

**PAPAMICHELE SUPER FUND
(FUND)**

NOTICE OF COMPLIANCE

Under section 25 of the Superannuation Guarantee (Administration) Act 1992

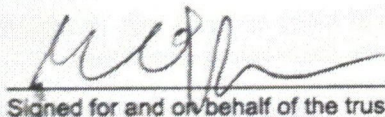
(In circumstances where the Employer is contributing
in respect of a Member for the first time)

TO: **Insert Name of Employer:**
Insert ACN:

This statement is to confirm that for the year of income of the Fund to date:

1. The Fund is a resident regulated superannuation fund within the meaning of the Superannuation Industry (Supervision) Act 1993 (SIS Act);
2. The Fund has been conducted as a complying self managed superannuation fund within the meaning of sections 17A and 42A of the SIS Act and Superannuation Industry (Supervision) Regulations 1994 and that the trustees intend that the Fund continue to be maintained as a complying superannuation fund;
3. The Fund is not subject to a direction under section 63 of the SIS Act; and
4. The Fund will accept superannuation contributions from the employer referred to above.

DATED: 21/06/2021



Signed for and on behalf of the trustees of the Fund

SMSF Investment Objectives and Considerations

As the trustee of a self managed superannuation fund (SMSF) you are required to draft and implement an investment strategy for the SMSF (and regularly review that strategy). An investment strategy is a detailed financial plan made by the trustee of an SMSF, in accordance with the provisions of the deed and superannuation laws.

In order to prepare an investment strategy, a trustee should first consider the particular investment objectives for the fund which should, in turn, provide guidance as to the strategy required to achieve that objective. An investment objective should provide the core investment direction for the fund and focus on the safe investment (in relative terms) of the assets of the fund to maximise retirement or death benefits of the members, taking into account the financial needs and risk preferences of the members.

Of course, the investment strategy must comply with the legislation, and Section 52B of the *Superannuation Industry (Supervision) Act 1993* and regulation 4.09 of the associated regulations set out factors that trustees must consider in formulating their investment strategy, such as:

- The risk involved in making, holding and realising, and the likely return from, the fund's investments having regard to its objectives and its expected cash flow requirements;
- The composition of the fund's investments as a whole, including the extent to which they are diverse or involve exposure of the fund to risks from inadequate diversification;
- The liquidity of the fund's investments having regard to its expected cash flow requirements;
- The ability of the fund to discharge its existing and prospective liabilities; and
- Whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

Moreover, Section 52B(2)(b) of the SIS Act states that the trustees of superannuation funds must exercise the same degree of care, skill and diligence as an ordinary prudent person would exercise in dealing with the property of another for whom the person felt morally bound to provide.

There are also other legislative considerations, such as whether the investment strategy complies with other SMSF investment restrictions relating to lending and borrowing, related party transactions and the in-house assets rules.

As stated above, the investment strategy needs to consider whether insurance is appropriate for one or more members of the fund. However, since 1 July 2014, SMSFs can only provide insured benefits for members that are consistent with specified conditions of release, being (a) death, (b) terminal medical condition, (c) permanent incapacity, and (d) temporary incapacity. Note that a member will be taken to be suffering "permanent incapacity" if the trustee of the fund is reasonably satisfied that the member's ill-health (whether physical or mental) makes it unlikely that the member will engage in gainful employment for which the member is reasonably qualified by education, training or experience (this is often referred to as "any occupation" (rather than "own occupation") total and permanent disablement ('TPD') insurance). Refer to regulations 4.04D and 1.03C of the SIS Regulations.

However, transitional relief applies for insurance policies which were in place on 30 June 2014, even if they do not satisfy the above conditions of release (e.g., 'TPD own occupation' insurance).

Depending on the SMSF's particular circumstances, it may be appropriate for the SMSF to also hold other types of insurance, such as building insurance, plant and equipment insurance, SMSF liability insurance, loss of rent insurance and audit insurance.

It is recommended that a measurable benchmark against which the investment strategy can be assessed is included in the investment strategy, such as achieving a particular return over a particular period of time (after giving due considerations to the various factors set out above).

It is also important to note that the investment strategy should be unique to the requirements of the fund and should take into account the age, income and retirement needs of its members.

Finally, as always, you must check the fund's trust deed to ensure that any proposed investment is authorised and complies with the provisions of the deed.

The following page sets out a generic investment strategy broadly containing the elements that you should incorporate

into your SMSF investment strategy, after taking into account the fund's (and its members') individual circumstances. It is by no means comprehensive, nor definitive, but should serve as a default investment strategy until such time as you may prepare a new investment strategy. This investment strategy should be monitored and reviewed regularly to ensure that it remains appropriate to the whole of the circumstances of your Fund.

