

INVESTMENT STRATEGY

Prepared by

Elizabeth Gole Superannuation Fund Pty Limited ATF

Elizabeth Gole Superannuation Fund

for the year ending

30 June 2023

**This report summarises the investment strategy for the Superannuation Fund.
It does not constitute advice to any individual and does not contain specific investment
recommendations**

INVESTMENT POLICY STATEMENT

SECTION 52 (2) (F) OF SIS REQUIRES Trustees of superannuation funds to:

“Formulate and give effect to an investment strategy that has regard to the whole of the circumstances of the entity, including, but not limited to the following:

- **The risk involved in making, holding and realising, and the likely return from, the entity’s investments having regard to its objectives and its cash flow requirements**
- **The composition of the entity’s investments as a whole including the extent to which the investments are diverse or involve the entity in being exposed to risks from inadequate diversification**
- **The liquidity of the entity’s investments having regard to its expected cash flow requirements**
- **The ability of the entity to discharge its liabilities.”**

Fund Overview

Fund Profile

The <Name> Superannuation Fund (the Fund) is an allocated accumulation fund established to provide lump sum or pension retirement benefits for members as well as death/disablement protection for members and the dependants of members. Membership of the Fund is voluntary, and upon joining, members are required to provide certain minimum information to the Trustee. The Fund is maintained as a Self Managed Superannuation Fund under the Superannuation Industry (Supervision) Act 1993 ("SIS"), and the Australian Taxation Office.

Members

The Fund has one member:

Member Names	Relationship
Elizabeth Gole	Director of Trustee Co

The membership profile as follows:

Personal details	Elizabeth Gole
Date of birth	09/09/1947
Employment Status	Retired

It was noted that the Fund is a private Family Fund and that it is unlikely that the membership shall expand.

Trustee

The Trustee of the Fund is Elizabeth Gole Superannuation Fund Pty Ltd.

Benefits

The current intention is to pay account based pension/lump sum/complying pension benefits upon retirement of the members. The Trustee shall invest Fund assets having regard to the need to realise the investments at the members' dates of retirement (or such later date as the member nominates in accordance with the rules governing the payment of benefits from complying superannuation funds).

Investment objectives of the Fund

General Objectives

The Trustee will at all times act prudently to pursue the maximum rate of return possible, subject to acceptable risk parameters, and the maintenance of whatever diversification that can be achieved with modest assets.

The Trustee will ensure that all investments are authorised under the trust deed, are made for the sole purpose of providing benefits to members and the dependants of members, and are made in accordance with the legislative requirements applicable to complying superannuation funds.

The Trustee will invest to ensure sufficient liquidity is retained within the Fund to meet benefit payments due, and will adjust its specific objectives where it believes the risk profile of the Fund has changed.

The Trustee may make investments involving Fund members, employer sponsors or their Part 8 Associates, provided they are undertaken on an arm's length basis, and do not exceed in-house asset limits or other legislative requirements. Such investments will only be made where the Trustee is satisfied that the Fund is complying with SIS as a result of the Trustee making the investment.

The Trustee will consider suggestions from members for specific investments in relation to members generally or for an individual member, and may make investments in accordance with those suggestions provided that they fall within the investment strategy of the Fund.

Specific Objectives

The Trustee of the Fund has the following investment objectives:

- to establish and maintain a diversified portfolio of investments with the aim of maximising the investment potential of the Fund within the bounds of the member's attitude to, and tolerance of, investment risk and;
- to support the Members' desired annual pension payments and
- to ensure that the Fund has sufficient assets to fund this pension, with a lesser amount for the Members' Beneficiaries and Dependants for their lives.

Having considered the profile of the Fund, the Trustee has adopted the following objectives for the investment of the assets of the Fund:

- **to achieve an investment return (net of tax and charges) that exceeds cash rates by at least 2-3% when measured over a rolling 3-5 year period;**

Review

The investment objectives of the Fund will be reviewed annually and at such other times as a significant event occurs which affects the Fund.

Investment Strategy

In order to achieve the investment objectives of the Fund, the Trustee wishes to adopt and pursue the strategy set out hereunder. The Trustee reserves the right to implement more than one strategy as it sees fit, and to offer separate strategies to members. The Trustee also reserves the right to implement separate and different action plans in the acquisition and disposal of assets pursuant to this strategy.

