

MINUTES OF A MEETING OF THE MEMBERS OF MSEM Super Fund

HELD AT: 3/160 Jefferson Lane
Palm Beach QLD 4221

AT: 10.00 am
ON: 20 June 2020

PRESENT: Martin Gurr
Susan Gurr

ADOPTION OF INVESTMENT STRATEGY: The Trustees have formulated investment objectives for the Fund and an investment strategy to achieve those objectives, (the investment objectives and investment strategy together to be referred to as the "Investment Strategy") having regard to the whole of the circumstances of the Fund, including:

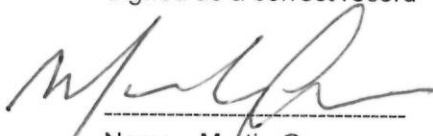
1. The risk involved in making, holding and realising, and the likely return from, the Fund's investments having regard to its objectives and its expected cash flow requirements;
2. The composition of the Fund's investments as a whole including the extent to which the investments are diverse or involve the Fund in being exposed to risk from inadequate diversification;
3. The liquidity of the fund's investments having regard to its expected cash flow requirements;
4. The ability of the Fund to discharge its existing and prospective liabilities;
5. The Fund profile;
6. Anticipated future contributions;
7. Past investment performance, and
8. The current investment portfolio and asset mix,

which objectives and strategy are set out in the Investment Strategy Report annexed to this resolution.

RESOLVED: To adopt the investment objectives of the Fund and adopt and implement the investment strategy to achieve the objectives as set out in the Investment Strategy Report of the Fund.

CLOSURE OF MEETING: There being no further business, the meeting ended at 10:20am

Signed as a correct record



Name: Martin Gurr

Directors of Trustee company – MSEM Super Pty Ltd

Date: 20/06/2020



Name: Susan Gurr

Date: 20/06/2020

MSEM Super Fund

Investment Strategy Report

Trustee: MSEM Super Pty Ltd

Date Prepared: 20 June 2020

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MSEM Super Fund

Compliance

The Fund is a complying superannuation fund under Part IX of the Income Tax Assessment Act 1936 and Section 45 of the Superannuation Industry (Supervision) Act 1993.

Objectives

Specific Objectives

- ❑ To achieve a long term rate of return in excess of the CPI. Specifically, the return objective is a return of CPI plus 5% over a 5 year timeframe. It is expected that year-on-year returns will vary widely and that there will be years when returns are negative.

General Objectives

- ❑ To provide retirement benefit for the members. In the event of the members' death before retirement, to provide benefits for the dependants of the members.
- ❑ To ensure that sufficient assets will be available to meet benefit payments when those payments are due to be paid (solvency).
- ❑ To ensure that sufficient liquid assets will be available to meet benefit payments as and when those payments are due to be paid (liquidity).
- ❑ The Fund has a relatively long time horizon. The members are likely to be relying on the fund to provide retirement benefits for their remaining life expectancy (30.57 + years).
- ❑ The members risk profiles are such that they are prepared to endure a reasonable level of volatility of returns in expectation of longer term returns achieving the fund's stated return objective.

Fund Profile

Fund benefit design:	Accumulation Fund
Fund structure:	Self Managed Superannuation Fund
Current size of the Fund:	\$1,350,000
Annual contributions this financial year:	\$25,000 Concessional \$100,000 Non-Concessional

MSEM Super Fund

Risk profile

Risk Tolerance:

- The Fund has a relatively long time horizon. The members are prepared to endure a reasonable level of volatility of returns in expectation of long term growth.

Statement on Risk:

- Investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members' benefits on withdrawal.

Liquidity

Number of existing members:	2
Time horizon of Fund:	30.57 + Years

- All anticipated benefit payments are in the form of Account Based Pension payments. It is anticipated the pensioner members will at least draw the minimum payments. No other benefit payments are anticipated.

Age distribution of members:

Age	Number of Members
Less than 40 years	0
41-49 years	0
50-59 years	1
60-64 years	1
65-69 years	0
70 years and over	0

Membership growth:

Years	Number of Members
One	2
Two	2
Five	2

MSEM Super Fund

Statement on Liquidity

- Anticipated Benefit Payment

1 Year:	<i>Nil</i>
2 Years:	<i>Reviewed Annually</i>
3 Years:	
4 Years:	
5 Years:	

- There is no anticipated benefit payment in the next five years. Cash in excess of anticipated liquidity requirement will be invested in accordance with the Fund's investment strategy.

Diversification

- Diversification across currencies, economies and asset classes is achieved through a mix of international and Australian investments. The Trustee recognises that diversification can result in significant reduction to return volatility while maintaining the level of anticipated return.
- The funds are primarily invested in equities. The Trustee recognises the higher risk in investing predominantly in only one asset class and the volatility associated with shares. The volatility will be compensated by the prospect of achieving higher return and growth in the longer term. The shares are invested in different industries and sectors, which will spread risk to a satisfactory level.
- A large proportion of the funds are primarily invested in Australian equities. The Trustee recognises the higher risk in investing predominantly in only one asset class and the volatility associated with shares. The volatility will be compensated by the prospect of achieving higher return and growth in the longer term. The shares are invested in different industries and sectors, which will spread risk to a satisfactory level.
- The Trustee recognises the need to maintain a buffer in non-volatile defensive assets (mainly cash, Bank Bills and Term Deposits) in order to meet short term liquidity needs of the fund. It is envisaged that other assets held by the fund will be volatile in nature. The holding in defensive assets is designed to ensure that the Trustee will not be obliged to sell-down volatile assets (property and shares), in the shorter term, to meet payment obligations of the fund.

