

**Circulated resolution of the director of Neal Walker SMSF Co Pty Ltd (ACN: 153 800 947) as trustee of Neal Walker Superannuation Fund.**

**Registered office : 8 St Marks Crescent, Figtree. NSW. 2525**

---

**Notice of circulated resolution**

**It was noted that:**

- (1) the requirements for notice of the circulating resolution have been satisfied
- (2) the company was meeting in its capacity as trustee of the Neal Walker Superannuation Fund.

**INVESTMENT STRATEGY**

Reference is made to a proposed investment strategy for the superannuation fund and supporting comments. It was noted that an investment strategy must be formulated and recorded by the trustees to ensure the Fund will comply with the standards contained in the Superannuation Industry (Supervision) Act 1993.

**Investment Objectives**

The investment objective of the fund is to invest its capital in a manner to maximise returns, while managing the level of risk associated with particular investments. This objective is to be achieved by investing in a mixture of defensive and growth oriented assets as represented by the investment strategy (which indicate the fund's minimum and maximum exposure to each class of asset).

The ranges noted are taken to be indicative only and circumstances may exist from time to time where actual investments represent greater or lesser percentages than the noted ranges. The trustees intend to monitor the investment strategy and may at any time revise the strategy as a result of changing ages and needs of the members.

The trustee intends to monitor and review the performance of investments on an annual basis or more frequently as they determine to be appropriate. Performance will be measured against a target rate of return of approximately 4% over a rolling 2 year period. The risk levels of the particular investments and their impact on the fund's changing cash flow requirements will also be reviewed at these times.

**Issues Considered in Formulating the Investment Strategy**

In formulating the investment strategy above, regard was had to all the circumstances of the fund including the following:

- **Risk and return.** Both the risk and the returns of this investment strategy are considered to be medium. This is appropriate given that the member of the fund has an understanding of risk and his medium risk profiles.

This is supported by the current age of the member of the fund, who is expected to potentially access his benefits upon retirement in the medium term.

- **Diversity.** The composition of the fund's investments, as indicated by the asset class range in the investment strategy, is considered by the trustee to represent appropriate asset diversification for the fund. This determination was made based upon the expertise, knowledge and skill held by the trustee in asset selection, his objective to maximise growth in assets over the long term using these skills, while not unduly exposing the fund to risk from any particular class of asset.
- **Liquidity and cash flow.** The composition of the fund's investments, as indicated by the asset class range in the investment strategy, provides for appropriate levels of liquid assets and cash flow for the fund. This is consistent with expected medium demands for liquidity, given the age profile of the member and the expectation of when member benefits may need to be cashed.
- **Existing and potential liabilities.** Given that the fund has no short term expectations of having to cash member benefits, the fund expects to be able to meet its short term liabilities out of contributions to the fund and income from its investments.

**Resolved**

It was resolved that the Trustee adopt the attached investment strategy.

Signed as a true and correct record in accordance with the Corporations Act.



\_\_\_\_\_  
Signature of Trustee

GORDON NEAL WALKER

\_\_\_\_\_  
Name of Trustee

10-11-11

\_\_\_\_\_  
Date

### **Investment Strategy for Neal Walker Superannuation Fund**

The trustee is bound by the fund's objective to maximise the member's retirement balance and by the rules contained within section the Superannuation Industry (Supervision) Act 1993 in determining an appropriate investment strategy for the members of the fund.

#### **Cash – Range of 4% to 6%**

The trustees have considered the current returns on cash investments. The trustees have considered the historical average long term returns, being significantly lower than other investments types. The trustees have also considered the risk profile of cash investments, in relation to income levels and the capital invested, being significantly lower than other investments types.

The trustees have decided to maintain cash reserves at the above levels, given the superannuation fund's current circumstances and the trustees overall investment strategy objectives. The trustees believe this level is sufficient to meet the fund's ongoing cash flow requirements.

#### **Property Investments – Range of 94% to 96%**

The trustees have considered the current returns on property investments, including the residential, industrial and commercial sectors. The trustees have considered the historical average long term returns. The trustees have also considered the risk profile of property investments, in relation to income levels and the capital invested.

The trustees have decided to maintain direct and indirect property investments at the above levels, given the superannuation fund's current circumstances and the trustees overall investment strategy objectives.



-----  
Signature

GORDON NEAL WALKER

-----  
Director/Trustee Name