Portfolio Investing Profile

Based on external advice regarding the Fund's investment objectives and its risk profile, the Fund is categorised as a moderately conservative investor.

A moderately conservative investor seeks a combination of income and growth from the investment portfolio. Generally, a moderately conservative investor is willing to pursue medium to long-term goals while accepting the risk of short to medium term negative returns. The investment mix is likely to have a marginal bias to growth assets such as equities and property.

A moderately conservative portfolio invests around 45% of its funds in bank or fixed interest securities, with the remainder in growth assets such as property and shares. This portfolio is fairly stable and should generate returns slightly above inflation in the medium to longer term. However a negative return should be expected at least once every 5 years. This strategy should be considered medium to long term, with a minimum investment time frame of 3 years.

Portfolio Allocation

It was resolved in order to give effect to the investment objective of the fund, that the Trustee has determined the Fund will be permitted to invest in any or all of (but not limited to) the following asset classes and managed around the following ranges:

Sector	Range (%)
Cash	0.00% - 100.00%
Australian Fixed Interest	0.00% - 0.00%
International Fixed Interest	0.00% - 0.00%
Mortgage	0.00% - 0.00%
Australian Shares	0.00% - 100.00%
International Shares	0.00% - 0.00%
Listed Property	0.00% - 0.00%
Direct Property	0.00% - 0.00%
Other*	0.00% - 0.00%

If at any time the asset allocation is outside the range documented above, the Trustee will review the portfolio allocation in line with the predetermined range within 6 months.

*'Other' includes alternative assets which refer to any non-traditional assets that would not generally be found in a standard investment portfolio. Due to the unconventional nature of some of these investments, they tend to be less liquid than traditional investments. Examples of alternative assets include hedge funds, private equity, infrastructure and 'real' assets such as commodities and agribusiness schemes.

Portfolio Diversification

The Trustee intends to implement a diversified asset portfolio, spread over the above asset classes and managed around the nominated ranges.

In considering the degree of diversification appropriate to the Fund, the Trustee has determined to take into account the following:

- The existing assets of the Fund;
- The existing assets of the family other than assets held in the Fund;
- Its access to expert investment advice;
- The existing and projected membership and assets of the Fund;

Research indicates that long term results are best achieved from a diversified portfolio covering all major investment classes. By covering all primary investment markets, the Trustee is of the opinion the risks and volatility of the Fund's investments will be managed to levels consistent with the investment profile of the Fund and its members, whilst maintaining potential for long term growth.

Liabilities

Adequate funds will be held in cash/fixed interest to enable the Fund to meet the members' short term liabilities including pension payments, lump sum payments, tax liabilities annual return fees, accounting fees, audit fees and other operation expenses of the fund. Further monies may be retained from time to time as cash/fixed interest in order to take advantage of investment opportunities as they arise.

The Trustee of the Fund is of the opinion that the investment strategy is structured in such a manner that the Fund is sufficiently liquid to discharge its current and future liabilities.

Cash Flow and Liquidity

As the fund has a long term profile and an income stream is being paid to member(s), there is a need to have liquid funds available. In some cases this may require a short term deviation from the cash levels recommended above.

Trustees have appropriately considered the age of the members and the likelihood that assets may need to be redeemed. The Trustees have also considered what proportion, if any, of the Fund's assets need to be held in highly liquid assets.

Adequate funds will be held in cash/fixed interest to enable the fund to meet the members short term liabilities including pension payments, lump sum payments, tax liabilities annual return fees, accounting fees, audit fees and other operation expenses of the fund. Further monies may be retained from time to time as cash/fixed interest in order to take advantage of investment opportunities as they arise.

Fund Demographics

The Trustee has implemented its strategy taking into account the age of the members and their likely dates of retirement. It has also taken into account the expressed intention of the members to receive their benefits as lump sums or account based pensions upon retirement.

Performance Monitoring

To monitor the success of the investment policy in achieving the investment objectives, the Trustee will take the following action:

- Compare investment returns against investment objectives on an annual basis;
- Compare investment returns against cash rates available over a 12 month period; and
- Review this strategy on an annual basis or on such other basis as it believes appropriate.

