1 May 2024

Mr. & Mrs. Test

60 York Street

SYDNEY NSW 2000

Dear James & Kelly,

**Statement of Advice**

Thank you for the opportunity to advise on your financial affairs. We have pleasure in presenting your Statement of Advice (SOA), which sets out our specific recommendations for your consideration.

This Statement of Advice is based on details of your relevant personal circumstances and forms the basis of our recommendations. If any information in this report is incorrect, or if you have anything further to add, please advise us before proceeding any further.

Several steps are involved in designing a strategy to reflect your personal circumstances. The recommendations made in this Statement of Advice are the starting point of this process and therefore should only be undertaken after consulting with us.

It is very important that you take full ownership of your financial decisions. To that end, we can assist you in making the appropriate decisions, but those decisions remain yours. If necessary, please seek more information and advice from us until you are comfortable to do so.

We look forward to being of service to you in implementing the recommended strategies and assisting you in the attainment of your personal and investment objectives.

Should you have any queries in relation to the above or should you wish to fine-tune any aspect of the recommended strategy, please do not hesitate to contact me.

Yours sincerely,



Anthony Lyon - Post Graduate Bachelor of Financial planning

Senior Financial Planner

iComply2 CAR

ABN: 71 633 826 721

AFSL: 123456

Statement of Advice

Prepared for

**Mr. James and Mrs. Kelly Test**



Prepared by

Mr. Anthony Lyon

**1 May 2024**

Senior Financial Planner of

iComply2 CAR

Corporate Authorised Rep of iComply2 Development

ABN: 71 633 826 721

Australian Financial Services Licensee

Licence No: 123456

ASIC Adviser Number: 987123654

10/60 York Street

SYDNEY NSW 2000

Email: anthony.lyon@icomply2.com.au

.

Table of Contents

|  |  |  |
| --- | --- | --- |
|  | Executive Summary | Page 4 |
|  | Your Needs and Objectives | Page 6 |
|  | Scope of our Advice  | Page 6 |
|  | Your Personal and Financial Position | Page 8 |
|  | Our Recommended Strategies | Page 12 |
|  | Our Recommended Products | Page 16 |
|  | Platform | Page 16 |
|  | Investments | Page 17 |
|  | Product Replacement Comparison | Page 21 |
|  | Financial Projections  | Page 22 |
|  | Disclosures | Page 25 |
|  | Actions Required by You | Page 27 |
|  | Authority to Proceed | Page 28 |
|  | Appendix | Page 29 |
|  |  | Product Disclosure Statement Links | Page 32 |
|  |  | Recommended Platform vs Alternatives Table | Page 33 |

.

Executive Summary

This section summarises the scope of advice, explains how our recommendations are appropriate for your objectives, financial situation and needs and explains how our recommendations will help to achieve your goals and objectives. To help you make an informed decision, we’ll outline the consequences and implications of our advice and our fees. Additional details are contained in the body of this Statement of Advice (SoA) and the Appendix.

What Our Advice Covers

During our meeting we discussed and agreed that our advice will cover the following areas:

* Review superannuation including appropriateness of current super fund and ongoing contributions.
* Cash flow
* Debt management
* Retirement Planning

Better Position Statement

The table below provides a brief summary of our recommendation and snapshot of how our recommendations are likely to leave you in a better position compared to your current situation.

|  |  |
| --- | --- |
| **Recommendation** | **Outcome**  |
| ***Priority: 1, Objective: We both want to retire at age 60 on $100,000 per annum until life expectancy.*** |
| Jimmy, we recommend you salary sacrifice $5,000 to superannuation. Similarly, we also recommend Kelly to salary sacrifice $3,000 to superannuation. | * **Jimmy, we estimated that your total amount of tax saved from a salary sacrifice arrangement will be $3,022.50.**
* **Kelly, we estimated that your total amount of tax saved from a salary sacrifice arrangement will be $3,485.63.**
* Your taxable income will reduce which also reduces your income tax liability.
* Investing in super can provide a higher after-tax rate of return compared to investing outside of super because earnings inside super are taxed at a maximum rate of just 15%, whereas earnings from non-super investments are generally taxed at your marginal tax rate.
* Salary sacrifice provides disciplined savings because your salary is automatically directed into your super.
 |
| Jimmy, we recommend you use your surplus cashflow estimated at $ to pay off your existing debt each year. | * We estimate you will save $1,144\* p.a. in interest loan repayments on your home loan.
* Your loan will be paid off in 13 years.
* Once your mortgage is reduced you will be able to use your surplus funds for other investments.

