

**THE CLAY SUPERANNUATION FUND**  
**INVESTMENT STRATEGY**

**INVESTMENT OBJECTIVE**

The investment objective of the trustees is to maximise the retirement benefits payable to members by investing in assets that should achieve a real rate of return as well as ensuring a rational and prompt payment of benefits as required by the members.

**FUND PROFILE**

The current members of the fund are Carol Clay aged 59 and Anthony Clay aged 42.

**INVESTMENT STRATEGY**

To achieve the investment objective the trustees can invest initially in cash, listed equities and collectibles .

On the discretion of the trustees, further investments may include any investment approved by ATO so that the fund remains an approved self-managed superannuation fund.

During periods when the trustees are searching for suitable assets, the liquid funds will be invested in appropriate cash accounts.

In arriving at this investment strategy the trustees have considered the following issues.

**RISK**

The trustees have identified two risks:

- a loss in the capital value of the fund, and
- the risk of not generating an appropriate annual rate of return.

To guard against these risks due consideration will be given to the income yield of the asset, the stability and history of the asset's income paying ability and the chances of the capital value of the asset falling in value over a rolling five year period.

**RETURN**

To maximise the retirement benefits payable to members the trustees will target a net (after taxation) rate of return greater than the annual inflation rate.

Fixed interest assets will only be selected if the after tax rate of return is in accordance with the above target.

Growth assets will only be selected if they can reasonably be expected to generate a positive income over a three year period and the capital value of the asset can reasonably be expected to maintain its capital value in line with inflation over a rolling five year period.

**EXPECTED CASH FLOW REQUIREMENTS**

The fund is in accumulation phase. Accordingly the trustee will ensure sufficient cash is available to pay the administration expenses.

**DIVERSIFICATION**

The trustees acknowledge the benefits of diversification. However given the age of the members, the trustee accepts the lack of diversification.

**LIQUIDITY**

The trustee will ensure sufficient liquidity to fund the administration expenses.

This issue will be reviewed annually.

**EXISTING AND PROSPECTIVE LIABILITIES**

Given the age of the members the trustee will continue to invest in cash, listed equities and collectibles.

**NEED FOR INSURANCE**

Given the age and financial position of both members the trustee determines there is no requirement to insure either member.

**STRATEGY COMPLIANCE**

The trustees will ensure investments continue to comply with this strategy. The trustees reserve the right to review and alter the strategy at any time.

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Trustee

  
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Trustee

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Date 1 July 2014