

Self Managed Superannuation Fund Investment Strategy Workbook

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Prepared for

Adviser name



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The purpose of this workbook

Superannuation legislation requires that Self-Managed Superannuation Funds (SMSFs or 'Fund') have an appropriate investment strategy, which must be formulated and documented.

The purpose of this SMSF Investment Strategy Workbook is to help the trustee(s) of a SMSF apply financial planning techniques to develop or review the fund's investment portfolio and ensure an appropriate investment strategy is implemented.

It is designed to assist the trustee(s) in satisfying regulatory requirements of the Superannuation Industry (Supervision) Act 1993 (Cth) and Regulations (SIS). Completion of this document alone should not be viewed as constituting a valid investment strategy. The trustee(s) of the fund need to consider and decide the investment strategy of the fund.

The separate risk profiling tool and Financial Planning Questionnaire should be completed in conjunction with this SMSF Investment Strategy Workbook.

For existing funds it may be that little or no change to the current investment strategy is required, although application by the trustee(s) of the financial planning techniques referred to in this workbook, could suggest future contributions and income be directed to a particular asset class.

For new funds applying these techniques, the recommended investment strategy should only be adopted after consideration and ratification by the trustee(s) of the fund.

This workbook is not designed to consider or identify the financial planning needs of the underlying members of a SMSF. The separate risk profiling tool and Financial Planning Questionnaire should be completed on individual members prior to this workbook where individual member needs are to be considered.

This is an important and confidential document. The information you have provided within this document forms the basis of any advice given by your Securitor Financial Adviser. Please note, it may be necessary to ask additional questions to identify your needs, objectives and financial situation.

Investment Strategy

All clients seeking SMSF advice need to complete this section.

Alternate investment strategy data collection used and attached.

An Investment Strategy is the plan to follow to achieve the objectives of the Fund.

It should relate to the classes of assets required to achieve these objectives, rather than individual investments.

Where individual members of the Fund have different objectives, the investment strategy should reflect those differences through an acceptable combined strategy of individual investment strategies.

According to Regulation 4.09 of SIS, an appropriate investment strategy MUST be formulated and implemented by the trustee. Failure to do so may result in the Fund losing its complying status and tax concessions, while incurring monetary and punitive penalties, including possible jail terms.

Regulation 4.09 states that, when formulating an investment strategy, the trustee(s) must take into consideration the following factors:

- The likely risks and returns of different assets classes;
- The need to spread risk by having an appropriate range or diversity of classes; and
- The Fund continuing to be in a position to pay benefits to members as they fall due (ie liquidity of assets).

An example of an investment strategy is:

‘It was resolved that in pursuit of the Fund’s objectives, the trustee has/trustees have determined the following investment strategy.’

Note: That more than one investment strategy may be appropriate where different Fund members have different objectives.

Asset Class	Allocation Rate (%)	Benchmark (%)
Cash	0–10	5
Fixed Interest*	0–15	10
Australian Shares	30–50	40
International Shares	20–40	30
Property & Infrastructure	10–20	15
Alternatives**	0	0

* Fixed Interest includes investments such as Australian Fixed Interest, International Fixed Interest, Investment and non-investment grade credit and high yield debt.

** Alternative investments includes but are not limited to investments such as Hedge Funds, Fund of Fund Hedge Funds, Private Equity, Direct Infrastructure, Derivative based funds, Currency and Commodity Funds.

What is the Fund’s current investment strategy?

Investment Strategy Summary

All clients seeking SMSF advice need to complete this section.

Step 1. After completion of the Risk Profiling for each member, you need to determine the appropriate asset allocation to recommend, based on whether or not the SMSF segregates the assets per member or if all the assets are pooled.

Step 2. Transfer your recommended asset allocation below.

Step 3. Determine the variance for each asset class.

Step 4. Determine and document how the recommended investment strategy will be achieved. (See important notes below.)

Step 5. Prepare an investment strategy report for trustee(s) based on step 4.

Note: For new Funds commenced with 100% cash, the recommended strategy can be adopted after consideration and ratification by the trustee(s) of the Fund.

Asset Sector	Current Allocation		Recommended allocation		Variance in allocation	
Cash	\$	%	\$	%	\$	%
Fixed Interest*	\$	%	\$	%	\$	%
Australian Shares	\$	%	\$	%	\$	%
International Shares	\$	%	\$	%	\$	%
Property & Infrastructure	\$	%	\$	%	\$	%
Alternatives**	\$	%	\$	%	\$	%
Total	\$	%	\$	%	\$	%

* Fixed Interest includes investments such as Australian Fixed Interest, International Fixed Interest, Investment and non-investment grade credit and high yield debt.

** Alternative investments includes but are not limited to investments such as Hedge Funds, Fund of Fund Hedge Funds, Private Equity, Direct Infrastructure, Derivative based funds, Currency and Commodity Funds.

Important notes

If the recommended strategy requires a restructure of existing investments to achieve the recommended asset allocation, then consideration is required as to how this will occur.

For example:

Is the trustee/Are the trustees happy to sell existing investments to achieve the recommended asset allocation?

If not, the recommended asset allocation may have to be developed over time. This can be achieved by directing future contributions and income to the asset classes under the variance allocation percentage.

How will the recommended risk profile asset allocation be achieved and when?

By restructuring assets?

By selling current assets?

By directing future contributions and income?

Client Acknowledgement And Engagement Authority

I/We request that you provide financial advice based on the information disclosed and acknowledge that you will rely on the information contained in this document.

I/We acknowledge that if I/we will provided any incomplete or inaccurate information that I/we will carefully consider the appropriateness of the advice according to the Fund's objectives, before acting on any advice provided.

I/We have received a copy of the Securitor Financial Services Guide (FSG) and have read and understood it, including the section titled 'Privacy Statement'. I/We agree to Securitor collecting, using and disclosing my/our information in accordance with the Privacy Policy.

I/We acknowledge that I/we have been provided with and completed the risk profiling tool and Financial Planning Questionnaire as it applies to the Fund's needs, objectives and financial situation.

I/We will only provide information about other individuals, such as members, if those individuals have agreed that I can share that information with you and I will inform them that I/we have provided information about them and make them aware of the information provided in the Privacy Policy.

I/We confirm that I/we am/are happy to accept any document you are required to give me, such as a FSG or SOA electronically.

Signature of Client 1

As Trustee for _____
 As Director for _____
 Other (specify) _____

Date

Signature of Client 2

As Trustee for _____
 As Director for _____
 Other (specify) _____

Date

Signature of Financial Adviser

Date

The following documents have been supplied:

Audited reports

Trust deed

Financial Statements

Other _____

**Contact Carrington Financial Services for
further information on 08 8272 6444 or visit
www.carringtonfs.net**

