

Investment Strategy

Riverleigh Superannuation Fund

Background:

The investment strategy dated June 2023 outlined below represents an expansion and clarification of the Investment Strategy agreed at the formation of Riverleigh Superannuation Fund and updated in 2008, 2011, 2014, 2016 and 2019.

Objectives:

The objective of the fund is to:

- Provide superannuation benefits to members and their dependants to meet their retirement needs.
- Ensure that appropriate mixes of investments are held by the fund to support these needs
- Ensure the fund has sufficient liquidity at all times to meet all commitments
- Maximise the tax effectiveness of fund investments thereby delivering the best long term after tax return for members.

The Investment objective of the trustees is to aim to achieve real medium to longer-term growth. The members are now aged 70 and 66. Both members are fully retired from the workforce. As both are in pension phase and fully retired, the fund will have a lower proportion of growth assets in the portfolio and a higher proportion of cash.

Investment Choice:

The Trustees have determined the fund's investments may include but not be limited to all or one of the following:

- Direct equities, stocks and derivatives including participation in dividend reinvestment programs and right issues, including the use of geared instalment warrants:
- Property trusts and associated investments:
- Managed investments and associated products:
- Direct residential, industrial and commercial property investment.
- Deposits and investments with banks and other financial institution securities including Term Deposits, Debentures, Secured and Unsecured Notes and Bonds:
- Any other investment that the trustees may feel prudent to achieve the objective of the fund.

The Trustee may from time to time decide to seek professional advice from Accountants, Solicitors or Financial Planners in the formulation or implementation of this or any future investment strategy.

In formulating this strategy the trustees have taken into consideration relevant features of the various investments in accordance with both the fund's objectives and appropriate legislation.

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In drafting this investment strategy, the trustees have taken into account all of the circumstances of the fund, including:

- the risks and likely return associated with each investment;
- the range and diversity of investments held by the fund;
- any risks coming from limited diversification;
- the liquidity of the fund's investments;
- the ages and preferences of its members;
- expected cash flow requirements; and
- the ability of the fund to meet its existing and prospective liabilities such as paying benefits to its members.

Policies:

The policies adopted by the Trustees in order to achieve these objectives are:

- Regular monitoring of the performance of the fund's investments, the overall investment mix and the expected cash flow requirements of the fund.
- Re-balancing the fund's investment portfolio due to changes in market conditions through asset sales and new investments as appropriate.

The Trustees will aim to follow the investment strategy, however, they will at all times reserve the right to change the investment mix depending on the market situation and opportunities available to better meet the objectives of the fund.

A copy of the Investment Strategy of the fund will be available to members of the fund on request.

Risk profile and risk tolerance:

The Fund has a medium time horizon. Further, the members wish to have a conservative asset allocation thereby limiting volatility of returns. [The members have existing equity and property investments outside superannuation and are familiar with the variability of both returns and capital values which are associated with such investments.]

Members understand

- the trade-off between investment risk and long term capital and income growth and have indicated capital preservation & stability is a priority
- Investment risk is borne by the members, as fluctuations in investment returns will affect the level of benefits available to members.

Insurance:

The Trustees have considered whether the Fund should hold a contract of insurance for its members and concluded that:

- As both members are now fully retired, insurance is no longer considered necessary.

Liquidity:

The Members of the Riverleigh Superannuation Fund are aged 70 and 66. Both are fully retired from the workforce. In recognition of this, the medium term investment time frame of members, the fund will have a lower proportion of growth assets in the portfolio and a higher proportion of cash. To this end Real Estate owned by the fund was divested in 2022 and the proceeds used to boost cash. Cash in excess of anticipated liquidity requirement will be invested in accordance with the Fund's investment strategy.

Asset Allocation:

The targeted asset allocation will recognise the need to have a diversified asset mix, however, given the medium term investment horizon of the members, the allocation will have a medium growth asset bias and be focused on ensuring capital stability.

The Trustees recognise the higher risk in investing predominantly in growth assets and the volatility associated with shares and property. In order to minimise this risk Trustees will consider investing in different industries and sectors where possible and reducing the exposure to direct property as the market improves.

The final targeted asset allocation will be in the following ranges and mix:

Growth Assets	Long term range	Current target
• Australian listed equities	25-50%	45%
• International listed equities	0-5%	2%
• Australian listed property	0-10%	3%
• Direct Property	0-30%	0%
• [Collectables]	0%	0%
Defensive assets		
• Cash	5-20%	10%
• Australian fixed interest	0-40%	40%
• International cash and bond funds	0%-0%	0%
•		
		100%

Signed & dated



Kerrie Meek Director: Enormous Expectation Pty Ltd



Gregory Meek Director Enormous Expectation Pty Ltd