

# SMSF investment strategy

## Investment strategy for Whittaker Superannuation Fund

Adopted by the Trustees on 30 June 2022

### Introduction

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

### Fund overview

#### 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	Date of birth	Tax free	Taxable	Member balance	Account status
Mr Russell Durras Whittaker	13 October 1959	\$159,958.17	\$219,168.74	\$379,126.91	
Mrs Sharon Winnifred Whittaker	2 September 1960	\$161,000.00	\$283,399.74	\$444,399.74	
Total assets				\$823,526.65	

### Fund investment objectives

#### 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.
- Consider the need to hold a policy of insurance for one or more members of the fund.

#### Specific investment 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:

#### Diversified Portfolio

- The investment strategy of the fund is to invest in a growth portfolio with exposure to cash, fixed interest, Australian shares, International shares, property and alternatives.
- The fund's investment objective is to achieve tax-effective capital growth over the medium to longer term (8 years +) from Australian shares, International shares, property and alternatives, whilst accepting a high level of risk. The return objective is CPI + 3%.

## Investment strategy

### Diversified portfolio

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.

### Direct property as majority of portfolio

To achieve the outlined objectives, the Fund may invest majority of its portfolio in direct property and a proportion in cash / other liquid assets. In this case, cash will be provisioned to meet benefit payments and Fund expenses. The Fund's liquidity position will be reviewed regularly in view of the high allocation to direct property and its illiquid nature.

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.

### 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:

#### Growth investment strategy

Asset Class	Lower (%)	Upper (%)	Benchmark (%)
Australian Equities (AEQ):	0.00	95.00	0.00
International Equities (IEQ):	0.00	0.00	0.00
Property:	0.00	0.00	0.00
Fixed Interest (FI):	0.00	15.00	0.00
Cash:	0.00	30.00	0.00
Infrastructure:	0.00	0.00	0.00
Alternatives:	0.00	0.00	0.00
Other:	0.00	0.00	0.00

### 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.

### 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.

## Monitoring

The Trustees shall review 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.

## Insurances

The trustee will consider whether to hold a contract of insurance that provides insurance cover for one or more members of the Fund. When determining the insurance needs of each member the trustee will take into consideration their personal circumstances including:

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

## Insurance decisions

The trustee's 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 the trustee meetings held during the income year.

## 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 an annual basis. Any decisions to change the fund's insurance arrangements will be recorded in the minutes of the trustee meetings held during the income year.

Trustee declaration:

we declare that:

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

Authority:

DocuSigned by:

*Russell Whittaker*

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Mr Russell Whittaker  
Director - R & S Whittaker Pty Ltd

Date 23-Mar-2023

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*S. Whittaker*

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Mrs Sharon Whittaker  
Director - R & S Whittaker Pty Ltd

Date 23-Mar-2023