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PATAK Provident Fund

Investment Strategy

5 May 2019

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Introduction

The PATAK Provident Fund ("the Fund") is a complying superannuation fund and the Superannuation Industry (Supervision) Act 1993 requires the Trustees to formulate the Fund's investment objectives and strategy.

The aim of this report is to:

- identify the investment objectives of the Fund
- develop an Investment Strategy, and
- outline a process to review the Fund's Investment Strategy and performance.

Fund profile

Fund details

Description	Details
Name of Fund	PATAK Provident Fund
Type of Fund	SMSF - Individual Trustees
ABN	88 318 812 791
TFN	To be advised
Trustee(s)	Paul Anthony DWYER
Trustee(s)	Amanda Jane DWYER
Complying status	Yes
Date of Trust Deed	14/04/2019
Location of Deed	15 Riverbank Road BAIRNSDALE VIC 3875

Member details

Name	Phase	Account Balance
Paul Anthony Dwyer	Accumulation	\$448,809.17
Amanda Jane Dwyer	Accumulation	\$486,456.52

Investment Objectives

The overall objective of the PATAK Provident Fund is to provide retirement benefits for the members and/or death benefits for the dependants of the members.

The Investment Strategy for the Fund has been developed with regard to the risk profile and retirement objectives of members as well as the need to maintain adequate levels of diversification and liquidity. Risk management and asset protection strategies are also considered.

When making investment decisions the Trustees take into account the circumstances of the members of the Fund, but all investment decisions are made by the Trustees for the Fund as a whole. The Trustees will consider suggestions from members (for specific investments either for the Fund as a whole or for that specific member) and may invest in line with those suggestions provided they are within the Investment Strategy of the Fund.

General objectives

- A primary objective of the Fund is to manage risk to protect the members' benefits. However, the Trustees do not guarantee that members' benefit entitlements will not decrease at any point in time due to investment performance and market volatility.
- The Trustees will act prudently to achieve the maximum potential rate of return, within acceptable risk parameters and with regard for the need to maintain an acceptable level of diversification.
- The Trustees will ensure that all investments are:
 - permitted under the trust deed
 - made for the sole purpose of providing benefits to members and the dependants of members
 - made in accordance with the legislative requirements applicable to complying superannuation funds., and
 - held in the name of the Trustees on behalf of the Fund and adequately insured, as appropriate.
- The Trustees will invest to ensure the Fund maintains sufficient liquidity to meet benefit payments and other obligations as they become due.
- The Trustees will regularly review the investments of the Fund and will adjust the specific objectives if the Trustees believe that the risk profile or circumstances of the Fund has changed.

Specific objectives and risk profile

Having considered the risk profile of the Fund, the Trustees have adopted specific objectives to guide the investment selections as well as to measure performance and appropriateness of investment selections.

These objectives are:

- to ensure sufficient liquid assets are available to meet benefit payments and other obligations when those payments are due to be paid
- to provide average returns in each asset class over a five year rolling period of:

Asset class	Average return p.a.
Cash	CPI plus 0%
Fixed income	CPI plus 3%
Australian Property	CPI plus 5%
Global Property	CPI plus 7%
Australian equities	CPI plus 7%
Global equities	CPI plus 7%

- to minimise the chance of a negative return over any five year period, however it is expected that negative returns will result in some years
- to provide long-term returns of at least 7% pa above CPI over a period of at least five years.

The Trustees have implemented this strategy taking into account the current age of the members, their likely dates of retirement, the expressed intention of the members to receive their benefits as lump sums/account-based pensions on retirement, future contributions and fund liabilities.

Investment Strategy

Asset Allocation

The Investment Strategy determined to be appropriate by the Trustees to achieve the stated objectives of the Fund is to invest in a portfolio with exposure to the major asset classes as outlined below.

As the Fund has a single set of investment objectives and strategy, the Fund will operate **pooled** assets. This table shows the benchmark for each asset class and the approved range that assets can vary within depending on market conditions or circumstances of the fund. If asset allocations fall outside these ranges then Investment Strategy and investment selections should be reviewed.

Asset class	Range	Benchmark
Australian equity	50% – 85%	79%
Global equity	20% – 65%	19%
Australian property	0% – 30%	0%
Global property	0% – 30%	0%
Defensive alternative funds	0% – 10%	0%
Growth alternative funds	0% – 30%	0%
Australian fixed income	0% – 10%	0%
Global fixed income	0% – 10%	0%
Australian cash	2% – 100%	2%
Global cash	0% – 10%	0%

Diversification may exist across asset classes and/or within a various asset class to manage the risk aspects of the Investment Strategy.

The Trustees may choose to purchase assets directly on behalf of the fund or to invest indirectly by purchasing listed or unlisted units in an investment trust or similar managed entity.

The cash levels enable the fund to meet expenses and benefit payments and also form part of the risk management strategy for the Fund.

Use of gearing

Gearing strategies, as allowed under superannuation laws, are permissible and can be used by Trustees to achieve the objectives of the Fund. The use of these strategies must be in line with any rules outlined in the Trust Deed.

Limited recourse borrowing products and structures can also be used to leverage investments provided they are set up and managed within the requirements 67A and 67B of the SIS Act and the Trustees have adequately considered the liquidity requirements and risk profile of the Fund.

Use of derivatives

The use of derivatives is allowed by the Fund where they are used within a unit trust investment or similar managed entity in which the Trustees have invested or as part of a limited recourse borrowing arrangement.

Use of insurance

The Fund will consider whether to hold life insurance cover on the lives of members. In considering whether life insurance is appropriate, the Fund will give particular consideration to the potential need for liquidity or to pay increased benefits to members or their beneficiaries in the event of death or disability.

Review Procedures

To monitor the success of the Investment Strategy in achieving the Fund's investment objectives, the Trustees will take the actions outlined below.

Annual review

The Trustees will review the Fund's Investment Strategy and portfolio at least annually. The review will include a comparison of the Fund's actual asset allocation to the allocation permitted by the Investment Strategy – they should be in-line at all times. In addition, the Fund's investment performance will be compared to the Fund's investment objectives.

The assets of the Fund must be kept separate from any assets owned personally by the directors of the trustee and those belonging to a business (where partners in a business set up the SMSF).

Investment Strategy review

The Fund's Investment Strategy will be reviewed periodically and revised to ensure it remains relevant to the Fund and its members. Changes may be required at certain times, for example:

- fundamental changes in the investment environment
- the introduction of new investment classes worthy of consideration
- a change in membership
- member transfers from accumulation phase to retirement phase
- an increase in the level of assets in the Fund that may allow for greater diversification of asset classes
- changes in member circumstances.

This Investment Strategy is effective from 5 / 5 / 2019





PATAK Provident Fund () ▾



Key Details



Name of Fund PATAK Provident Fund
Type of Fund SMSF - Individual Trustee



Complying Yes
Superfund Number

Field search: [Key Details] Age / [Key Details] Date of Birth



CRN

Does the client have special circumstances? No



Company Number

Tax File Number 551 664 445

ABN 88 318 812 791



Legal Exception s17A

Establishment Date 14/04/2019

Wind-up Date

Register Location With Trustees

Accountant Eager & Partners

Seal Location

Date of Deed 14/04/2019

Location of Deed 15 Riverbank Road BAIRNSDALE

Salutation Paul and Amanda

Address Title Mr P A & Mrs A J Dwyer ATF



Mailing Method Mail