

Minutes of meeting of the trustee of Killen Superannuation Fund

Meeting location	Unit 2, 13 Gloucester St, NELSON BAY, NSW, 2315
Date of meeting	30 June, 2022
Chairperson	Robyn Killen
Other attendees	
Previous minutes:	Confirmed

Purpose:

To review the investment strategy provided for the Trustee dated 1 July, 2020.

Resolution:

The Trustee resolved to accept and adopt the investment strategy as outlined in the above mentioned document.

This strategy should be formally reviewed on 30 June, 2023 or earlier if significant events occur that impact the investment strategy of the Fund.

Closure of the meeting

There being no further business, the meeting closed.



Robyn Killen

Date 30/06/2022

Director – Killen Pty Ltd as Trustee for Killen
Superannuation Fund

Investment Strategy

Killen Pty Ltd As Trustee for Killen Superannuation Fund

30th June 2022

To be reviewed Annually

Compliance

The Fund is a complying superannuation fund under Section 45 of the Superannuation Industry (Supervision) Act 1993.

Objectives

Specific objectives

- **Balanced Risk Profile:** To achieve cash plus 2.4% related returns over the long term. It is expected that year-on-year returns will vary considerably. It is understood that the historical probability of a negative return in any one year is 13.9%.

General objectives

- To provide retirement benefits for the members. In the event of the members' death before retirement, to provide benefits for the dependants of the members.
- To ensure that sufficient assets will be available to meet benefit payments when those payments are due to be paid (solvency).
- To ensure that sufficient liquid assets will be available to meet benefit payments as and when those payments are due to be paid (liquidity).
- Ensure ongoing compliance through prudent administration in a manner consistent with all legislative requirements.
- To structure the Fund's financial affairs so that the investment portfolio is uncomplicated, easy to manage and easy to monitor.

Fund profile as at 30 June 2021

Member Name	Phase	Unrestricted non preserved benefit	Contributions	Balance
Robyn Killen	Pension - ABP	\$840,046	\$0	\$840,046
	Pension - DBP	\$393,751	\$0	\$393,751
Total Fund Balance:				\$1,233,797

Risk profile

Risk tolerance

The members have indicated that their collective risk tolerance is that of a balanced investor, acknowledging that there should be an appropriate balance of reasonable risk and volatility to achieve long term capital and income growth.

Statement on risk

The trustee recognise that there is inherent risk in investing. Investment risk is borne by the members, as fluctuation in investment returns will affect the level of the members' benefits on withdrawal.

The members understand the investment objectives of a Balanced strategy to be;

- Slightly higher exposure to growth assets than income/defensive assets.
- Expected to have lower short term fluctuations than other growth based portfolios and aims to produce capital growth over medium-long term.
- Income from portfolio may be partially tax effective.

The members understand the investment strategy and timeframe of a Balanced strategy to be;

- Minimum timeframe for investment is 5+ years.
- Investment split is 40% defensive and 60% growth.
- Target above cash (the return objective) is +2.4% pa.
- Historically, the probability of a negative return in any one year is 13.9%.

Borrowing

- The Trustee will not borrow under any circumstances.

Liquidity

Number of existing members	1
Time horizon of fund	14

Age distribution of members

Age	1
Less than 40 years	0
41 – 49 years	0
50 – 59 years	0
60 – 64 years	0
65 – 69 years	0
70 years and over	1

Anticipated membership growth

There is not an anticipated increase in membership in the next five years.

Statement on liquidity

Anticipated Benefit Payments For Pension Payments

1 year:	3%
2 years:	6%
3 years:	6%
4 years:	6%
5 years	7%

The Trustee will monitor the liquidity position to ensure that there will be sufficient liquid assets to meet the payment of benefits as and when they fall due.

- Pension payments are made annually. The Trustee will monitor the liquidity position to ensure that there will be sufficient liquid assets to meet the benefit payments as and when they fall due.

Diversification

- The Trustee recognises that diversification can result in significant reduction to return volatility and promote consistency of returns over the medium to long term. The Fund portfolios align to this philosophy through:
 - Diversification across asset classes,
 - Diversification within each asset class and
 - Where appropriate, the use of strategies that aim to minimise downside risk.
- Diversification across currencies, economies and asset classes is achieved through a mix of international and Australian investments.
- The fund invests in managed funds which provide diversification across different asset classes, companies, sectors and countries. The funds are managed by qualified investment professionals who have access to information and research which is not easily available to individuals. Typically, the funds are actively managed by the relevant funds manager who aims to outperform the market through their buy, sell or hold strategies. The Trustee recognises that from time to time actively managed funds may not consistently outperform the market in the short term. Diversification within asset classes is used to minimise volatility.
- The fund also invests in direct Australian equities. The Trustee recognises the higher risk and the volatility associated with shares. The volatility will be compensated for by the prospect of achieving higher returns and growth in the longer term. The shares are invested in different industries and sectors, which will spread risk to a satisfactory level.

Ability of Fund to discharge existing and prospective liabilities

- Sufficient cash flow will be maintained to discharge administration expenses and other outgoings. The Fund is a defined contribution fund and the members are entitled to the accumulation of contributions and earnings in the members' account on withdrawal. The Fund will be able to meet its obligations to the members at all times.

Indicative asset mix and asset class strategic ranges

To achieve the Fund's investment objectives the trustee will seek to invest across a range of asset classes and investments within those asset classes. The trustee support asset allocation and investment decisions with advice from specialist professionals.

The Trustee has adopted the following indicative targets as a guide. The 'target' represents the asset allocation in an environment where the market is considered neutral. The 'range' represents the breadth that the trustee aim to invest for each asset class.

From time to time, allocation may fall outside the asset class strategic ranges as a result of, amongst other things, short term investment market volatility, member contributions, withdrawals and short term strategic investment decisions.

Asset class	Lower Range	Target Asset Allocation	Upper Range
Australian Cash	3%	5%	40%
Australian Fixed Interest	10%	18%	26%
Australian Listed Property	0%	5%	9%
Australian Shares	16%	23%	30%
International Fixed Interest	7%	17%	22%
International Listed Property	0%	6%	9%
International Shares	16%	26%	34%

Other investments

- The Trustee has chosen to limit investments to traditional asset classes.

Reserves management strategy

- The fund does not operate reserves

Insurance

The Trustee has considered the insurance needs of each member. The types of insurance that have been considered that can be held through a superannuation structure include life, total and permanent disability (TPD) and income protection.

After considering the members age, needs, dependants, member account balance, and the value of their total assets, the Trustee has determined that insurance is not required for either member.

Implementation of investment strategy

The Trustee has engaged Century Private Wealth and SiDCOR Accountants to advise, guide and provide access to appropriate ongoing professional and administrative support.



Robyn Killen
Director – Killen Pty Ltd as Trustee for Killen
Superannuation Fund

Date 30/06/2022