



Legal database

SUPERANNUATION INDUSTRY (SUPERVISION) REGULATIONS 1994

PART 4 - MANAGEMENT AND TRUSTEESHIP OF SUPERANNUATION ENTITIES

[View history reference](#)

[**CCH Note:** Pt 4 is to have effect, in relation to regulated superannuation funds, and their trustees, as if it were modified by inserting reg [4.08A](#) - see Modification Declaration No 10 under reg [4.08A](#) .]

Division 4.2 - Operating standards

REGULATION 4.09 OPERATING STANDARD - INVESTMENT STRATEGY

4.09(1) [Application of regulation]

[View history reference](#)

This regulation:

(a) is made for subsection [31\(1\)](#), of the Act; and

(b) applies to a superannuation entity that is a self managed superannuation fund.

[+ View history note](#)

4.09(2)[View history reference](#)

The trustee of the entity must formulate, review regularly 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:

(a) the risk involved in making, holding and realising, and the likely return from, the entity's investments, having regard to its objectives and expected cash flow requirements;

(b) the composition of the entity's investments as a whole, including the extent to which they are diverse or involve exposure of the entity to risks from inadequate diversification;

(c) the liquidity of the entity's investments, having regard to its expected cash flow requirements;

(d) the ability of the entity to discharge its existing and prospective liabilities;

[View history reference](#)

(e) whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

[View history reference](#)[+ View history note](#)**4.09(3) [Strategy deemed in accordance with requirements]**

An investment strategy is taken to be in accordance with subregulation (2) even if it provides for a specified beneficiary or class of beneficiaries to give directions to the trustee where the directions:

(a) relate to the strategy to be followed by the trustee in relation to the investment of a particular asset or assets of the entity; and

(b) are given in the circumstances covered by regulation [4.02](#) .