

KEVIN & ANN WATSON INVESTMENT STRATEGY UPDATE 04/08/2019

When considering our Superannuation strategy I have taken into account our personal position, including our age, Ann being 74 years old and Kevin 78 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 (2019/20) 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 currently will pay a Pension of \$81,000.00 for 2018/2019

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 Capitol. This is an acceptable consideration at our age and a change to the mix. We will also increase the share component slightly to try to increase our earnings to slow the draw down of Capitol. Other investment opportunities may be taken if it seems opportune.

The portfolio is a mixture of Australian income producing and speculative shares, fixed interest. The share portfolio has not performed well and a more aggressive approach may be necessary.

We are on track, meeting our objectives and receiving an adequate Pension in excess of most Funds for funds employed.

The Portfolio value for Watson Superannuation Fund opening value 01/07/2019 of \$1,324,164.66 is an increase of 1.6% over 01/07/2018.

Kevin Watson

A handwritten signature in black ink, appearing to read 'K Watson', with a stylized flourish at the end.

04th August, 2019