

Is self managed super the right choice for you?

The number of self managed super funds (also known as SMSFs or DIY funds) has grown rapidly over the past few years. But is self-managed super something you should consider?

The Australian Taxation Office (ATO) has various information sheets on SMSF's available from their website (www.ato.gov.au under 'Superfunds'). These information sheets provide details on setting up, running and closing a SMSF and any issues that should be considered before contemplating moving to a SMSF.

Following are a few factors you might want to consider when thinking about a SMSF. This should be considered as general information only. It should not be considered a substitute for professional or financial advice.

Equipsuper offers:

Risk

- > Managed by a professional, licensed trustee (Equipsuper Pty Ltd) who is legally responsible to comply with legislation and manage risk
- > Dedicated staff and a custodian managing the fund
- > All outsourced services provided by organizations rather than an individual
- > Concessional tax status applies
- > The fund regulator, APRA, conducts regular reviews of the trustee, its operations and risk management

Costs

- > No set up fee
- > Simple fee structure that covers all costs
- > Wholesale investment and administration costs
- > No minimum assets required per member

Seek professional advice

Equipsuper recommends you seek professional advice from a licensed financial planner before deciding to set up an SMSF. If you would like to speak to an Equipsuper Financial Planner, please call 1800 065 753, or you can visit the Equipsuper Financial Planning website at www.equifp.com.au for further information.

A Self Managed Super Fund

Risk

- > You must be a trustee and are legally responsible. Are you prepared to accept this legal responsibility?
- > Who does the record keeping, administration and regulatory returns?
- > Is there dependence on one key person? How will key-person risk be managed in the event of illness or death?
- > Is there sufficient expertise to ensure the fund's concessional tax status is maintained?
- > How would the fund perform in a compliance review by its regulator, the ATO?

Costs

- > What are the initial establishment costs?
- > What is the cost of initial advice, a trust deed and any software required?
- > What is the cost of ongoing advice, investment, administration and regulatory returns?
- > Does the fund have sufficient assets to make the costs worthwhile?

This brochure is for general information only. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, seek professional financial advice. If you are considering investing in the Equipsuper Superannuation Fund ABN 33 813 823 017, you should read the appropriate Equipsuper Product Disclosure Statement (PDS) before making an investment decision. You can obtain a PDS via our website or by contacting the Helpline.

The taxation information included in this brochure is a general guide only. As taxation laws are complex and individual circumstances vary, you should seek individual taxation advice from a qualified advisor.

Equipsuper Financial Planning Pty Ltd (EFP) ABN 84 124 491 078 is owned by the trustee of the Equipsuper Superannuation Fund (Equipsuper) and is a corporate authorised representative of Health Super Financial Services Pty Ltd ABN 37 096 452 318, AFSL No 240019.

For full information about the services and remuneration of EFP, please refer to the EFP Financial Services Guide, available by contacting **1800 065 753**, or on the website www.equifp.com.au.

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Contact our Helpline on: **1800 682 626** | Visit our website at: equipsuper.com.au
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Doc code: ESP / 1057 / 0410
Last revised: 1 April 2010

Is self managed super the right choice for you?

Equisuper offers:

Time commitment

- > Very little time is required by you to manage your account.
- > Daily access to benefit details via the website.

Investments

- > 11 discrete investment options
- > Wholesale fees
- > Managed by professionals with documented investment objectives and parameters
- > A long track record of investing on behalf of members
- > Monitored and managed daily by a custodian and internal and external investment professionals
- > Investments easily diversified across asset classes and individual assets
- > The ability to reduce volatility by choosing diversified portfolios both within and across asset classes
- > All assets comply with the sole purpose test, therefore retaining complying fund and also the concessional tax status
- > Investment and in-house asset rules understood and adhered to
- > Daily unit pricing (valuation)
- > Easy switching between options and strategies

Insurance

- > Death, disablement and salary continuance cover can be provided via a group arrangement
- > Group premiums (cheaper than individual premiums)
- > Cover can be provided automatically in some circumstances.

Flexibility

- > Easy to change from the accumulation phase to the pension phase
- > In many instances, you can be paid a lump sum benefit

A Self Managed Super Fund

Time commitment

- > Requires regular involvement from you to monitor and review investment strategy,
- > Benefit details may not be available except at the annual balance date.

Investments

- > How do the trustees of an SMSF choose the investments that are most suited to its members from a range of almost unlimited choices?
- > What investment fees apply?
- > Who is managing the investments?
- > Do they have sufficient experience across a range of investment types?
- > Do they have the time to monitor investments regularly to optimise opportunities?
- > Does the fund have a documented investment strategy?
- > Are the assets of the fund large enough to ensure investments can be diversified?
- > Is there sufficient diversity of investments to protect against unacceptable volatility?
- > Who is checking that all the assets comply with the sole purpose test and that the fund retains its complying and concessional tax status?
- > Are the superannuation investment and in-house asset rules understood and adhered to?
- > How often are assets valued?
- > How difficult and costly is it to change investment or strategies?

Insurance

- > Does the fund provide death, disablement and salary continuance cover for you?
- > How competitive are the insurance premiums?
- > Are all members able to obtain cover? Is health evidence required to take out or increase cover?

Flexibility

- > How easy is it to change from the accumulation phase to the pension phase?
- > How easy is it to redeem assets to pay you a lump sum if required?