

## **Investment Strategy**

### **S A Mason Super Fund**

#### **Background:**

The investment strategy, effective as at 1 July 2020, outlined below represents an expansion and clarification of the Investment Strategy made on 1 July 2014.

#### **Objectives:**

The objective of the fund is to:

- Provide superannuation benefits to member and their dependants to meet their retirement needs.
- Ensure that appropriate mixes of investments are held by the fund to support these needs.
- Ensure the fund has sufficient liquidity at all times to meet all commitments.
- Maximise the tax effectiveness of fund investments to deliver tax efficient long term after tax returns for member.

The Investment objective of the trustee is to aim to achieve real medium to longer-term growth. In recognition of the approximate medium to long term investment time frame of the member the fund will have a medium to high proportion of growth assets in the portfolio.

## **Investment Choice:**

The Trustee has determined the fund's investment may include but not be limited to all or one of the following:

- Direct equities, stocks and derivatives and including the participation in dividend reinvestment program, right issues and the like, including the use of geared instalment warrants;
- Property trusts and associated investments;
- Managed investments and associated products;
- Direct residential, industrial commercial property investment;
- Bank and other financial institution securities including Term Deposits, Debentures, Secured and Unsecured Notes and Bonds; and
- Any other investment that the trustees may feel prudent to achieve the objective of the fund.

The Trustee may from time to time decide to seek professional advice from Accountants, Solicitors or Financial Planners in the formulation of their investment strategy in the future.

In formulation of this investment strategy the trustee has taken into consideration relevant features of the various investments in accordance with both the fund's objectives and appropriate legislation.

Specifically, the trustee has taken into account the following:

- the risks involved in making each investment;
- the likely return from making each investment;
- the range and diversity of investments;
- any risks coming from limited diversification;
- the liquidity of the fund's investments;
- expected cash flow requirements; and
- the ability of the fund to meet its existing and prospective liabilities such as paying benefits to its members.

## **Policies:**

The policies adopted by the Trustee in order to achieve these objectives are:

- Regular monitoring of the performance of the fund investment, to oversee the overall investment mix and the expected cash flow requirements of the fund; and
- Balancing the fund's investment portfolio due to changes in market conditions, by sales and/or purchases of investments.

The Trustee's aim will always be to ensure that they follow the investment strategy, however, the Trustee's will at all times reserve the right to change the investment mix depending on the market situation and opportunities available to strengthen its Objectives.

A copy of current investment strategy of the fund will be made available to the member of the fund.

## **Risk profile and risk tolerance:**

The Fund has a medium time horizon. The member is prepared to endure a reasonable level of volatility of returns in expectation of mid-term growth. The member has existing equity and property investment outside of the SMSF and is familiar with the variability of both returns and capital values which are associated with such investments.

The member understands

- the trade-off between investment risk and long term capital and income growth and has indicated medium term growth is a priority rather than capital stability; and
- Investment risk is borne by the member, as fluctuations in investment returns will affect the level of the members' benefits on withdrawal.

**Liquidity:**

The Member of the S A Mason Super Fund is aged 54 and has a comfortable level of assets outside of the SMSF. Cash in excess of anticipated liquidity requirements will be invested in accordance with the Fund’s investment strategy.

**Insurance:**

The Trustee of the S A Mason Super Fund has considered whether the Fund holds appropriate contracts of insurance that provides insurance cover for its member and it has concluded that the member has an appropriate level of TPD and Life insurance cover held outside of the SMSF.

**Asset Allocation:**

The targeted asset allocation will recognise the need to have a diversified asset mix, however, given the medium-long term investment horizon of the member (of approximately 25 years remaining life expectancy) and the significant assets outside of superannuation, the asset allocation will have a growth bias.

The final targeted asset allocation will be in the following ranges:

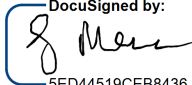
<b><u>Growth Assets</u></b>	<b>Range</b>
• Australian equities	0-100%
• International equities	0-50%
• Direct property	0%
• Other growth assets	0-100%

**Defensive assets**

- |                                |        |
|--------------------------------|--------|
| • Australian fixed interest    | 0-100% |
| • International fixed interest | 0-100% |
| • Australian cash              | 0-100% |
| • Other defensive assets       | 0-100% |
|                                | 100%   |

I, the director of the Trustee Company and sole member of the S A Mason Superannuation Fund, acknowledge and agree with the documented investment strategy dated 1 July 2020.

Signed by the Director of the Trustee Company:

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Scott Anthony Mason

Dated: 6 October 2023