



Investment Strategy

Version 1.04, 13 June 2025

Background

The investment strategy below is the Investment Strategy adopted for the 2025-26 financial year. There are no significant changes from the Investment Strategy adopted at the formation of the Jessbyte Foundation and used in the most recent financial year.

Objectives

The objectives of the fund are to:

- Provide support to Australian charities via grants and donations
- Ensure that the fund has sufficient liquidity at all times to meet its commitments
- Maximise long-term growth through investment choice and the benefits of the fund's tax-free status

The investment objective of the trustees is to achieve real medium to longer-term growth with a view to generate long-term average growth in excess of the 5% annual grants and donations expected to be made from the fund.

This will allow the fund to exist in perpetuity, even in the event of zero or minimal ongoing donations being received into Jessbyte. In recognition of the very long and never-ending investment time frame, the fund will have a high proportion of growth assets in the portfolio.



We work and rest on unceded land as uninvited guests. We acknowledge the strength and wisdom of Aboriginal and Torres Strait Islander people, as well as the healing, sharing and cultural practices that have been carried down through long ancestral lines.

Investment Choice

The Trustees have determined the fund's investments may include but not be limited to all or one of the following:

- Direct equities, stocks and derivatives including participation in dividend reinvestment programs and right issues
- Property trusts and associated investments
- Managed investments and associated products:
- Direct residential, industrial and commercial property investment
- Deposits and investments with banks and other financial institution securities including Term Deposits, Debentures, Secured and Unsecured Notes and Bonds
- Cryptocurrencies
- Any other investment that the trustees may feel prudent to achieve the objective of the fund

The Trustee may from time to time decide to seek professional advice from Accountants, Solicitors or Financial Planners in the formulation or implementation of this or any future investment strategy.

In formulating this strategy the trustees have taken into consideration relevant features of the various investments in accordance with both the fund's objectives and appropriate legislation.

In drafting this investment strategy, the trustees have taken into account all of the circumstances of the fund, including:

- the risks and likely return associated with each investment
- the range and diversity of investments held by the fund
- any risks coming from limited diversification
- the liquidity of the fund's investments
- cash flow needs for the minimum donations required to be paid out from the fund each year
- other operating cash flow requirements

Policies

The policies adopted by the trustees in order to achieve these objectives are:

- Regular monitoring of the performance of the fund's investments, the overall investment mix and the expected cash flow requirements of the fund
- Re-balancing the fund's investment portfolio due to changes in market conditions through asset sales and new investments as appropriate

The trustees will aim to follow the investment strategy, however, they will at all times reserve the right to change the investment mix depending on market conditions and opportunities available to better meet the objectives of the fund.

Risk profile and risk tolerance

The fund has a long time horizon. Further the trustees are prepared to endure a reasonable level of volatility of returns in expectation of long term growth in order to meet our financial sustainability objectives.

Trustees understand the trade-off between investment risk and long term capital and income growth and have indicated asset growth is a priority.

Insurance

The trustees have considered whether the fund should hold a contract of insurance for its board members and concluded that our risks are low and that insurance would be of negligible expected value.

At small and medium-sized PAFs with good compliance-orientated trustees, directors and officers insurance is often not taken out as risks are limited to PAF Guideline breaches, which being Administrative penalties are unlikely to be covered by insurance in any case.

Liquidity

The main ongoing liquidity requirement for the fund is the donations and grants it will make each financial year, plus ongoing administrative fees such as accounting fees and ASIC annual return fee for the corporate trustee.

Cash in excess of anticipated liquidity requirements will be invested in accordance with the fund's investment strategy. Due to the current very low interest rate environment, when expenses, grants or donations are expected to be paid, funds will preferably be held in highly liquid investments until shortly before needed to be converted into cash, in order to maximise long-term returns of the fund assets.

Asset Allocation

The targeted asset allocation recognises the need to have a diversified asset mix. However, given the long term investment horizon of the fund, the allocation will have a strong growth asset bias and be focused on maximising capital growth.

The trustees recognise the higher risk in investing predominantly in growth assets and the volatility associated with shares. The volatility will be compensated by the prospect of

achieving higher returns and growth in the longer term. In order to minimise this risk trustees will consider investing in different industries and sectors where possible.

There are also tax benefits to the Foundation of receiving Australian franked dividends, as since we have a 0% tax rate, any franked dividends received will be grossed up and the Foundation will be eligible for a refund from the ATO of corporate taxes already paid on franked dividends, which will then become available to us to use for reinvestment and making additional donations.

The final targeted asset allocation will be in the following ranges:

Asset	Long term range	Current target
Australian listed equities & ETFs	30-99%	65%
International listed equities & ETFs	20-60%	32%
Derivatives on listed equities	0-15%	0%
Australian listed property	0-33%	2%
Direct property	0-33%	0%
Cash and term deposits	0-5%	1%
Cryptocurrencies	0-25%	0%
Australian cash and bond funds	0-10%	0%
International cash and bond funds	0-10%	0%

The “Long term range” allows for normal market fluctuations and periods when the fund may have limited exposure to a particular asset class. The “Current target” provides an indication of the fund’s planned investment allocation over the next 6-12 month period.

Delegation and Execution Authority

The Jessbyte Foundation Board delegates day-to-day investment management responsibilities to the designated investment decision-maker, currently Jess Sullivan. This includes executing trades, rebalancing portfolios, maintaining appropriate liquidity, and ensuring compliance with the strategic asset allocation and investment guidelines outlined in this document. All such actions must align with the Foundation’s objectives and reporting obligations, and material changes to strategy or asset allocation must be communicated to the Board in a timely manner.

Environmental, Social, and Governance (ESG) Considerations

The Jessbyte Foundation acknowledges that investment decisions can carry significant environmental, social, and governance (ESG) impacts. While long-term growth and capital preservation are primary objectives, preference will be given to investments that align with the Foundation's values of equity, justice, sustainability, and transparency. Where practical, the Foundation aims to avoid direct investment in companies whose core business activities conflict with these values (e.g. fossil fuels, tobacco, arms manufacturing, or companies with poor human rights records), and may seek to positively weight investments in companies demonstrating strong ESG practices or thematic alignment with the Foundation's charitable purposes.

All Directors of the Trustee Company to sign

JESS JUSTYN EMIKA SULLIVAN

Director of Jessbyte Pty Ltd as trustee for the Jessbyte Foundation

NATHAN SCOTT WESTWOOD

Director of Jessbyte Pty Ltd as trustee for the Jessbyte Foundation

JUNKO NICHOLS

Director of Jessbyte Pty Ltd as trustee for the Jessbyte Foundation

ROSSTON GARRY WELLINGS

Director of Jessbyte Pty Ltd as trustee for the Jessbyte Foundation