Ability of Fund to discharge existing and prospective liabilities

- Sufficient cash flow will be maintained to discharge administration expenses and other outgoings. The Fund is a defined contribution fund and the members are entitled to the accumulation of contributions and earnings in the members' account on withdrawal. The Fund will be able to meet its obligations to the members at all times.

Indicative asset mix and asset class strategic ranges formulated

Asset Class	Target Allocation ¹ %	Strategic Ranges	
		From %	To %
Cash (CMT, Deposits < 12 months, A/c balances)	10%	0%	35%
Australian Fixed Interest (incl Deposits 12 months & over)	10%	0%	35%
International Fixed Interest (incl Deposits 12 months & over)	10%	0%	35%
Australian Shares	44%	19%	69%
International Shares	15%	0%	40%
Global Infrastructure	5%	0%	30%
International Bonds (incl Deposits 12 months & over)	10%	0%	35%
Direct Property	0%	0%	0%
Listed Property	6%	0%	29%
In-house Assets	0%	0%	5%
Collectibles	0%	0%	0%
Other	0%	0%	5%

Reserves Management Strategy

- The fund does not operate reserves

¹ The Target Allocation is the long term asset mix that the Trustees will aim for. However, the Trustees may vary the investment of the fund within the Strategic Ranges without the requirement to alter the investment strategy.

Implementation of Investment Strategy

- ❑ The Trustees have agreed to appoint EP Financial Services Pty Ltd as investment advisers to the fund, in order to assist with the implementation and review of the Investment Strategy.
- ❑ The cash holdings of the fund will be invested in Cash Management Trusts, Bank Bills and Term Deposits (of less than 12 months duration).
- ❑ The fixed interest allocation will be invested in a range of approved fixed interest investments, including but not limited to Bonds, Corporate Debt Securities, Mortgage Securities and listed Hybrid Securities. This may also include listed or unlisted trusts that invest in these securities.
- ❑ The Property allocation of the fund will be invested into a share of a direct property (investment unit) as well as Property Trusts which are listed on the Australian Stock Exchange. The trusts selected will be predominantly from the ASX 100 index. No more than 10% of the fund's assets will be invested into a single trust.
- ❑ The Australian Share allocation will be invested into listed shares which are traded on the Australian Stock Exchange. The shares selected will come predominantly from the ASX 100 index. The equity exposure will be diversified across approximately 20 to 25 holdings and no more than 5% of the fund's assets will be invested in a single investment.
- ❑ The International Equity allocation will be selected from listed investment companies, international managed funds and listed exchanged traded funds. These investments will be selected to provide adequate exposure to international equity markets.
- ❑ The Global Infrastructure allocation will be selected from international managed funds, listed exchanged traded funds or listed infrastructure companies. The selection will provide exposure to international infrastructure providing a regular and secure income and the possibility of capital growth.

Insurance Assessment

1. General Objectives

The SMSF is required to assess the insurance requirements of the SMSF for members of the fund.

To ensure that the Trustees' duties and powers are performed and exercised in the best interests of the beneficiaries, the following general objectives have been formulated:

The trustees will:

- (a) Consider the category of member insurability according to age;
- (b) Offer members the opportunity to implement insurance cover via the SMSF; and
- (c) If insurance is implemented by a member, they will ensure the premium is paid in accordance with the member's and Fund's objectives:
 - a. The default position is to allocate insurance premiums to the specific members account,
 - b. Pay from another member account or Reserve account where there is a specific policy and documented Estate Planning strategy.

2. Insurance Category

The Trustees have assessed the following specific insurance position of the fund:

- Members are of an insurable age and have indicated to the trustee on the "Member Insurance Notice" that they do not wish to implement cover or they have adequate cover and therefore will not implement increased/new insurance via the SMSF.

3. Review

The trustees will review the insurance assessment annually and seek instructions from each member at the time of the review.

This annual request will continue until such time as the trustee assesses or the member declares that they will not require insurance at any future date for reasons such as cost, un-insurability due to age, or no requirement due to suitable member asset holdings.

MSEM Super Fund

Member Insurance Note

SMSF Name: MSEM Super Fund

Member Name: Martin Gurr

Member Date of Birth: 11 September 1958

Dear Trustees,

I declare that I have considered my need for insurance (Life, Disability, Salary Continuance Cover):

I have decided that given my age and/or financial position, I do not require any insurance.

I feel that the insurance I currently have in place with personal policies/super funds is adequate.

As the member, I have considered my own financial requirements and the possible negative consequences of being under insured and where appropriate I have sought independent financial advice.



Name: Martin Gurr
Member

Dated: 20/06/2020

Member Insurance Note

SMSF Name: MSEM Super Fund

Member Name: Susan Gurr

Member Date of Birth: 22 February 1964

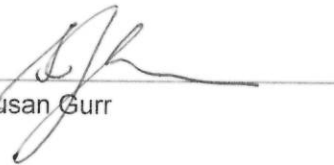
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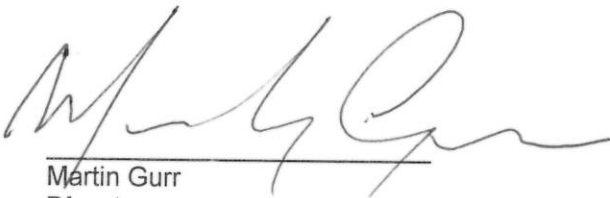

Name: Susan Gurr
Member

Dated: 20/06/2020

MSEM Super Fund

Acceptance by Trustees

As Directors of MSEM Super Pty Ltd ("The Trustee") we hereby acknowledge that the above document represents the full Investment Strategy of the MSEM Super Fund. This strategy replaces any previous Investment Strategies.



Martin Gurr
Director



Susan Gurr
Director

Date: 20/06/2020

Date: 20/06/2020