\*Current Interest rate of 3.00%  |
| ***Priority: 2, Objective: I want to review my superannuation and I'm happy to change my platform.*** |
| Jimmy, we recommend you to rollover the full balance of your Aware Super into Macquarie Super Manager II. | * This meets the following features you highly prioritise:
	+ Low administration fees.
	+ Access to a broad range of investment options.
	+ Transparency in investments
* ‌Macquarie Super Manager II does not charge an account keeping fee.
* ‌Macquarie Super Manager II charges the administration fee on each underlying investment in the investment portfolio. Once the investment balance is greater than $50,000, the administration fee reduces to 0.10%. Therefore, where you have a portfolio with a small number of investments, the administration fee is significantly reduced.
* ‌There is a minimum administration fee of $33.00 per month ($396.00 p.a.).
* ‌Macquarie Super Manager II does not charge transaction costs to switch investments.
 |
| ***Financial Projections*** |
| Jimmy and Kelly, by accepting all our recommendations above, we estimate from our assumptions and projections that you will have approximately $3,418,576.33 (in today’s dollars) at Kelly’s retirement age 65. Based on this, we estimate you will have sufficient capital to meet all your objectives.  |

Summary of Advice Fees

The following is a summary of our advice fees. For further details please refer to the Disclosures section:

|  |  |
| --- | --- |
| **Fee Type** | **Amount ($)** |
| **Upfront Fees** |
| Plan Preparation Fee | $2,500.00 |
| Plan Implementation Fee | $1,500.00 |
| **Total Upfront Advice Fees** | **$4,000.00** |
| **Ongoing Fees**  |
| Ongoing Advice Fee | $1,500.00 |
| **Total Ongoing Advice Fees** | **$1,500.00** |

All advice fees are paid to iComply2 CAR, who will not distribute any of them to your adviser Anthony Lyon.

.

Needs and Objectives

At our meeting, we discussed many issues that are important to you, including objectives, financial situation and needs which were prioritised. These are outlined below:

**For current consideration:**

* We both want to retire at age 60 on $100,000 per annum until life expectancy.
* I want to review my superannuation and I'm happy to change my platform.

**For future consideration:**

* I would like to review my existing insurance covers in terms of the level of cover and the platform.
* I want to save up for my children's education expenses.

Planning Priorities and Preferences

* Jimmy and Kelly were referred to me by existing clients.
* Jimmy would like to retire in the next 15 years and they are worried they may not have sufficient assets to comfortably retire. They currently spend $100,000 per annum and would like to maintain a similar lifestyle throughout retirement.
* Both Jimmy and Kelly have had the same superfund since they started working, and have built up a fair asset during their career. They haven't previously had too much thought about their current fund but would like me to look at how the fund is working for them and what else may be appropriate for them moving forward as they approach retirement.
* Jimmy and Kelly's kids are in high school and they would like to try and save money to send them to a private school for years 11 and 12. They want to know how they can save money to fund the school fees.

Scope of Advice

During our meeting regarding the advice you seek, and you agreed on the following subject matter:

* Review superannuation including appropriateness of current super fund and ongoing contributions.
* Retirement Planning

As a result of our discussion, we agreed that our advice will cover the following areas:

* Review superannuation including appropriateness of current super fund and ongoing contributions.
* Cash flow
* Debt management
* Retirement Planning

Advice Limitations

When we discussed your objectives, financial situation and needs we agreed to limit the scope of this advice for the following reasons:

**Review your current levels of insurance.**

 *Reasons for limitation:*

* You have indicated that you would like to initially review your superannuation and start planning for your retirement as a priority. Once you are comfortable with this, we will address your insurance needs in a subsequent advice document

*Risks of not addressing:*

* The client may be left under insured for Life and TPD. Whilst clearing the debt may allow the family to live in their current house mortgage free, their lifestyle would be significantly impacted.

Incomplete or Inaccurate Information

Should you not have provided us all the relevant information, this will limit our ability to provide appropriate advice with regard to your objectives, financial situation and needs.

Other Relevant Considerations

I am not registered with the Tax Practitioners Board and cannot provide tax advice. Whilst every effort has been made to include relevant tax considerations, we recommend you seek advice from your accountant or an appropriately qualified tax agent about the impact on your tax liabilities and other tax implications arising from the recommended strategies before proceeding.

Approved Product List

The products I have recommended for you are drawn from the Approved Product List maintained by iComply2 Development. I can (and would) obtain permission from iComply2 Development to recommend other financial products, but I believe that the products contained on the APL are appropriate for your needs. If you’d like a copy of the APL please let me know and I’ll provide a copy to you.

.

