

# Investment Strategy

## Haimes Family Pty Ltd

### ATF

## Haimes Family Superannuation Fund

### Background

The investment strategy outlined below represents an expansion and clarification of the Investment Strategy agreed at the formation of Haimes Family Superannuation Fund. This Investment Strategy replaces prior investment strategy documents.

### 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 Trustee is to aim to achieve real long-term growth. In recognition of the 2022 investment time frame of members the fund will have a high proportion of defensive assets in the portfolio.

### Investment Choice

The Trustee has determined the fund's investments include:

- Direct residential property which includes a geared property investment purchased using the allowable limited recourse borrowing arrangements;
- Deposits and/or investments with a bank;
- Gold/ Silver Bullion and collectibles
- Any other investment that the Trustee 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 and giving effect to the investment strategy of the fund, the Trustee has considered:

- (a) Risks involved with making, holding and realizing the investments. The Trustee recognises that where 100% of net fund assets are held in one asset, such as cash, and will formulate future strategies to include more diversified assets and hold in cash until that time.
- (b) Diversity of investments. The Trustee considered the diversity of fund investments and have developed a strategy that involves holding 100% of net fund assets in cash. This strategy has

been developed to preserve capital until such time the Trustee decides on future investments and strategy.

- (c) Liquidity to meet fund obligations. Cash is available to meet fund expenses.
- (d) By addressing the risk, diversity and liquidity consideration as discussed above, the Trustee is of the view that they will be able to meet all future obligations of the fund.

## **Policies**

The policies adopted by the Trustee 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.
- Move towards diversified portfolio by regularly monitoring the market and future purchase of investments for the SMSF.

The Trustee will aim to follow the investment strategy, however, they will always 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 long time horizon and the members are prepared to endure a reasonable level of volatility or returns in expectation of long-term growth. The member wish to maintain a conservative approach to their investments at this time and retain 100% cash investment.

Members understand:

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

## **Single Asset Strategy**

The Trustee recognises the higher risk in investing predominantly in defensive assets (particularly as a very large portion of the fund's assets are invested in a single asset class). The defensive investment strategy is expected to be compensated by the prospect of achieving higher return and growth in the longer term through investment selections.

## **Insurance**

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

- The fund already has insurance for its member Gael Haimes, which is considered appropriate.
- The member Timothy Haimes has appropriate insurance outside the fund via a retail superannuation fund.

## Asset Allocation

The Trustee has given due consideration in relation to the diversification of their fund's investments and are mindful that the SMSF is holding its funds in a single asset class – cash. The Trustee is aware that this lack of diversification can expose the SMSF and its members to unnecessary risk and minimal growth. The members are confident that the single asset class is a defensive asset and anticipates holding the asset until such time suitable investments are decided on.

The targeted asset allocation will recognise the need to have a diversified asset mix. The final targeted asset allocation will be in the following ranges:

Asset	Allocation
• Domestic Cash	90% - 100%



Timothy Haimes  
Director



Gael Haimes  
Director

Date: 6 Sep 22

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