

Minutes of the
Solomon's IFA
Investment Committee Meeting

06 December 2018

Date and venue

The Investment Committee met via telephone conference call on 06 December 2018. The Chair called the meeting to order at 15:00.

A. Investment Policy Statement

1. The Committee voted to maintain the Investment Policy Statement dated 17-April-2014.

B. Review of investment strategies

2. Solomon's IFA (SIFA) has adopted a passive approach to investment management in keeping with our view that, for all intents and purposes, the capital markets are 'efficient'. Competition between rational, diligent investors means that the quoted prices of equities and bonds very quickly reflect all publically available information. If this is the case, it follows that it is not possible for 'active' investment management to consistently provide profits which are over and above the costs involved in trying to do so. (References: Samuelson 1965, Fama 1970).
3. Having reviewed the structure of the capital markets, new academic research releases and the requirements of SIFA's clients, the Committee could identify no compelling reason to alter this approach.
4. The Committee highlighted its view that the 'default' investment strategy (and in particular, the target asset allocation templates detailed in the Investment Policy Statement) would not be suitable for all of SIFA's clients.

C. Performance

| Description | 1m % | 3ms % | 6ms % | 12ms % | 3yrs % | 5yrs % | 10yrs % |
|------------------------------|------|-------|-------|--------|--------|--------|---------|
| Solomons 20 | -0.6 | -1.6 | -1.6 | -0.5 | 12.6 | 18.8 | |
| Solomons 35 | -0.5 | -2.6 | -2.5 | -0.9 | 17.7 | 25.1 | |
| IA Mixed Invest 0-35 Shares | -0.3 | -2.3 | -1.9 | -1.5 | 10.4 | 16.9 | 65.6 |
| Solomons 50 | -0.4 | -3.5 | -3.3 | -1.2 | 22.4 | 29.6 | |
| Solomons 65 | -0.2 | -4.3 | -4.2 | -1.5 | 27.3 | 34.0 | |
| IA Mixed Invest 20-60 Shares | 0.0 | -3.3 | -2.6 | -1.7 | 14.5 | 22.7 | 84.1 |
| Solomons 80 | -0.1 | -5.1 | -5.0 | -1.8 | 31.3 | 37.3 | |
| IA Mixed Invest 40-85 Shares | 0.5 | -4.5 | -3.0 | -1.0 | 20.9 | 31.5 | 121.7 |

D. The global economy

5. See recent Weekly Brief publications.

E. Evaluation of asset classes

6. The Committee reviewed the current breadth of asset class exposure, judging it, for the moment, to be optimal.

F. Asset class weightings

7. The Committee reviewed the current depth of asset class exposure, judging it, for the moment, to be optimal.

G. Asset allocation brochure

8. The Committee reviewed and approved the asset allocation factsheet brochure dated September 2018.

H. Appropriate securities

9. The Committee reviewed the securities contained in Cormorant's latest Security Selection report (Volume 18). The report takes a whole of market approach to identifying suitable securities (OEICs, ETFs and Investment Trusts).
10. The Committee noted that the report's focus on mandate first was well suited to the implementation of SIFA's philosophy as set out in the Investment Policy Statement.
11. The Committee endorsed the current selection.

I. Conflicts of Interest

12. The Committee confirmed members' activities did not give rise to any conflicts of interest.

Other Business

13. The Committee set a date of 20 March 2019 for the next meeting.

J. Attendees

Present at the meeting were: Dominic Thomas (Chair) and Steve Williams (external appointee from Cormorant Capital Strategies Limited).