

## **NONPAREIL CHOICE SUPER FUND**

### **INVESTMENT STRATEGY**

#### **Preamble**

The Trustees recognise that all superannuation funds are required to have an investment strategy which complies with the covenants and investment standards under the *Superannuation Industry (Supervision) Act 1993* (SIS).

The Trustees covenant that, when contemplating investments of any kind, they will have regard to the "sole purpose test" contained in SIS legislation. This implies that the trustees accept their obligations of achieving maximum returns for members consistent with sound management of the fund's investments.

The trustees accept that all investments shall be done on an 'arms length' basis or on normal commercial terms.

#### **Statement of the General Investment Principles to be Observed**

The Trustees will select only those investments which correspond to their agreed strategy and sector allocation as laid down for the fund.

All investments undertaken by the Trustee should be arms length, and prudent, having as their objective the long term consistent growth of the members assets of the fund.

Any investments done will take cognisance of required risk/return relationships as well as the required diversification of assets and liquidity within the fund.

The Trustees will consider insurance for their members as a part of the fund's investment strategy.

#### **Policy of the Trustees in Selecting Investments**

The Trustees will continue to maintain a diversified portfolio of direct, pooled, managed, and loan based investments managed in accordance with the strategy agreed by the Trustees and their advisers as meeting the fund's objectives.

Fund assets will be reviewed on a half yearly basis as being in accordance with the fund's strategy as defined and minuted by the trustees during the financial year.

The investment policy of the fund will be reviewed on an annual basis.

#### **Fund Investment Strategy**

The trustees, acknowledging their obligation to formulate an investment strategy which has regard to the whole of the circumstances of the fund, have considered the following aspects:-

- Ability to meet future liabilities
- Diversification
- Duration of strategy
- Liquidity
- Risk/return relationships
- The security of assets

**Investment Strategy**

The trustees acknowledge their obligations to diversify across financial sectors, not only to reduce risk, but to achieve other objectives such as, for example, improved tax efficiency by investing in shares for their imputed tax credits and to provide income to pay pensions.

**Investment Selection**

The trustees shall have absolute discretion in the selection of investments for the fund provided that they are satisfied that such investments will generate the returns to achieve the benchmark required. The trustees covenant that, to ensure that investments selected are appropriate for the fund's investment objectives, they will employ the services of licensed investment advisers to facilitate investment selection.

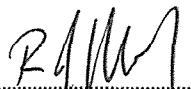
**Risk**

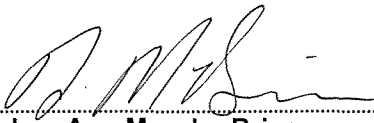
The Trustees acknowledge, as part of their strategy that, while they have attempted to reduce portfolio risk by diversification and product selection, they accept the risk associated with each investment ("non diversifiable risk").

Given that risks can change over time because of business and economic cycles, the investment strategy, as defined, is appropriate for an investment period of 5 to 7 years, although subject to review on a half yearly basis, as described.

**Measurement of Fund Performance**

The fund has as its investment objective to produce a return of 3% over inflation (as measured by the Consumer Price Index).

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**Robert John Murphy**  
Director

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**Delma Ann Murphy-Brice**  
Director

Date: 30/9/2019