

# **Investment Strategy of Keith Wilkinson Superannuation Fund**

The trustees have resolved that the following Investment Strategy be adopted and implemented for the Gill Super Fund, As per Regulation 4.09 of the Superannuation Industry Supervision (SIS) Regulations, this investment strategy has been formulated by the trustees with specific regard to:

Focus on delivering superior long term returns for retirement, in accordance with the Trust Deed and Superannuation Legislation

To have a balanced investment strategy by investing in a broad range of asset classes:

1. Investing in domestic and international equities and securities, which provide capital growth and income
2. To invest in listed and unlisted property for growth and income
3. To invest in domestic cash management trusts and high interest accounts with Australian banks or financial institutions
4. The funds will be invested in high interest accounts with Australian banks or financial institutions during periods where the funds are not invested in other asset classes
5. The strategy will be reviewed regularly during the year to ensure that it remains appropriate.

## **Summary of the Approved Investments**

- 1.1 Listed and unlisted Securities, including Bonds, debentures, in any company incorporated anywhere, whether carrying on business in Australia or not.
- 1.2 Listed and Exchange Traded Options
- 1.3 Listed Warrants
- 1.4 Australian and International CFDs
- 1.5 Australian and International Managed Funds
- 1.6 Cash deposit and Term Deposits (whether secured or not) with a bank, friendly society, building society, credit co-operative, trustee company, or other registered financial institution.
- 1.7 Real estate property investments, including an improvement to that property with or without borrowings.
- 1.8 Units (including sub-units) in a unit trust established or situated in Australia by subscription or purchase (including joint subscription or purchase). Whether the units are fully paid or partly paid, and whether their issue involves a contingent or reserve liability is irrelevant.
- 1.9 Futures, options or any other synthetic investment.
- 1.10 Physical Metals and Commodities
- 1.11 Foreign Exchange

- 1.12 Hedging, swapping or any similar arrangement, even though it is not linked to any property of the fund.
- 1.13 Deposit (whether secured or not) with, or loan (whether secured or not) to, any person (including an employer) or company on any terms the trustee thinks reasonable.
- 1.14 A policy or annuity with an insurer, whether by proposal or purchase.
- 1.15 Instalment warrants or receipts.
- 1.16 Any other asset classes that the trustee considers appropriate to the extent permitted by the Trust Deed and Superannuation Law

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Any other investment allowed by superannuation law that the trustee thinks appropriate.

### **Forbidden investments**

No investment will be made that is forbidden by superannuation law. No investments in the form of a loan or other financial assistance will be made to a member or a relative of a member.

### **As part of the compliant administration of the Investment Strategy the Trustee will at all times:**

- implement the Investment Strategy;
- regularly monitor the fund's investments and their performance in light of the Investment Strategy;
- keep themselves well informed about the management of the fund's investments and receive regular reports from other service providers who have been appointed to assist the Trustees in investing on the fund's behalf;
- review the Investment Strategy regularly; and
- ensure that the purchase and the sale of the fund's investments are in accordance with the Investment Strategy.

All of the fund's current or proposed investments must be in accordance with the trust deed and in compliance with the provisions of superannuation legislation.

The fund's Investment Strategy contains:

- the risk associated with making an investment; low risk
- the diversity of all of the fund's investments; into a balanced group of asset classes
- the liquidity requirements to meet future expenses such as taxation payments; and
- the ability of the fund to meet its future liabilities including the payment of benefits to members.

## **Investment Objectives**

The objective of the Fund is to maximise benefits for the purposes of providing Retirement Benefits to the Fund Members in accordance with the Trust Deed governing the Fund's operations. The Investment Objectives which have been considered by the Trustees of the Fund in formulating the Investment Strategy include:

The Trustee will act prudently to pursue the maximum rate of return possible, subject to acceptable risk and diversification parameters.

The Trustee will take into account the number of years to retirement of the Members when considering investment options.

The Trustee will establish a tolerance within the Fund to short term fluctuations in income and capital values given the profile of the Member's ages.

The Trustees will have proper regard to the risks associated with the investments given the Funds Objectives and cash flow requirements.

The Trustee will invest to ensure sufficient liquidity is retained within the Fund to meet benefit payments and other liabilities as they fall due.

The Trustees before investing in a particular asset will have proper regard to the balance between the risk and return, so as to maximize the rate of return on Member's entitlements subject to an appropriate level of risk.

## **Investment Review**

The Investment Objectives of the Fund will be reviewed annually and at such other times as a significant event occurs which affects the Fund.

## **Percentage Investment Range**

The Trustees consider that no specific percentage range for each of the above asset classes should be adopted but that each asset class should be considered on its own investment merits having regard to an appropriate degree of diversification.

## **Single Asset Investment Strategy**

A single asset strategy may be adopted by the Fund if the asset proposed to be invested in is considered by the Trustee to satisfy a core purpose of the Fund's Investment Objectives and provided that the Trustee is satisfied that no other benefit (excepting incidental benefits) is conferred upon members or associated parties.

## **Arms Length Basis**

All investments by the Fund shall be on an arms length basis and will be acquired, maintained or disposed of on commercial terms at market rates of returns.

## **Maximising Member Returns**

The Trustee considers that this Investment Strategy will fulfil the principal objective of maximising member returns having regard to risk and is consistent with the investment objectives of the Fund.

## **Risk and volatility tolerance**

Having regard to the above stated investment objectives of capital growth, and the remaining time to retirement:

- The trustees will have a moderate to high tolerance for the overall capital volatility of the fund's aggregate investment portfolio over any 1 year rolling period.
- Quantitatively, the trustees will attempt to limit the maximum aggregate capital loss of the fund's investments at all times.
- The trustees will take a moderate risk approach to its individual investment selection.

The trustees will attempt to meet these risk & volatility objectives by:

- setting and adhering to a "growth based" asset allocation based on the historical frequency and magnitude of negative returns in the various asset class indices.
- investing only in individual assets where its research indicates them to be of a low to moderate assessed risk of substantial permanent capital loss.
- diversification of asset classes and within each asset class, and limiting the exposure of any one individual investment in each asset class.
- avoiding asset classes where research indicates a higher probability of substantial negative returns in the immediate future.

**Liquidity to meet cash flow requirements and liabilities.**

The trustee’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its cash flow requirements and liabilities when due, under both normal and stressed conditions.

At any time, the fund is exposed to liquidity risk in relation to paying members’ benefits, given that the fund has:

- expenses that are paid on a semi regular basis; and
- death benefit nominations in place that may require at least a partial lump sum payout on the unexpected death of a member.

The trustees will exercise prudent liquidity risk management by:

- continually monitoring cash flow into the Fund, outgoing cash flow requirements and the balance in the fund’s bank account.
- always maintaining a sufficient cash balance in the fund’s bank account to meet its outgoing cash flow requirements when they fall due.
- ensuring that the liquidity of the vast majority of underlying individual investments is sufficient, such that forced selling (liquidation) is able to be completed in full and without any substantial loss of capital due to any individual investment’s illiquidity.

Date: \_\_\_\_\_

Trustee KEITH WILKINSON

Signature \_\_\_\_\_