Benchmarks

The Trustee will measure its success criteria against certain benchmarks and indices. The nominated benchmarks for performance will be as follows:

- Australian shares - all ordinaries accumulation index
- International shares – MSCI World ex Australia index
- Liquid assets - average cash management trusts
- Australian fixed interest trusts - Commonwealth all series all maturities and accumulation index
- International fixed interest trusts - Barclays Capital Global Aggregate TR Hdg AUD
- Mortgage trusts - UBS Bank 0+ Yr TR AUD
- Property trusts - average of composite property accumulation index
- Such loans as may not be prohibited by SIS, and whether or not the loan will also count as an in-house asset of the Fund - average rate for comparable loans from major banks
- Such leases of Fund property as may be permitted by SIS, and whether or not the lease will also count as an in-house asset of the Fund – at a commercial rate obtained by the Trustee from a qualified source
- Such acquisitions of assets as may not be prohibited by SIS, and whether or not the acquisition will also count as an in-house asset of the Fund - for a commercial price reflected in comparable markets.

Asset Management Strategy

In order to give effect to the investment objective of the Fund, the Trustee will have regard to the following principles in the implementation of its strategy and the actual making of its investments:

Unit Trusts

Prior to acquiring or disposing of any units in an unlisted unit trust the Trustee will:

- Obtain appropriate advice as to whether the investment would constitute an impermissible in-house asset of the Fund under SIS; and
- Obtain and consider property and rental valuations of all property held by the unit trust to satisfy itself that the price of the units reflect true market values and constitutes a prudent investment/disposal on an arm's length basis.

The Trustee will also ascertain the intentions of the trustee of the unit trust in relation to borrowing's (if any) and the use of the property as security.

Direct Property

Prior to acquiring or disposing of any property to be held directly by the Fund the Trustee will obtain and consider property and rental valuations to satisfy itself that the price of the property reflects true market value and constitutes a prudent investment/disposal on an arm's length basis.

In obtaining a tenant (if any) for any property held by the Fund the Trustee may only enter into a lease with Fund Member, employer sponsor or their Part 8 Associates under SIS where to do so would not constitute an impermissible in-house asset of the Fund under SIS and provided that a written lease agreement is made and the transaction is entered into on an arm's length basis with regular rental reviews.

In determining the proportion of Fund assets to be invested directly in property, the Trustee shall take into account the liability profile and liquidity requirements of the Fund.

Shares (Non-Associated Proprietary Companies)

Prior to acquiring (or disposing) of any shares in non-associated proprietary companies, the Trustee shall obtain a valuation to satisfy itself that the price of the shares reflect true market values and constitute a prudent investment/disposal.

The Trustee shall also take into account the saleability, security and dividend return of the shares and will ensure that the acquisition is not an in-house asset beyond acceptable limits.

Shares (Public Company)

Prior to acquiring (or disposing) of any shares in public companies, the Trustee shall consider the portfolio profile of the Fund and the diversification of shareholding across different market sectors (industrial, retail, banking, etc) with a view to attempting to obtain a reasonable diversification with modest assets.

The Trustee shall also take into account advice in relation to expected capital growth and dividend income.

Debentures/First Mortgage

Prior to investing in any debenture/first mortgage the Trustee shall consider the period of investment, the security offered, the accessibility of funds, the return, and likely interest rate movements.

Cash Management

Prior to investing or realising any cash management funds the Trustee shall consider the rate of return and security of such investment against the expected rate of return offered by alternative investments to cash.

Artwork/Antiques/Collectibles

Prior to acquiring any collectibles as an investment of the Fund the Trustee will obtain an independent professional valuation from a qualified valuer and will ensure the asset represents a minor part of Fund assets. It will investigate future saleability of the asset and the likely price movements in future.

Prior to leasing any collectibles held by the Fund to any party the Trustee shall determine the commercial rental rate having regard to advice which the Trustee shall obtain from a qualified source. Any such lease shall only be entered into under a written lease agreement made on an arm's length basis with an obligation for full maintenance and insurance.

