

1.2 Investment Strategy

The SMSF Investment Strategy for SM REID GROUP Superfund is detailed below.

Overview

This Investment Strategy is created in compliance with the SIS Act. As part of this Investment Strategy the Trustees acknowledge that:

- the Fund accepts employer and member contributions as the laws allow.
- the Fund accepts transfers from other superannuation funds and from a spouse as the laws allow.
- the Fund can invest in accordance with this Investment Strategy.
- the Fund provides benefits to members upon retirement as the laws allow.
- the Fund allows access to any unrestricted non-preserved benefits as the laws allow.
- the Fund provides other activities as allowed by the laws and regulations from time to time.

Investment Objectives

The objective of the Fund is to maximise benefits for the purposes of providing retirement benefits to the Fund's Members in accordance with the Trust Deed governing the Fund's operations. The Investment Objectives which have been considered by the Trustees in formulating the Investment Strategy include that the Trustees have, and must continue to:

- act prudently to pursue the maximum rate of return possible, subject to acceptable risk and diversification parameters;
- in setting those parameters, take into account the risk involved in making, holding and realising, and the likely return from, the Fund's investments;
- take into account the number of years to retirement of the Members when considering investment options;
- establish a tolerance within the Fund to short term fluctuations in income and capital values given the profile of the Members' ages;
- have proper regard to the risks associated with the investments given the Fund's Objectives and cash flow requirements;
- invest to ensure sufficient liquidity is retained within the Fund to meet benefit payments and other liabilities as they fall due;
- consider the composition of the Fund's investments as a whole, including the extent to which its investments are diverse or involve the Fund in being exposed to risks from inadequate diversification;
- consider their ability to discharge the Fund's existing and prospective liabilities;
- before investing in a particular asset, have proper regard to the balance between the risk and return, so as to maximize the rate of return on members' entitlements subject to an appropriate level of risk; and
- consider whether the Fund should hold a contract of insurance that provides insurance cover for one or more Members.

Investment Review

The Investment Objectives will be reviewed annually and at such other times as a significant event occurs which affects the Fund.

Investment Strategy

With regard to the Investment Objectives outlined above the Trustees have adopted to pursue an Investment Strategy aimed at accumulating over the long term some or all of the following asset classes:

Cash	Managed Funds (Unlisted)
Online Savings Accounts	Managed Funds (Listed via mFunds)
Term Deposits	Metals
Australian Shares	Bonds

International Shares	CFDs
ETFs	Options
Residential Property (with Borrowing)	Warrants
Residential Property (No Borrowing)	Forex
Commercial Property (with Borrowing)	IPOs
Commercial Property (No Borrowing)	Loans
Cryptocurrency	Other Assets allowed by Super Law.

Diversification and Percentage Investment Range

The Trustees consider that no specific percentage range for each of the above asset classes should be adopted but that each asset class should be considered on its own investment merits having regard to an appropriate degree of diversification noting that diversification is only one factor to be considered in this strategy.

The Trustees have considered in formulating this Investment Strategy, and in conducting future reviews of this Investment Strategy will consider, the composition of the entity's investments as a whole, including the extent to which they are diverse or involve exposure of the entity to risks from inadequate diversification.

The Trustees have considered the level of risk associated with its current investment portfolio, and will continue to do so, by reference to the extent to which the Fund is exposed to risks from concentration of the Fund's investments in a particular asset class (**Concentration Risk**).

Single Asset Investment Strategy

A single asset strategy may be adopted by the Fund if the asset proposed to be invested in is considered by the Trustee to satisfy the Investment Objectives and provided that the Trustees have considered the relevant Concentration Risk.

Arms-Length Basis

All investments by the Fund shall be on an arm's length basis and will be acquired, maintained or disposed of on commercial terms at market rates of returns.

Maximising Member Returns

The Trustee considers that this Investment Strategy will fulfil the principal objective of maximising member returns having regard to risk and is consistent with the investment objectives of the Fund.

Limited Recourse Borrowings

The Trustee may borrow money under a limited recourse loan as provided for under sections 67A and 67B of the SIS Act. The Borrowings may be used for any permitted purpose including the purchasing, refinancing, repair and maintenance of an Acquirable Asset such as a Property.

Insurance

The Trustee notes that they cannot accept the transfer of an existing insurance policy from a member, or a relative of a member but may arrange new Insurance cover for members within the Fund.

The Trustee has considered, and will continue to consider, whether insurance such as life insurance, income protection insurance and disability cover, or other permissible cover, should be held for one or more Members. Arranging insurance cover will depend on the age, applicable premium and extent of cover appropriate and is subject to the availability of insurance in respect of a member.

The Trustees will continue to evaluate available insurance in consultation with the Members, and where insurance is in place, the continued suitability of that insurance.

Paying Debts

The Trustee is obliged to pay tax, expenses and benefits on behalf of the Fund. The Trustee ensures that it holds sufficient cash (or readily realisable assets) to meet such obligations.

Personal Assets and Fund Assets to be kept separate

The Trustee must ensure that money and other assets of the Fund are kept separate from those held by the Trustee personally.

Revalue annually

When preparing the documents such as the statement of the Fund's financial position, the trustee must ensure that the Fund's assets are valued at their market value.

Review

The Trustees are to regularly review the Funds investment strategy and evidence this review in the minutes of trustee meetings held during the income year. The Trustees may review this strategy as required, but it will be reviewed at least annually.

Date: 08 December 2021


Mark Ian Reid

