

# Investment Strategy

## BengemmaxSMSF

### Background:

The investment strategy outlined below represents a clarification of the Investment Strategy agreed at the formation of BengemmaxSMSF.

### 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.

### Investment Choice:

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

- Managed investments, managed asset agreements, and associated products
- Deposits and investments with banks and other financial institution
- Any other investment that the trustees may feel prudent to achieve the objective of the fund.

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.

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:**

Due to the presence of COVID-19, which has led to incredible uncertainty in any market, the members have agreed to invest in an asset management agreement to get a fixed rate of return at the end of the period of a year, with the remainder in cash, as opposed to exposing the fund to market variability.

Members understand

- Investment risk is borne by the members.

### **Insurance:**

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

- Additional insurance is not appropriate as the members have [pre-existing medical conditions/ are at an age] such that insurance is not available on a cost effective basis

**Liquidity:**

The Members of the fund are aged between 45-50 and have minimal assets outside of superannuation. At the present time neither expect to access their superannuation prior to age 65. Accordingly, there is no anticipated benefit payment in at least the next 15 years. Cash in excess of anticipated liquidity requirement will be invested in accordance with the Fund's investment strategy.

**Asset Allocation:**

The initial targeted asset allocation will be 10-30% cash, 70-90% investment in managed funds/asset management

Signed & dated



[Trustee/Director of Trustee Company]

Marc Desmarais

1<sup>st</sup> July 2020



[Trustee/Director of Trustee Company]

Krystyna Desmarais

1<sup>st</sup> July 2020