

**Investment Strategy  
Teague Superannuation Fund**

**Objectives**

The Trustees consider this Investment Strategy to fulfill the principal objective of maximising Member returns having regard to risk and is consistent with the investment objectives of the Fund which are as follows:

1. Ensure the capital value of the Fund is preserved at all times.
2. To achieve a long-term rate of return in excess of the CPI. It is expected that year-on-year returns might vary and that there might be years when returns are negative.
3. To provide retirement benefit for the Members.
4. To ensure sufficient assets are available to meet benefit payments when those payments are due (solvency).
5. To ensure that sufficient liquid assets will be available to meet benefit payments and liabilities as and when those payments are due to be paid (liquidity).
6. The Fund has a relatively long-time horizon. The Members are prepared to endure a reasonable level of volatility of returns in expectation of long-term growth.

**Statement on Risk**

Investment risk is borne by the Members, as fluctuation in investment returns will affect the level of the Member's benefits on withdrawal.

**Diversification**

Diversification is achieved through a mix of Australian or international investments across a range of asset classes. The Trustees recognise that diversification can result in significant reduction to return volatility while maintaining the level of anticipated return.

In a self-managed superannuation fund, the benefits of diversification can be reduced by inexperience in the assets or asset classes in which the fund invests. In some cases, investing in an unfamiliar area simply to achieve diversification may introduce risk, rather than reducing risk. Some trustees choose to address this issue by avoiding assets with which they are unfamiliar and investing in those in which they have some special level of experience or comfort. Others address this by taking appropriate advice and using investment managers.

The Trustees of the Fund will consider all of these issues in determining the extent to which the Fund's investments should be diversified, however, the Trustees reserve the right to invest in a manner which is not diversified.

The trustees will consider, select, monitor and alter holdings of individual assets for each category, as they consider appropriate.

**Investment Strategy**

With regard to the investment strategy outlined above the Trustees have adopted an Investment Strategy aimed at accumulating assets in the Fund over the long term. The Trustees can invest within Australia or overseas in the following asset classes:

- Shares and related investments including Listed Property Trusts, options, futures, Exchange Traded Options, warrants and CFDs
- Managed Investments, Unit Trusts, Separately Managed Accounts and related investments
- Foreign exchange
- Physical Metals and Commodities
- Bank operating accounts, cash, bonds, debentures, installment warrants, fixed term deposits and term deposits
- Virtual Currencies e.g. Bitcoin
- Residential and commercial property, with or without borrowing
- Collectibles and Art
- Other assets considered appropriate by the Trustees and permitted by the Trust Deed and Superannuation Law

## **Liquidity**

The Trustees will consider the liquidity of the Fund's investments with reference to whether all members are accumulating benefits or have current benefit payment obligations due to being retired.

The Trustees will ensure that investments are managed so that they are able to meet cashflow requirements, including:

- Future pension payments requirements; and
- Expenses to be paid.

## **Percentage Investment Range**

The Trustees consider that no specific percentage range for each of the above asset classes should be adopted but each asset should be considered on its own investment merits having regard to an appropriate degree of diversification. The trustees reserve the right to change the asset allocations based on their risk profile at the time the decision is made.

## **Insurance Consideration**

The Trustees note the requirement for the Fund to consider insurance for the benefit of Members. The Trustees also note that an insurance policy can be issued from the Fund, another Superannuation Fund or in the Member's personal capacity. The Trustees will consider insurance and implement a suitable insurance strategy as appropriate for the members' personal circumstances from time to time.


## **Next Investment Strategy Review**

The Trustees will monitor the Fund's investment strategy, as well as the performance of its underlying investments and their appropriateness for the Fund's circumstances and modify this strategy, as they consider appropriate. Depending on the circumstances, any such modification may be minor, or may be a complete review.

Apart from regular consideration regarding the continuing suitability of this strategy, the Trustees would consider reviewing the strategy should one or more of the following circumstances arise:

- Significant departures in time or amount from any range(s) specified in this strategy for the broad asset classes, due to movements in the value of the Fund's underlying investments.
- Admission of a new member to the Fund, where that member's balance would represent more than 20% of the Fund's assets.
- Upon a significant benefit payment event occurring (eg. retirement of a member, death of a member, etc.).
- Changes in the regulatory environment which significantly affect the matters addressed in the strategy.
- Upon the occurrence of an unforeseen event which would necessitate a strategy review. Such an event may include: the failure of a significant investment held by the Fund; a sudden change in the perceived risks of one or more of the broad asset classes held by the Fund; a steep correction in one or more of the broad asset classes held by the Fund; and so on.

Signed:

**SIGN**   
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Kim Teague

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Date