

KEVIN & ANN WATSON INVESTMENT STRATEGY UPDATE 20/07/2020

When considering our Superannuation strategy I have taken into account our personal position, including our age, Ann being 75 years old and Kevin 79 years old.

Personal

We own our own home and furnishings, 2 vehicles and are in good health, some cash reserves, no debt, and some privately owned shares.

Superannuation Strategy

The coming year's planned Pension payment from Watson Superannuation Fund will be \$81,000.00 (2020/21) combined. This meets Government guidelines and our needs; also some income will be available from our private means.

The investment strategy has been based on Kevin and Ann's risk assessment. Kevin's risk acceptance being moderate to high, while Ann's acceptance being moderate but accepts higher risk based on Kevin's judgement.

The pension strategies have to be considered overall taking the situation and our age into account

Watson Superannuation Fund will pay a Pension of \$81,000.00 for 2020/2021

Ann	\$47,344.50
Kevin	<u>\$33,655.50</u>
	\$81,000.00

This will be achieved by Dividends, Franking Credits, Interest and Share Trading.

The minimum allowable figure is worked out using Kevin's age which requires the highest payment. Pension payment is kept at the ratio Ann 58.45% Kevin 41.55% for simplicity. The payment proposed is above this minimum level, but will only be achieved by dipping into our Capital. We intend to pay more Pension payments than legally required even though our needs don't require this amount. Higher interest is available on private accounts and our private earnings will incur no tax penalty. We intend to re-enter the Share Market when prices become reasonable and re-introduce share trading when markets become more predictable. Other investment opportunities may be taken if it seems opportune.

The portfolio is a mixture of Australian income producing, speculative shares, and fixed interest. The share portfolio has not performed well, but we must adapt to the Market.

Kevin Watson