

Appendix A. Self managed super fund investment strategy

Investment strategy for the John Shipp Superannuation Fund

Adopted by the Trustee(s) on 21/10/18.

Introduction

The purpose of this statement is to document the investment objectives and strategy formulated by the Trustees of the John Shipp Superannuation Fund ('the Fund') in relation to the investment of the assets of the Fund.

1. Fund overview

1.1. Fund details

The Fund will be maintained for the sole purpose of providing retirement benefits to members and death benefits to their beneficiaries in accordance with section 62 of the SIS Act.

The membership profile of the Fund is as follows:

Member name	Age	Years until preservation age	Account balance	Asset structure	Accumulation / Pension phase	Making regular contributions
John Shipp	49	11	\$246,172	Unsegregated	Accumulation	Yes

1.2. Fund trustee

The trustee(s) of the Fund are:

Trustee	John Shipp Corporate Pty Ltd
Directors of corporate trustee	John Shipp

2. Investment objectives

2.1 General objectives

The Trustees of the Fund have the following general objectives:

- Ensure the Funds' assets are at all times invested in accordance with the trust deed and comply with the applicable legislative / regulative requirements.
- Consider the levels of diversification achieved within the Fund's portfolio, and assess the associated risks where it is determined that the portfolio lacks diversification and / or has elected to implement a sector bias.
- Consider the Fund's liquidity levels and its ability to meet payments and liabilities as they fall due.

2.2 Specific objectives

The Trustees of the Fund have the following investment objectives:

- To establish and maintain an investment portfolio that will allow the members to generate sufficient benefits so as to provide for their retirement.
- The Trustees expect that returns will vary each year and acknowledge that there may be years when a negative return may occur.
- The Trustees may implement a gearing strategy to grow capital over the long term, provided the borrowing arrangement is carried out in accordance with the requirements set out in the trustee deed and superannuation law.

Having considered the specific liabilities on the Fund in relation to the members, the trustee has determined to adopt the following investment objective for the Fund:

- To adopt a Growth/Aggressive portfolio of investments, which should aim to achieve an average investment return that exceeds inflation by at least 3% when measured over a five to ten year time frame.

3. Investment strategy

To achieve the outlined objectives, investment risk may be mitigated by investing in a broad range of asset classes. The Trustee acknowledges that diversification can result in a significant reduction to return volatility whilst achieving the anticipated level of return. A proportion of the Fund's assets will be invested in cash with some of this provisioned to meet benefit payments and Fund expenses. This cash position will be kept under review.

In relation to liquidity, the Trustees have appropriately considered the age of the members and the likelihood that assets may need to be redeemed and considered what proportion, if any, of the Fund's assets need to be held in highly liquid assets.

3.1. Asset allocation

The strategic asset allocation ranges (benchmark range) that the Fund's sector exposures will be maintained within and the benchmark allocation for the Fund are as follows:

Asset class	Benchmark allocation	Benchmark range
Cash	5.00%	0.00%–100.00%
Diversified fixed interest	15.00%	0.0%–25.0%
Direct property	0.00%	0.00%–100.00%
Listed property securities	10.00%	0.00%–20.00%
International shares	35.00%	0.0%–45.0%
Australian shares	35.00%	0.0%–45.0%
Other allowable investments	10.00%	0.0%–20.0%
Total	100.00%	

3.2. Review

The appropriateness of this benchmark portfolio will be formally assessed at least once a year and will be kept under constant review to reflect any fundamental changes in the investment environment or changes to member's circumstances.

The Trustees may rely on professional investment adviser for advice on investment-related matters and the management of the Fund's assets.

4. Reserves

The Trustees, subject to any restrictions in the trust deed, may maintain a reserve for the purpose of smoothing investment returns credited to member, the payment of the Fund's expenses, or as determined by the actuary in relation to defined benefit pensions provided by the Fund. The assets backing the reserve will be invested in accordance with the investment objectives and strategy as other assets of the Fund.

5. Monitoring

The Trustees shall monitor the overall performance of the Fund's investments in relation to the investment objective on at least an annual basis. As necessary, the Fund's investments will be rebalanced in accordance with the benchmark asset allocation ranges.

If, as a consequence of a change in market values, the value of an asset class has ceased to conform to the strategic asset allocation ranges specified for that asset class, then the asset class shall nevertheless be treated as complying with this investment strategy if either:

- At its first meeting after learning that the asset or asset class is outside strategic asset allocation ranges, the Trustee determines that the value of the asset class is acceptable.
- Steps are taken to re-balance in accordance with the strategic asset allocation ranges within a reasonable time.

- their existing insurance arrangements both inside and outside the Fund
- their income as well as their assets and liabilities
- what impact the death or disability of the member would have on their own / their beneficiaries standard of living and their ability to fund ongoing expenses as well as pay any associated medical bills and care costs
- the affordability of the cover having regard to the member's retirement savings and other financial goals.
- the availability of the cover given the member's personal circumstances.

6.1 Insurance decisions

The Trustees decisions in relation to the need to hold insurances, including the type and level of insurance to be acquired, will be documented in the minutes of Trustees meetings.

6.2 Review of insurance requirements

The Trustees will review the need to hold insurances for members as well as the type and level of insurance required on a regular basis. Any decisions to change the Fund's insurance arrangements will be recorded in the minutes of Trustee meetings.

Trustee declaration

I / We declare that:

- All the information provided to my adviser in this document is true, current and correct.



John Shipp

Director

John Shipp Corporate Pty Ltd ATF
John Shipp Superannuation Fund

29/10/18

Date

