

SMSF Investment Strategy Report

KAY SUPERANNUATION FUND

SMSF Investment Strategy Report

Trustee:

Kay SF Pty Ltd

SMSF Investment Strategy Report

Contents Page

Compliance3

Ongoing Monitoring4

Fund Profile.....5

Fund Objectives.....5

Risk Profile.....6

Diversification.....6

Liquidity.....7

Ability of Fund to discharge existing and prospective liabilities7

Insurance considerations7

Derivative Risk Statement (DRS).....7

Reserves Management Strategy.....7

Implementation of Investment Strategy.....8

SMSF Investment Strategy Report

Compliance

The trustees are required to prepare an Investment Strategy (or strategies) that provide a framework for making investment decisions to increase members' benefits for their retirement. This duty is codified in section 52(2)(f) of the Superannuation Industry (Supervision) Act 1993 ("SIS Act") and is an operating standard set out in SIS Regulation 4.09, which applies to all trustees.

This Investment Strategy report considers, at the fund level:

- *the risk and likely return from investments;*
- *the diversification of the investments;*
- *the liquidity and cash flow requirements;*
- *the ability of the fund to discharge its liabilities; and*
- *whether a contract of insurance that provides cover for one or more members is required.*

This written Investment Strategy has been prepared to demonstrate that investment decisions comply with the strategy and the various superannuation laws including:

- Sole purpose test;
- Restrictions on investments and acquisitions from members;
- Ownership and protection of assets;
- Restrictions on lending;
- Restrictions on placing charges over fund assets;
- Investing in collectables and personal use assets;
- Investments being made on an arm's length basis; and
- Restrictions on holdings of in-house assets.

Complying Status

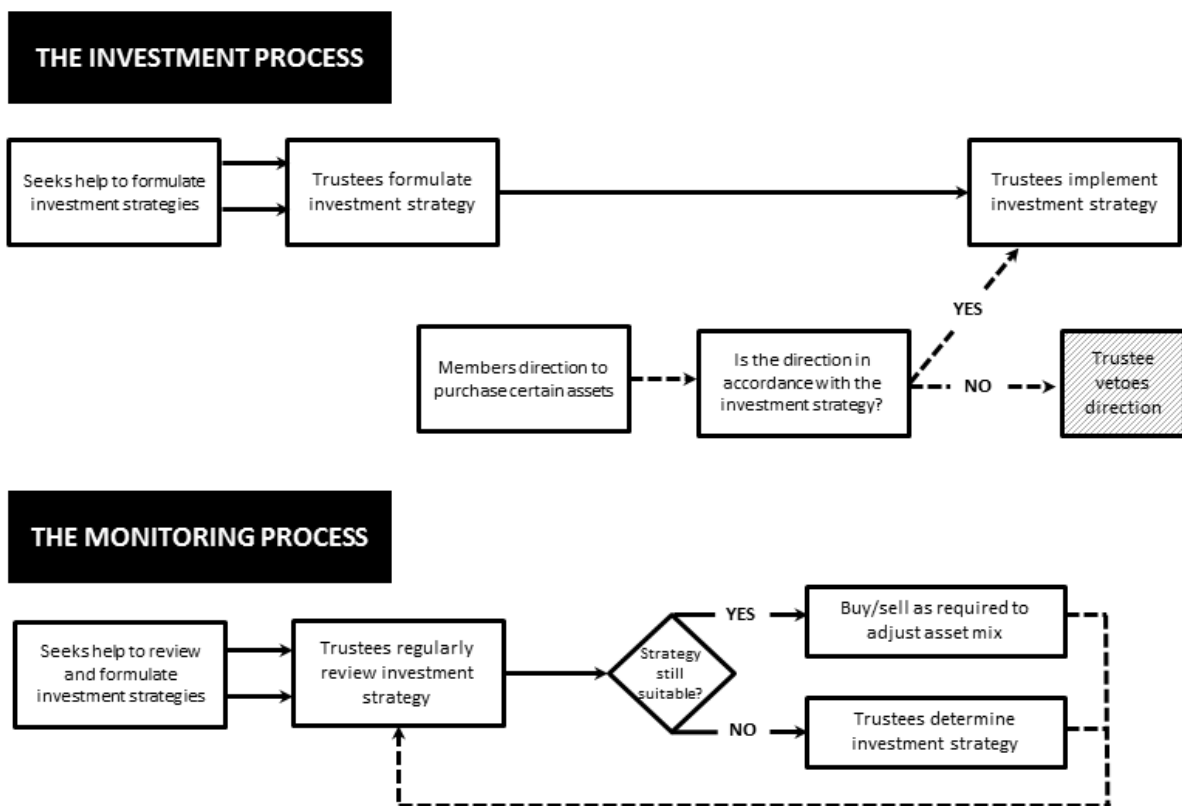
The Fund is an Australian Superannuation Fund as defined in subsection 295-95(2) of the Income Tax Assessment Act 1997 and Section 45 of the Superannuation Industry (Supervision) Act 1993 ("SIS Act").