Your Personal and Financial Position

Here is a summary of the relevant aspects of your personal and financial details that you have provided to us. We have taken this into consideration when developing our advice so if any information is incomplete or incorrect, please advise us before proceeding.

James and Kelly Test's Current Situation

|  |  |  |
| --- | --- | --- |
| **Description** | **Jimmy** | **Kelly** |
| Age | 40 | 38 |
| Date of birth | 01/01/1980 | 01/01/1982 |
| Marital status | Married | Married |
| Australian Tax Resident | Resident | Resident |
| Resident Status | Permanent Resident | Permanent Resident |
| Preferred Contact | Jimmy.test@optus.com.au | Kelly.test@optus.com.au |
| Preferred Address | 60-62 YORK STREETSYDNEY NSW 2000 |
| **Employment** |
| Job Title | Accountant | Nurse |
| Employment Status | Self Employed | Full-time |
| **Health** |
| Current state of health | Excellent | Excellent |
| Smoker? | No | No |
| Private health insurance | Yes | Yes |
| **Estate Planning** |
| Do you have a Will? | No | No |
| Enduring Power of Attorney? | No | No |

**Children/Dependants**

|  |  |  |
| --- | --- | --- |
| **Name** | **Date of birth** | **Dependent until age** |
| Max | 01/01/2016 | 21 |
| Ruby | 01/01/2018 | 21 |

**Income**

|  |  |  |
| --- | --- | --- |
| **Income** | **Owner** | **Amount (p.a.)** |
| Salary (Salary)  | Jimmy  |  | $100,000 |
| Investment: Interest (Cash)  | Jimmy  |  | $1,250 |
| Salary (Salary)  | Kelly  |  | $75,000 |
| Investment: Rental (Investment Property)  | Joint  |  | $30,000 |
| **Total income (per annum)** |  | **$206,250** |

**Expenditure**

|  |  |  |
| --- | --- | --- |
| **Expense** | **Owner** | **Amount (p.a.)** |
| Mortgage Payments | Joint  | *($3,000.00 monthly)* | $36,000 |
| Living Expenses | Joint  |  | $60,000 |
| Aware Super Insurance | Kelly  |  | $500 |
| AustralianSuper Insurance | Kelly  |  | $200 |
| **Total expenses (per annum)** |  | **$96,700** |

**Lifestyle Assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Owner** | **Amount** |
| Primary Residence (Home)  | Joint | $1,000,000 |
| Household Contents (Contents)  | Joint | $50,000 |
| Motor Vehicle (Car)  | Joint | $20,000 |
| **Total** |  | **$1,070,000** |

**Investment Assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Owner** | **Amount** |
| Investment Property | Joint | $500,000 |
| Cash on Hand  | Jimmy | $50,000 |
| **Total** |  | **$550,000** |

**Liabilities**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Details** | **Owner** | **Outstanding** |
| Primary Residence Mortgage | ANZ Bank(4.00% variable rate) | Joint | $500,000 |
| **Total** |  | **$500,000** |

**Superannuation funds**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Insurance** | **Beneficiaries** | **Current Balance** |
| **Jimmy Test** |
| Aware Super (*123456789*) | *Yes, see “Super Insurance Policies”* | Kelly Test *- Non-Lapsing* *- Exp: 10 Oct 30* *- 100% of value* | $100,000 |
| **Kelly Test** |
| AustralianSuper (*987654321*) | *Yes, see “Super Insurance Policies”* | James Test *- Non-Lapsing* *- Exp: 17 Nov 30* *- 100% of value* | $75,000 |

**Super Insurance Policies - Further Details**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cover** | **Type** | **Sub-Type** | **Life Insured** | **Amount** |
| **Jimmy Test** |
| ***Aware Super Insurance - 654321***  |  | ***$500.00 Stepped Yearly*** |
| **Death** | Term |  | Jimmy | $250,000 |
| **TPD** | Any Occupation |  | Jimmy | $250,000 |
|  | *Description: Test Description* |
|  | *Notes: Test Notes* |
|  | *Loading Notes: Test Loading* |
|  | *Exclusion Notes: Test Exclusion* |
| **Income Protection** | Indemnity | Waiting Period: 30 DaysBenefit Period: Age 65 | Jimmy | $3,750Monthly |
| **Kelly Test** |
| ***AustralianSuper Insurance - 456123789*** |  | ***$200.00 Hybrid Yearly*** |
| **Death** | Endowment | - | Kelly | $500,000 |
| **TPD** | Any Occupation | - | Kelly | $500,000 |

.