Prior to disposing of any collectibles held by the Fund, the Trustee will obtain an independent professional valuation from a qualified valuer. The Trustee shall also determine whether the proposed timing of the disposal is in the best interest of members having regard to the fluctuations in the value of the type of collectible of which the Trustee wishes to dispose.

In-House Assets and Acquisition Restrictions

The Trustee will only undertake investment activity which constitutes an in-house asset under SIS if the Trustee determines that it is in the best interest of Fund members to do so.

The Trustee must not acquire an asset contrary to the restrictions contained in SIS with respect to Fund Members, employer sponsors or their Part 8 Associates under SIS.

Asset Class

To give effect to the investment objective of the Fund, the Trustee has determined the Fund will be permitted to invest in any or all of (but not limited to) the following investment types:

Investment Type

Investments may be made directly or indirectly via unit trusts or other vehicles as permitted under relevant statutes and regulations that may be deemed suitable by the Trustee.

Given the Trustee's desire to maintain flexibility of the Fund, the Trustee has reserved the right to alter the investment mix of the Fund at any time, in the manner it believes is the best at that time for the purpose of achieving the Fund's objectives. The Trustee reserves the right to invest in any asset class not covered in the tables above.

Investment Risk and Return

The Trustee notes that growth assets such as Australian and International Shares, and Property present greater potential risk and volatility than cash and fixed interest investments.

The Trustee recognises that the benefits associated with the use of growth assets such as Australian and International shares and property will assist in achieving the Fund's investment objectives.

Investment Restrictions

In accordance with the Superannuation Industry (Supervision) legislation (SIS) the Trustee will not:

- Lend money or give other financial assistance to a member or a relative of a member of the Fund.
- Intentionally acquire an asset from a member or a relative of a member of the Fund unless it meets the following criteria:
 - The asset is either real estate which is used exclusively in the member's or relative's primary business (business real property), or a listed security; and
 - Is acquired at market value;
- Borrow any funds, other than to overcome cash flow problems in the payment of benefits. Any borrowings will be restricted to a period not exceeding 90 days and shall not exceed 10% of the market value of assets of the Fund.
- Acquire any fund assets for amounts other than arm's length consideration.

Investment Management and Review

The Fund's investment strategy is to be reviewed at least annually to ensure that it remains appropriate to the objectives and circumstances of the Fund and its members.

The Trustee undertakes to communicate with the members should they feel that any change in strategy should be contemplated in order to better achieve the Fund's objective.

Insurance

The trustees are aware of the obligation to consider holding insurance cover and have considered whether insurance cover should be held by the fund for some or all members of the fund.

In order to ensure the fund's members are well protected financially in the event of death, total and permanent disablement (TPD) and/or being unable to work due to illness or injury, life, TPD and Income protection insurance is to be considered.

Having considered the personal circumstances of fund members, the trustees of the fund have determined the insurance needs and currently holds no contract of insurance that provides required cover for one or more members of the fund.

Members' Suggestions

The Trustee may consider and accept suggestions from members regarding the investment of Fund assets for members generally or for an individual member, and make investments in accordance with these suggestions.

The Trustee shall only adopt investment suggestions from members if the resulting investment meets the Fund investment objectives as reflected through the investment strategy and the Trustee determines that the investment is prudent.

Resolution of Trustees of the Elizabeth Gole Superannuation Fund

Held: Suite 201
30 Fisher Road
DEE WHY NSW 2099

We the undersigned: **Elizabeth Gole**

Being all the Trustees of the above Fund DO HEREBY RESOLVE as follows:

ADOPTION OF INVESTMENT POLICY STATEMENT

It be noted that the Trustee has formulated investment objectives for the Fund and an investment strategy to achieve those objectives, (the investment objectives and investment strategy together to be referred to as the "Investment Policy Statement")having regard to the whole of the circumstances of the Fund, including:

- the risk involved in making, holding and realising, and the likely return from the entity's investments having regard to its objectives and its expected cash flow requirements;
- the composition of the entity's investments as a whole including the extent to which the investments are diverse or involve the entity in being exposed to risks from inadequate diversification;
- the liquidity of the entity's investments having regard to its expected cash flow requirements;
- the ability of the entity to discharge its existing and prospective liabilities;
- the Fund profile;
- anticipated future contributions;
- past investment performance; and
- the current investment portfolio and asset mix,

which objectives and strategy are set out in the Investment Policy Statement annexed to this resolution.

