

## **MINUTES OF THE MEETING OF THE TRUSTEES THE MARTYR SUPERANNUATION FUND.**

**Location:** 25 Lysterfield Rise, Upper Coomera QLD 4209

**Date:** 30 June 2019

**Trustees:** A & L Martyr Superannuation Pty Ltd

**Present:** Tony Martyr and Lisa Martyr

**Chair:** Tony Martyr

The trustees have resolved that the following Investment Strategy be adopted, regularly reviewed, and implemented for the Martyr 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 Martyr Superannuation Fund are as follows:

- To target a total annual real return of 5% per annum above the Australian cash or inflation rate. For example, if the Australian inflation rate for the financial year is 3%, the return objective for the year would be 8%.
- To preserve the capital of the fund as much as possible through the investment cycle, particularly with regard to 'risk' assets.

### **Cash Flow Requirements:**

As the members of the fund are all still in the Accumulation phase, the cash flow requirements of the fund are low and are limited to the expenses of the fund. This is estimated to be less than 1% of the value of the fund.

## Composition of Investments:

### Asset Allocation:

The trustees will invest in a diversified portfolio of assets from across two 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:

- **Income assets:** these are defensive assets that have varying degrees of capital and/or default risks with a focus on delivering regular income. This includes cash, Government bonds, corporate bonds and asset backed securities.
- **Growth 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, alternative assets and collectibles.

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

The trustees will use an active strategic approach to allocating to the different types of assets to take advantage of positive market conditions where they exist, but also to attempt to actively manage risk in negative market conditions (particularly in Risk assets).

However this is managed within the framework of the following asset allocation limits, and long-term benchmarks:

Asset Class	Range
<b>Defensive assets</b>	
Cash	0-100%
Fixed Interest	0-100%
<b>Total Defensive Assets</b>	<b>0-100%</b>
<b>Growth Assets</b>	
Australian Shares	0-80%
Listed Property & Infrastructure	0-20%
International Shares	0-60%
Direct Property	0-85%
<b>Total Growth Assets</b>	<b>0-100%</b>
Other Assets	0-20%
<b>Total Other Assets</b>	<b>0-20%</b>

From time to time the fund may move to 100% cash or defensive assets to accommodate liquidity especially during periods where there are significant changes in assets. This is expected to occur infrequently and for a relatively short period of time.

Investment Selection:

The trustees will draw on a range of research sources to generate individual investment ideas.

The trustees will invest in a portfolio of medium to long-term core positions that it considers to be of high asset quality, and are priced at or below what it considers 'fair value'.

This is combined with some shorter-term trading opportunities (predominantly in Risk assets) based on shorter-term indicators of price appreciation potential.

**Liquidity to meet cash flow requirements**

As the members are all in the Accumulation phase, the cash flow requirements of the fund (as stated above) are low at less than 1% per annum of the fund assets.

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

Further to this, the trustees will also ensure that the liquidity of the vast majority of underlying individual investments is sufficient such that any unexpected cash flow requirements can easily be met by selling assets.

**Ability of the fund to discharge its existing and prospective liabilities**

As the members of the fund are in the Accumulation phase, the existing and prospective liabilities of the fund will include:

- expenses that are paid on a semi regular basis;
- tax liabilities paid on an annual 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 easily be met.

**Insurance for members**

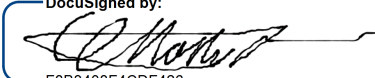
The trustees have considered if the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

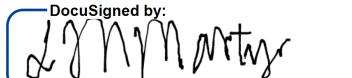
Based on a needs analysis by the trustees, and taking into account the age of the members any other insurance the members may already hold, the trustees have concluded that it should hold the following insurance covers for the

members:

<b>Member</b>	<b>Insurance Type</b>	<b>Amount</b>
<b>Anthony Martyr</b>	Death	\$872,732
	Total & Permanent Disablement	\$872,732
	Income Protection	Nil (sufficient cover held in personal name)
<b>Lisa Martyr</b>	Death	Nil
	Total & Permanent Disablement	Nil
	Income Protection	Nil

**Signed :**

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**Mr Anthony Martyr, director**

**Mrs Lisa Martyr, director**

**Trustees of the Martyr Superannuation Fund**

**Date:** 30 June 2019