SMSF Investment Strategy Report

Ongoing Monitoring

The obligation for the trustee to formulate and implement an Investment Strategy also requires the trustee to monitor and regularly review the Investment Strategy on an ongoing basis to help ensure that the investments made by the trustee continue to be consistent with the Investment Strategy. Where this is not the case, the trustee will be required to amend the Investment Strategy to reflect the change in the investment approach.

The following diagram illustrates the initial and ongoing process of the trustee:



SMSF Investment Strategy Report

Fund Profile

Fund Benefit Design:	Accumulation Fund
Fund Structure	Self-Managed Super Fund (SMSF)
Current Fund Assets (\$):	\$2,099,000
Number of Fund Members:	Two
Fund Phase:	Pension
Member directed investments	No (Pooled)

Age profile

Age	Number of Members
Less than 40 years	
41-49 years	
50-59 years	
60-64 years	
65-69 years	
70 years and over	2

Fund Objectives**Specific Objectives**

To achieve the RBA cash rate of return each year. It is expected that the capital value of the Fund is preserved at all times, and to avoid negative returns.

General Objectives

To provide retirement benefit for the members. In the event of the members' death before retirement, to provide benefits for the dependants of the members.

To ensure that sufficient assets will be available to meet benefit payments when those payments are due to be paid (solvency).

To ensure that sufficient liquid assets will be available to meet benefit payments as and when those payments are due to be paid (liquidity).

SMSF Investment Strategy Report

Risk Profile

Risk Tolerance

Member 1 – Neil Kay

The member is receiving a pension income stream. Investments should be made in risk averse investments, which combine reasonable security of capital with the prospect of long-term growth, with the view to prolonging the duration of the pension payments.

Member 2 – Gwenda Kay

The member is receiving a pension income stream. Investments should be made in risk averse investments, which combine reasonable security of capital with the prospect of long-term growth, with the view to prolonging the duration of the pension payments.

Overall

The Fund is paying a pension income stream(s). Investments should be made in risk averse investments, which combine reasonable security of capital with the prospect of long-term growth, with the view to prolonging the duration of the pension payments.

Statement on Risk:

Investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members' benefits on withdrawal.

Diversification

The funds are primarily invested in equities. The Trustee recognises the higher risk in investing predominantly in only one asset class and the volatility associated with shares. The volatility will be compensated by the prospect of achieving higher return and growth in the longer term. The shares are invested in different industries and sectors, which will spread risk to a satisfactory level.

SMSF Investment Strategy Report

Liquidity

Statement on Liquidity

Members are drawing pension payments at least annually. The Trustee will monitor the liquidity position to ensure that there will be sufficient liquid assets to meet the benefit payments as and when they fall due.

Anticipated Benefit Payment

	Benefit payments
1 Year:	\$57,500
2 Years:	\$115,000
3 Years:	\$115,000
4 Years:	\$115,000
5 Years:	\$115,000

Ability of Fund to discharge existing and prospective liabilities

Sufficient cash flow will be maintained to discharge administration expenses, borrowing costs (where applicable) and other outgoings. The Fund will be able to meet its obligations to the members and other parties at all times.

Insurance considerations

Member insurance:

The trustees are satisfied that the member(s) have appropriate levels of insurance outside of the Fund.

Derivative Risk Statement (DRS)

The fund does not invest in derivatives.

Reserves Management Strategy

The fund does operate reserves.

SMSF Investment Strategy Report

Implementation of Investment Strategy

Professional Advice

The trustee may engage suitably qualified professionals for specialist advice in various asset classes where they are used as part of the Investment Strategy.

This Investment Strategy supersedes all previous Investment Strategies.

The Trustees commit to manage the Fund's investments in line with this Investment Strategy.

The Trustees commit to arranging insurance cover for one or more fund members as deemed necessary.

Signed as a true and correct record in accordance with the resolution of the Trustee by:

DocuSigned by:

Neil Kay

58B0DA7362EA40B...

21-10-2020 | 9:28 AM AEDT

Date: _____

Neil Kay

DocuSigned by:

Gwenda Kay

58B0DA7352EA40B...

21-10-2020 | 9:29 AM AEDT

Date: _____

Gwenda Kay