

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Investment Strategy as at 2nd July 2020

Background

The Trustees of the fund have devised this Investment strategy for the fund considering the objective of the fund and in line with the governing rules of the fund and superannuation law. Through this investment strategy the trustees are seeking to maximise the superannuation benefits for all its members of the fund having regard to risk and reward of each type of investment.

Among other things, the Trustees have considered and determined that the funds current asset mix of assets are appropriate for its members for the financial year. Trustees have given regard to the members age and their in-ability to withdraw from the fund their superannuation interests for retirement purposes in devising a strategy for the next financial year.

INVESTMENT OBJECTIVES

To maximise returns and minimise the risks of investment of the fund's assets in managing and providing superannuation benefits to members and their dependants in meeting their retirement needs. To ensure all investments are consistent with the governing rules of the fund and appropriate Superannuation Legislations and the fund's investment strategy.

RISK & RETURN ON INVESTMENTS

Each investment decision will be made with due regard to the associated, risk and expected return. The Trustees will seek financial advice where necessary. To maximise overall returns of the fund's investments and minimise the exposure of risk from any particular investment, the fund will try to maintain a diversified portfolio. However, considering the low returns on cash & money market and fixed interest investments, the Trustees have decided that they will not invest much of the fund in this asset class. Further, considering the current high share market locally in Australia and overseas, the Trustees have decided that they will not invest much of the fund in this asset class. After discussions with the members of the fund, the Trustees have determined that they will invest most of the fund (66% or more) in direct & in-direct property (via trust structures).

RISK ASSOCIATED WITH LIMITED DIVERSIFICATION

The Trustees have given due consideration to the current objectives of the fund, the current market risks of losing capital and returns of investing & holding one asset or one asset class. After all considerations, the Trustees have come to the conclusion that the property purchased by the fund is of good quality and will hold and increase in value in the near future. The Trustee in deciding to hold most of the fund assets (Over 66%) in one property or one asset class also considered the age of all the current members of the fund, their wishes, current global investment climate and the funds cash requirements to meet its commitments current and next year's expenses. The Trustees (and members of the fund) are aware of risks associated with limited diversification of assets, but have decided that holding only one

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Trustees have considered these risks and cash flow needs of the fund and decided to continue holding property as an asset class for another year as they have ensured that there is adequate cash flow (such as current lease agreements in place) to meet the funds borrowing cash flow requirements for another year. Trustees have determined, based on the quality of the property, the tenants and the location of the property, the investment held by the fund is of low risk of losing capital and the Trustees will be able to make loan repayments to the lender as and when fall due.

INSURANCE COVER

The Trustees will assess the need of insurance for all members and will seek financial insurance advice where necessary to ensure all members are adequately insured. Insurance policies may be held by the fund or by members personally. Trustees have considered insurance for all the assets of the fund against fire and other natural perils .

REVIEW

The investment strategy will be reviewed regularly and at least once a year at the end of financial year. The investment strategy may be revised as appropriate where the trustee(s) ' investment objectives change or to include a particular class or type of investment. The fund 's investment portfolio will be reviewed at least quarterly.

Signed as acceptance to the above investment strategy


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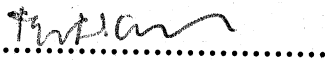
Robert Earle Graham - Pension


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Helen Lindsey Hilliard


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Karen Patricia Graham


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Thomas Edward Gordon Graham

date: 2nd July 2020

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property and one asset class is an appropriate investment strategy for this and next financial year. The trustees understand that they have the right to make any investment that is permitted under the superannuation rules, the fund's governing rules and may amend this investment strategy, in the future, to ensure that fund investments are consistent with the investment strategy of the fund and meet the investment objectives of the fund. Trustees will keep a close eye on the property market and the global share & interest earnings investment market and should there be opportunities available to the fund, reconsider to amend the current investment mix to meet the objectives of this fund.

ASSET CLASS

The funds asset classes allocated as at 1st July 2020 are as indicated below:

| Asset Class | Allocation | |
|----------------------------|------------|-------|
| | min% | max % |
| Cash | 0 | 20 |
| Australian Fixed Interest | 0 | 30 |
| Australian Managed Funds | 0 | 30 |
| International Manage Funds | | |
| Direct & Indirect Property | 0 | 30 |
| Australian Shares | | |
| International Shares | 50 | 90 |
| Cryptocurrency | | |
| LBRA | | |
| Total Assets | | |

LIQUIDITY OF FUNDS

Each investment decision will be made with due regard to the cash flow requirements of the fund. The trustee(s) will consider the liabilities (current and prospective) of the fund and ensure adequate cash is maintained by the fund to meet its liabilities as and when they fall due. The fund's liquidity needs will be considered at the time of each investment and also during the regular review of the fund's portfolio and investment strategy. The Trustees have considered and determined that the current investment provides the fund with all the necessary expenses of the fund for the next year. The Trustees are aware that once members reach pensionable age or are temporary or permanently disabled or they will need to withdraw from the fund due to compassionate of other grounds, the fund will need higher cash flows - under these circumstances - the Trustees have decided that they will revisit this investment strategy and amend this investment strategy to invest in more liquid asset class such as shares and cash.

BORROWINGS

The trustees may borrow to finance the acquisition of an investment as appropriate in accordance with the superannuation legislation. Trustees are aware of risks of borrowing under Limited Recourse Borrowing Arrangements. For example, if the borrowing is over one property or one asset class, the fund will be prone to negative growth if that asset class underperforms or it is possible that the property (or asset class) value may go below the loan amount. It is also possible that interest rates may go up in the future and there are no contributions or rental income to meet principal and interest repayments to the lender.

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- to hold assets in a form to enable the Fund to discharge existing and future liabilities in a manner which satisfies the members

Investment objectives strategy

- 2 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.
- 3 Resolved that in determining this strategy, the trustees will consider, in respect of each of the fund's investments, the aspects of the investment being in accordance with the fund's investment objectives and relevant legislation.
- 4 Further, the trustees will consider in respect of each investment, the risk to the fund and its members of acquiring it, the diversification of the investment vis a vis 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 members.
- 5 The trustees will 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.

Signed as a true record of the meeting

Chairperson:


Robert Earle Graham - Pension

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