Resolved to adopt the investment objectives of the Fund and adopt and implement the investment strategy to achieve the objectives as set out in the Investment Policy Statement of the Fund.

CHANGE OF INVESTMENTS TO CONFORM WITH THE NEW INVESTMENT STRATEGY:

It was noted that the existing investments of the Fund conform to the Investment Policy Statement.

It was resolved to retain the existing investments of the Fund.

ASSET MANAGEMENT STRATEGY

It was further noted that the Trustee has formulated an Asset Management Strategy relating to the acquisition and disposal of assets.

Resolved that the Trustee adopts the Asset Management Strategy set out in the Investment Policy Statement annexed to this resolution.

Signed: 
02/05/2023

Trustee: **Elizabeth Gole**

Date:

Document electronically signed



www.fusesign.com

Document Details

Document ID	cc4be516-c393-4caa-b2f8-98b3f922806a
Document Bundle ID	3545fcb9-809a-4b91-a1d3-aa0a272f304d
Uploaded to FuseSign	2023-05-02 14:48 +10:00
FuseSign subscriber	ARMSTRONG ADVISORY
Initiator email	suzy@armstrongadvisory.com.au
Signed by	Elizabeth Gole (golefamily@gmail.com)
System finalisation	2023-05-02 15:27 +10:00
Verify URL	https://app.fuse.work/fusesign/verify/cc4be516-c393-4caa-b2f8-98b3f922806a

Document Signers

Signer 1

Name	Elizabeth Gole
Email	golefamily@gmail.com
Mobile	N/A
IP Address/es	124.149.162.13
Signed on Pages	11
Verification Mode	Email Code



DOCUMENT AUDIT LOG

DATE TIME	USER	TRANSACTION
2023-05-02 14:48 +10:00	SUZY@ARMSTRONGADVISORY.COM.AU	DOCUMENT BUNDLE CREATED BY SUZY TOBIN (SUZY@ARMSTRONGADVISORY.COM.AU) (SOURCE IP ADDRESS: 103.55.93.59)
2023-05-02 14:48 +10:00	SYSTEM	EMAILS SENT TO: GOLEFAMILY@GMAIL.COM (4 DOCUMENTS - 4 ACTIONS) PASANDI@ARMSTRONGADVISORY.COM.AU (4 DOCUMENTS - 0 ACTIONS)
2023-05-02 15:01 +10:00	ELIZABETH GOLE	EMAIL VERIFICATION REQUESTED TO EMAIL GOLEFAMILY@GMAIL.COM
2023-05-02 15:03 +10:00	ELIZABETH GOLE	CODE ENTERED AND VERIFIED
2023-05-02 15:03 +10:00	ELIZABETH GOLE	LINK OPENED FROM IP 124.149.162.13
2023-05-02 15:08 +10:00	ELIZABETH GOLE	LINK OPENED FROM IP 124.149.162.13
2023-05-02 15:16 +10:00	ELIZABETH GOLE	LINK OPENED FROM IP 124.149.162.13
2023-05-02 15:24 +10:00	ELIZABETH GOLE	LINK OPENED FROM IP 124.149.162.13
2023-05-02 15:26 +10:00	ELIZABETH GOLE	DOCUMENT SIGNED: 2022 INVESTMENT STRATEGY REPORT - ELIZABETH GOLE SUPER FUND - ON PAGE 11 (SIGNATUREID: 878CD53F-B6AD-469C-AB3E-B3BE77F6AC6F)
2023-05-02 15:26 +10:00	ELIZABETH GOLE	DOCUMENT SIGNED: 2022 INVESTMENT STRATEGY REPORT - ELIZABETH GOLE SUPER FUND
2023-05-02 15:27 +10:00	SYSTEM	FINALISING DOCUMENT (CC4BE516-C393-4CAA-B2F8-98B3F922806A)

More Information

For more information on electronic signatures and to validate this document was signed by the parties listed above, please visit www.fusesign.com