

Woodhill SMSF Investment Strategy

The following document details the investment strategy of Woodhill SMSF.

The members of the fund are Ian Woodhill (aged 74) and Susan Woodhill (aged 72). Both members of the fund are in pension stage and the fund has combined assets (as at 30 June 2020) of \$1,060,009.50.

OBJECTIVES

The fund will target an annual return of CPI (currently 1.9%) plus 3% a year.

The overall composition of the fund's assets and their diversification will be given appropriate consideration. When doing so, members' assets held outside of the SMSF will also be taken into consideration.

The fund can invest in equities (both Australian and global), fixed income and cash, cryptocurrency and property.

The fund may, depending on the opportunity, consider alternative-type investments for a small portion of the balance, or derivatives. When investing in derivatives, a derivative risk statement outlining the expertise of the trustee will be attached.

After consideration of the expected risk and return of investments, appropriate diversification, the liquidity of certain investments with regard to the fund's expected cash flow requirements and the fund's ability to discharge its liabilities, the trustees have agreed on the following asset allocation targets:

- Equities 0–70%
 - Australian 0–30%
 - Global 0–40%
- Cash or fixed income 0–20%
- Property 10%
 - Listed property trusts 5%
 - Unlisted property trusts 5%
- Alternatives (incl. Crypto) 0–5%

If, due to significant market movements, any asset class becomes over allocated, the trustees will rebalance the portfolio at the earliest opportunity or the next trustee meeting, whichever occurs first.

The trustees have agreed that, due to the low returns from term deposits, a relatively high allocation to growth assets such as equities will help maximise their superannuation in order to achieve a beneficial retirement outcome. Within the allocation to Australian equities, the fund will also seek a significant portion of quality companies that prioritise dividends in order to maximise the fund's income as well as capital gains. A maximum 20% allocation to cash or fixed income should provide the fund some security during volatile market periods and up to 15% allocation to property and alternative assets will improve the fund's overall diversity.

POLICIES

The kind of investment vehicle chosen for an asset class – such as a managed fund, direct investment, exchange-traded fund (ETF) – will be at the discretion of the trustees.

The fund will be sufficiently diversified across asset classes and where investing directly in an asset class, such as equities, will invest between 10 % and 20% in equities.

The fund has no intention of investing in real property or listed or unlisted property trusts at this stage.

A sufficient liquid balance will be maintained to meet regular cash-flow requirements of administration expenses and tax. When one, or both of the members, passes away, member benefits and liquidity will be considered as required.

This document will be reviewed annually in June and reviews will be minuted.

Executed by the Trustees

Ian Meredith Woodhill

Ian Woodhill

Date: 30-6-2021

(Trustee 1)

Susan Elizabeth Woodhill

S. E. Woodhill

Date: 30-6-2021

(Trustee 2)