

SMSF Investment Strategy

McOnie Super Fund

Date: 19 July 2022

Objective

This investment strategy of (as reviewed and amended annually or more often depending on changes to the needs of members) is created in compliance with the Superannuation Industry (Supervision) Act 1993.

The Fund:

1. accepts employer and member contribution and contributions from other persons as the laws allow
2. transfers from other Superannuation funds and from a spouse as the laws allow
3. provides benefits to members upon retirement and as the laws allow
4. provides other activities as allowed by the laws and regulations from time to time
5. allows access to any unrestricted non-preserved benefits (as/when allowed by the laws and regulations)
6. provides for the payment of pension benefits at a rate as determined in the future from time to time.

The fund complies with the current laws and regulations and the rules in the trust deed. It has the following investment objectives:

Risk and Return

It is recognised that timing (when you get into the investment) and time in the investment (how long you are in the investment) affects returns. Different investments have different returns and volatility. The Trustee (from time to time) of the fund has a strong emphasis on preserving the fund's capital. However, many sound investments are not capital guaranteed. Security of capital has to be tempered with the need to achieve the desired rate of return. Therefore, assets that show volatility may be of benefit to the fund.

The Trustee is ever vigilant to balance these two objectives:

- protecting the capital and
- growing the value of the fund by obtaining an acceptable rate of return.

Position on Diversification

From time to time fund investments may be diversified across asset classes but at other times maybe concentrated in only a few or one. The trustee will invest according to market conditions and availability of the fund's assets.

Required Rate of Return

The Trustee seeks an overall investment return for the fund in the 7-10 year term (medium term) of 3-5% above the average rate of inflation over that period.

Trustee's Obligations

The Trustee ensures that the fund meets the legislated standard minimums to continue to obtain concessional taxation status on the income. It is also incumbent on the Trustee to consider the tax consequences of all investments. Tax-advantaged products may reduce the fund's taxation burden. Tax is one of the Trustee's relevant concerns. The Trustee acknowledges that members' benefits are a liability of the fund. The Trustee gives thought to the level of benefit required to be paid to the member. However, while no terminations or benefits are expected to be paid out in the short to medium term the Trustee is at liberty to examine investments that are medium term. However, when the member is in pension phase the time horizon may be far shorter.

Paying Debts

The Trustee is obliged to pay tax, expenses and benefits. It will do so within 31 days. The Trustee ensures that it holds sufficient cash to meet such obligations.

Cost of Investing

The Trustee strives to reduce costs of investing. However, at times upfront investment costs are payable in order to obtain the best investment products that fit into this investment strategy. Exit costs and penalties may also be part of the cost of carrying out this investment strategy.

Investments (all investments maybe held within the following range 0-100%)

Cash

Money can be held in kind, in banks, building societies, lending institutions and cash management accounts.

Australian Shares

After research and due diligence, these include listed and unlisted securities including shares, warrants, derivatives, derivatives securities and managed funds.

Fixed Interest

These include deposits in Australian and overseas banks, building societies, lending institutions, cash management accounts, government and non-government bonds, bank bills, debentures, corporate notes and specialist fixed interest funds.

International Shares

After research and due diligence, these include investments directly or indirectly in listed and unlisted shares from around the world including listed and unlisted securities including shares, warrants, derivatives, derivatives securities and managed funds.

Insurance

The trustees have reviewed the need to hold a contract insurance for members of the fund and have determined that insurance is not required in compliance with the directives contained within SIS Act1994 Regulation 4.09 (2)(e)

Review

The Trustee undertakes to review this strategy on a continual basis and will regularly revisit the objectives and strategies of the fund consistent with the needs of members and will as a minimum review the fund's investment strategy annually.

Signed by the Trustee

Name of Trustee: Yvonne McOnie

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