

# DG SUPER FUND

## INVESTMENT STRATEGY

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### INVESTMENT OBJECTIVE

The investment objective is to provide investment returns which will at least be equivalent to the annual inflation rate plus 2% over a 5 year rolling period.

### MEMBER PROFILE

The members have approximately 20 years to retirement and therefore has taken a long-term approach and invested the majority of assets in growth investments.

### INVESTMENT STRATEGY

In order to meet the investment objective, the trustee will invest the Fund's assets as follows:

Majority of assets invested in:

- Australian Real Property

Smaller allocation of assets invested in:

- Cash

### RISKS

Each asset class apart from cash has an inherent risk of between medium and high risk, however this risk will be controlled through adherence to the adopted diversification policy below. Short term fluctuations are acceptable given the long term investment perspective.

Although the overall risk profile is medium to high risk, the asset classes meet the growth requirements and the level of risk is acceptable given the medium to high expected rate of return over the long term.

It must be noted that the Trustee continues to believe that the risk and return profile of cash is minimal.

### GEARED INVESTMENTS

The Trustee has elected to purchase commercial property using a limited recourse borrowing arrangement. The Trustee has indicated they understand and are prepared to accept the increased volatility of returns associated with borrowing to invest, including the risk of loss, including the risk of total loss of invested assets where such assets are subject to limited recourse borrowing arrangements.

### DIVERSIFICATION

Although the only Fund asset besides cash will be property, the property will be in a high growth & active market area and therefore the risk of not being able to sell the property if required is low. The long-term growth potential will be very high and the unrealised gains along with the rental income generated should exceed the investment objective set by the Trustee. Although diversification is low, the Trustee believes the growth & income potential outweigh diversification concerns.

### LIQUIDITY

The Trustee is of the opinion that the investment strategy is structured in such a manner that the Fund is sufficiently liquid to discharge its current and future liabilities.

The liabilities the Trustee will generally be required to meet in the short term are relatively minor in nature. These generally comprise of investment purchases, accounting & audit fees and tax payable.

The Trustee does not expect the membership of the Fund to fall in the short term. In the longer term, the Trustee appreciates the reality of needing to either sell the investments or distribute them in specie to enable the Trustee to meet their benefit payment obligations.

## **INSURANCE**

The Trustee has considered whether the Fund should hold a contract of insurance for its members and concluded that the Trustee will review the options available.

## **REVIEW & MONITORING**

The Trustee will undertake to monitor and review the Fund's investment activities on at least an annual basis, and to communicate with the Member should they feel that any change in strategy be required in order to further consolidate the Fund's objective.

*DGeorges*



Dina Georges  
Director of D & L Di Gregorio Pty Ltd

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Luciano Di Gregorio  
Director of D & L Di Gregorio Pty Ltd

Date: 19/3/2022

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