

# Investment Strategy

## P & J MENNITI SELF MANGED SUPER FUND

### Objectives:

The objective of the fund is to:

- Provide superannuation benefits to members and their dependants to meet their retirement needs.
- Ensure the fund has sufficient liquidity at all times to meet all commitments
- Maximise the tax effectiveness of fund investments thereby delivering the best long term after tax return for members.

The Investment objective of the trustees is to aim to achieve a risk free investment within the super fund acknowledging the low level to growth.

### 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 and stocks
- Property trusts and associated investments:
- Managed investments and associated products:
- Deposits and investments with banks and other financial institution securities including Term Deposits
- 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 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;
- the ages and preferences of its members;

- expected cash flow requirements; and
- the ability of the fund to meet its existing and prospective liabilities such as paying benefits to its members.

## **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 the market situation and opportunities available to better meet the objectives of the fund.

A copy of the Investment Strategy of the fund will be available to members of the fund on request.

## **Risk profile and risk tolerance:**

The Fund has a short time horizon based on the age of fund members and are not willing to risk outside the scope of term deposits at this stage due to the economic volatility of returns. Further the members have existing equity and property investments outside superannuation and are familiar with the variability of both returns and capital values which are associated with such investments.

Members understand

- the trade-off between investment risk and long term capital and income growth and have indicated capital preservation & stability is a priority
- Investment risk is borne by the members, as fluctuations in investment returns will affect the level of benefits available to members.

## **Insurance:**

The Trustees have considered whether the Fund should hold a contract of insurance for its members and concluded that:

- Additional insurance is not appropriate as the members are at an age such that insurance is not available on a costeffective basis
- Additional insurance is not deemed appropriate as the members have significant assets inside and outside superannuation with no significant outstanding liabilities

**Liquidity:**

The Members of the fund are aged 50 & 55 and have significant assets outside of superannuation. At the present time members expect to access their superannuation at the age of 60. Accordingly there is no anticipated benefit payment in the next 5 years.

**Asset Allocation:**

The targeted asset allocation will recognise the need to have a diversified asset mix, however, given the investment horizon of the members and the significant assets outside of superannuation, the allocation will have a capital preservation asset bias and be focused preserving capital and ensuring capital stability.

Signed & dated 30.06.2020



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Ippolito Menniti (Trustee)



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Janelle Robyn Menniti (Trustee)