

# **B & D Superannuation Fund**

## **Investment Strategy**

**Trustee name/s:** Barry and Deidra Robertson

**Date Prepared:** 16.12.2010

## Investment Strategy

This is the official investment strategy for the fund which has been adopted by the trustee/s. The fund is a complying superannuation fund under the Income Tax Assessment Act and the Superannuation Industry (Supervision) Act 1993.

## Objectives

### General Objectives

The investment objective of the trustee is to maximise returns within the constraints of providing retirement funds for the benefit of members as well as to hold assets in a suitable form to ensure rational and prompt payments of benefits to members as required.

When formulating the strategy, the trustee takes into account the following factors:

- The risk & return of each investment
- The existing assets of the fund
- Diversification of assets and investment style
- Liquidity & cash flow requirements
- Current & future liabilities

### Specific Objectives

The specific objective of the trustee is to produce a minimum income and growth return on the investments of the fund over the long term as follows:

**Consumer Price Index + 2.0%**

This will become the benchmark earning rate against which the trustee will assess the performance of the fund.

There may be short term fluctuation in capital value, with a moderate risk of negative returns.

### Investor Profile

The fund member's age distributions are:

Age	Number of Members (Maximum of 4)
60 to 65 years	2

### Liquidity & Existing or Prospective Liabilities

The trustee believes that a balance between income and growth returns is required to protect the member's benefits against the effects of inflation and taxation.

There is no anticipated benefit payment in the next 5 years. Cash in excess of anticipated liquidity and other expenses will be invested in accordance with the Fund's investment strategy.

### Diversification

The trustee understands that various asset types have different levels of inherent risks associated with them.

Diversification across currencies, economies, and asset classes is achieved through a mix of both Australian and International investments. This may be achieved through direct investment or indirect investment via managed investment trusts. The trustee recognises that diversification can result in a significant reduction to return volatility while maintaining the level of forecast return.

The fund also utilises what is named "Strategic Risk Allocation" style of investing. This approach has no set allocation to asset classes, and is constrained in investment decisions by the volatility the investment will add to the portfolio. The trustee recognises that this can provide for further diversification through investment in

all available investment sectors. Combining SRA and SAA (Strategic Asset Allocation) Style /approaches will help to increase the diversification and can result in a significant reduction to return volatility while maintaining the level of forecast return.

#### Investment Allocation:

As a result of the investment approach the following ranges are wide to allow for the investment managers to manage the capital in line with the agreed mandates.

Asset Class/Access SRA fund	Strategic Ranges	
	From %	To %
Cash (CMT's, account balances, deposits less than 12 months)	0%	100%
Direct Property	0%	80%
Listed Property	0%	50%
Australian Bonds and deposits greater than 12 months	0%	80%
International Bonds and deposits greater than 12 months	0%	80%
Australian Shares	0%	80%
International Shares	0%	50%
Strategic Risk Allocation approach	0%	95%

#### Reserve Management Strategy

The fund does not operate reserves.

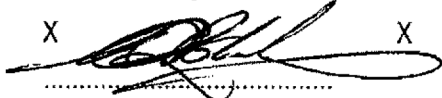
#### Implementation of Investment Strategy

Each asset is researched and assessed by the trustee on the basis of investment risk versus return expectations.

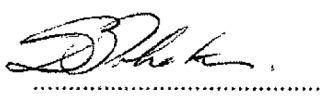
#### Review of Strategy

The trustee intends to informally review this investment strategy at the end of each twelve month period or when there is considered to be a major change in circumstances. The trustee may change the investment allocation of the fund at any time based on, but not limited to, the following:

- Assessment of economic conditions
- Investment performance
- New investment opportunities
- Change in member status

X  X

Barry Robertson



Deidra Robertson

Date: 16.12.2010

B & D Superannuation Fund

Held at Sydney on 16.12.2010

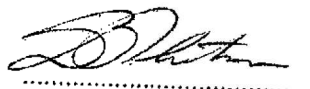
Present:      Trustee:      Barry Robertson  
                 Trustee:      Deidra Robertson

Investment Strategy:      A proposed investment strategy was tabled.  
   It was resolved to adopt the tabled investment strategy  
   There being no further business the meeting was closed

Signed as a true a great record:

X  X

Barry Robertson



Deidra Robertson

Date:      16.12.2010