

**INVESTMENT STRATEGY
FOR
ZENBERN SUPERANNUATION FUND**

Updated 30 June 2021

Investment Objective:

1. The investment objective of the fund is to generate a high level of growth to meet future pension payments for Bernard and Zenaida O'Leary.

The fund will maintain the existing property portfolio but will not add any more as soon both members will be in pension phase. The instalment warrant investments will be maintained and added in order to provide dividend and franking credit income. The cash part of the fund will also be expanded.

2. Members profile and needs

- Bernard is 73 years of age and Zenaida is 62 years of age, both are currently employed and enjoy good health.
- They currently have a mortgage of AU\$230,000 on their home which is valued at around AU\$800,000.
- They do not have any children living at home.
- They both have cars for their travel to work.
- They both travel overseas once or twice a year to visit relatives and friends although that has not been possible over the past year or so.

3. Desired investments

- The current property portfolio will be maintained in order to provide income for the future.
- Local or international shares may be purchased as well as instalment warrants. These are expected to provide growth as well as dividend and franking credit income, capital gains and income from call option writing.
- Preference is for blue chip shares with solid balance sheets and earning records, however a small percentage of the fund assets can be devoted to IPO's and smaller companies with strong potentials.
- A Commonwealth bank direct investment account will be used for maintaining cash. This has a cheque book facility for meeting the funds administrative needs and obligations.

4. Liquidity and Diversification

By having an overseas property portfolio as well as a reasonable bank balance as well as blue chip shares and warrants locally the members are satisfied with this level of diversification.

5. Members Insurance Cover

Bernard cancelled his life only cover in 2017 because it was becoming too expensive because of his age. He has however maintained an accidental death cover policy with Clearview Life for \$400,000. This is held outside of super. Zenaida also has the same accidental death cover insurance for the same amount held outside of super and the policy is jointly owned.

Zenaida has maintained her death and permanent disability insurance held inside the fund. Currently her death cover amount is \$115,000 and the permanent disability amount is 115,000. The premium payable for this policy is \$258.80 per month for the 2020-2021 financial year.

The Trustees consider these arrangements adequate for the foreseeable future.

Signed by the Trustees

BERNARD JOHN O'LEARY

Zenaida O'Leary

ZENAIDA O'LEARY

Date: *B. O'Leary*

Date: *30 June 2021*
