



## **Diversification**

The Trustee recognises that diversification and identification of quality investments are the keys to mitigating the risk of volatilities in market conditions.

Consideration is given to investments of the portfolio being diversified between asset classes/ as well as international and Australian investments. The Trustee considers that a combination of fixed interest investments (for capital protection), equities (for long term growth) and managed investments (to diversify between fund managers) should be used.

The asset allocation used in this investment strategy has been devised taken into consideration the risk profile and needs of the members. It should be able to control downside risk in market conditions while going for returns above inflation as stated in the objectives.

## **Ability of fund to discharge existing and prospective liabilities**

The current asset allocation in liquid assets will enable the fund to meet its liabilities including income tax, expenses and other payments as they fall due.

## **Insurance requirements**

It has been considered as to whether the fund should hold insurance for one or more of its members and it was decided that insurance would be held outside of the superannuation environment.

## **The investment strategy**

1. The fund may invest in cash, fixed interest investments, shares listed on the Australian stock exchange or an international exchange, managed investments and property including both direct property and listed property trusts.
2. The trustees have decided that the investment objectives of the fund will be satisfied by the following assets allocation:

<b>Asset class</b>	<b>Asset allocation</b>
Cash	10% - 70%
Fixed interest	0% - 20%
Australian shares	15% - 85%
International shares	0% - 15%
Listed trusts	0%
Property	0% - 50%
Other	

The Trustee recognises that market fluctuations may sometimes cause the asset allocation to go over or under the stated percentages temporarily.

3. The trustee also acknowledges that short term volatility may cause negative results in some periods and this has been taken into consideration in the formulation of the investment strategy.
4. The trustee may vary investment exposures where necessary depending on additional contributions, withdrawals, market fluctuations and any other relevant factors considered by the trustee.

5. The investment strategy will be revised and reviewed regularly or as necessitated by changes in market conditions or in the personal circumstances of the members. The trustees are still investigating investment opportunities and the fund's assets will remain liquid while these investigations are continuing.

Signed:



Trustee name: Ko Lane - Director of Theokoles Pty Ltd

Date: 27 / 05 / 2020



Trustee name: Dianne Linda Lane - Director of Theokoles Pty Ltd

Date: 27 / 05 / 2020