Should you require further assistance or information, we suggest that you check the following:

ATO: *'Running a self-managed super fund'* (NAT 11032) or check the ATO's website at <https://www.ato.gov.au/super>

ASIC: <https://www.moneysmart.gov.au/superannuation-and-retirement/self-managed-super-fund-smsf>

Investment Strategy for the PAPAMICHELE Super Fund

Fund Purpose

The purpose of the fund is to provide retirement and death benefits to its members.

Objective

The investment objective of the fund is to safely invest the assets of the fund to maximise the retirement and/or death benefits of its members, taking into account the financial needs and risk preferences of the members.

Policy

In order to achieve the investment objective, the fund shall invest in the following types of investments, in such proportions as it determines appropriate but always within the stipulated ranges:

Investment	Range	Applicable Date
Property	% to %	21/06/2021
Australian Shares	10 % to 15 %	21/06/2021
International Shares	% to %	21/06/2021
Cash	70 % to 80 %	21/06/2021
Cash Management	% to %	21/06/2021
Digital currency/assets	10 % to 15 %	21/06/2021
	% to %	/ /
	% to %	/ /
	% to %	/ /

Benchmark

By implementing the investment strategy in accordance with the investment objectives and policy, the trustee seeks to achieve the following returns:

Rate of Return	Period
15-20 %	YEARLY
%	
%	

Insurance

The trustee has reviewed the insurance needs of each member (and will continue to regularly review their needs).

The trustee has considered the following in particular in this regard:

- Whether each member already has insurance, such as life insurance or permanent incapacity (TPD) insurance, and if so, whether it is inside the SMSF.
- Whether a contract of life insurance should be arranged for any member, especially if they do not already have it (e.g., to provide for the member's dependants in the event of their death).
- Whether permanent incapacity insurance should be arranged for any member, especially if they do not already have it.

- If permanent incapacity (or TPD) insurance is already held for the member inside the SMSF, whether it satisfies the "any occupation" definition (unless that insurance was in place before 1 July 2014).

Having regard to the above, the trustee has made the decision to arrange and/or maintain the insurance policy/policies described below for the benefit of the following individuals (with the premiums of an insurance policy held for a particular member (if any) to be paid out of their account):

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[Also briefly describe the insurance policy for each member, i.e., life insurance, permanent incapacity (TPD) insurance, temporary incapacity insurance, etc.]

Note: If the above is blank, the trustees have, after due consideration, decided that the fund should **not** acquire an insurance policy on any member's behalf as at the date of this investment strategy.

The trustee has also considered the general insurance needs of the SMSF, including in relation to property (and possible loss of rent) and plant and equipment held by the SMSF, and whether SMSF liability insurance should be arranged for the SMSF, if this has not already been done.

The trustee has decided that the following contracts of insurance will be arranged and/or maintained for the SMSF:

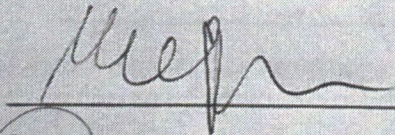
[Provide details of other insurance policies (if any) for the SMSF here, including name of insurer, type of insurance, policy name, and cover amount.]

Insurance policy will be held once the funds are rolled over the SMSF.

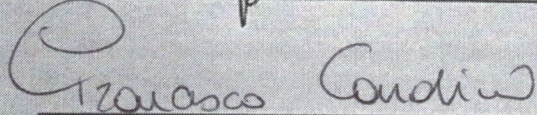
Review

The investment strategy will be reviewed annually and at any other times as considered appropriate by the trustee.

Signed:



Trustee



Trustee

Date: 21/06/2021

PAPAMICHELE SUPER FUND

(FUND)

ADMISSION OF MEMBER

Instructions for the Admission of a Member for future use.

In using the attached membership application form (i.e., if a new member is admitted to the Fund), please note that:

1. This must be done in accordance with the relevant provisions in the Fund's deed;
2. This must comply with the trustee/member rules for SMSFs (generally speaking, the new member must also become a trustee/director of the corporate trustee);
3. This must be correctly documented, including with properly drafted trustee minutes and Consent form for the new trustee;
4. An SMSF cannot have more than four members;
5. An underage member cannot be a trustee/director of a corporate trustee of an SMSF until they attain the age of 18 years; and
6. The ATO should be notified of the change to the membership/trusteeship of the Fund as soon as possible.

We recommend that assistance be obtained from a suitably qualified person in relation to the above.