|  |  |
| --- | --- |
| ***Date*** | ***1 Jul 20*** |
| **Age - James** | **40.5** |
| **Age - Kelly** | **38.5** |
|  |  |
| **Income** |  |
| James’ Salary | 100,000 |
| Kelly’s Salary | 75,000 |
| Interest of Cash Account | 1,250 |
| Rental income on Investment Property | 30,000 |
| **Total Inflow** | **206,250** |
|  |  |
| **Expenditure** |  |
| Living Expenses | 60,000 |
| James’ Income Tax | 30,281 |
| Kelly’s Income Tax | 20,437 |
| Repayment of Borrowings | 36,000 |
| **Total Outflow** | **146,718** |
|  |  |
| **Net Cashflow** | **59,532** |

Risk Profile

We discussed your attitude to investment risk and your degree of concern regarding several investment related issues. As we discussed, we assess your appetite for, and tolerance of, investment risk to assist us to develop an investment strategy appropriate to your particular circumstances, your concerns around inflation, taxation, capital security, liquidity, current income, ease of management, and estate planning.

When designing a portfolio consistent with your risk profile, we considered your preferences, the appropriate exposure to investment sectors and asset classes such as cash, fixed interest, listed property, and shares.

Jimmy and Kelly, based on your previous responses to the iComply2 Development Risk Profile Questionnaire, your investment history and our discussions about your preferences, experience, and knowledge, we have classified you both as ‘Balanced’ investors.

The following table illustrates the Benchmark Asset Allocation for a ‘Balanced’ investor.

|  |  |  |  |
| --- | --- | --- | --- |
| **Asset Class** | **Recommended Target Asset Allocation** | **Minimum** | **Maximum** |
| Domestic Shares | 27.50% | 15.00% | 50.00% |
| International Shares | 26.50% | 10.00% | 40.00% |
| Domestic Property | 4.00% | 0.00% | 7.50% |
| International Property | 4.00% | 0.00% | 7.50% |
| Other (Alternative Assets) | 9.00% | 0.00% | 15.00% |
| **Total Growth Assets** | **71.00%** |  |  |
| International Fixed Interest | 12.00% | 5.00% | 17.50% |
| Domestic Fixed Interest | 12.00% | 5.00% | 17.50% |
| Domestic Cash | 5.00% | 0.00% | 15.00% |
| International Cash | 0.00% | 0.00% | 8.00% |
| **Total Defensive Assets** | **29.00%** |  |  |
| **Total** | **100%** |  |  |

**Comments:**

Jimmy and Kelly, we discussed your appetite for risk including your log term investment time frame. As you are not able to access your superannuation until retirement in approximately 25 years we highlighted that you may wish to consider taking on additional risk.

You indicated that you do not wish to take in the risk and are more comfortable with a balanced approach. Whilst you understand the time frames involved, you are just not comfortable with taking on risk when it comes to investing.

 For risk an.

Strategy Recommendations

This section outlines our recommendations, the benefits to you, how these strategies place you in a better position and other key information.

Use Surplus Cashflow to Reduce Debt

Your Objective:

We both want to retire at age 60 on $100,000 per annum until life expectancy.

Our Recommendation:

Jimmy, we recommend you use your surplus cashflow estimated at $38,137 to pay off your existing debt each year.

Reasons:

* ‌We estimate you will save $1,144\* p.a. in interest loan repayments on your home loan.
* ‌Your loan will be paid off in 13 years.
* ‌Once your mortgage is reduced you will be able to use your surplus funds for other investments.

\*Current Interest rate of 3.00%

Consequences:

* ‌Before making any changes to your loan, you should check what fees and penalties may apply.
* ‌Some loans do not allow additional repayments to be made. You should check with your loan provider whether they do allow additional repayments, and if so, whether any penalties apply.
* ‌You should have adequate life insurance to help meet the cost of loan repayments in the event that your income ceases because of death or illness.

Alternative Strategies Considered:

**Maintaining these funds in cash**

We also considered maintaining these funds in cash. We have rejected this strategy as cash will not provide the returns over the long term and will be diminished by inflation. By reducing your debt levels, you will receive an effective after tax, net return of your loan interest rate.

**Investing your Surplus Cash Flow**

We also considered investing your surplus cash flow in a diversified investment portfolio in your personal name. We have rejected this strategy as the investment will be subject to market fluctuations. In addition, the income you receive during the year is assessable income at your marginal tax rate, and capital gains tax may apply on the growth of the investments when sold.

Salary Sacrifice

Your Objective:

We both want to retire at age 60 on $100,000 per annum until life expectancy.

Our Recommendation:

Jimmy, we recommend you salary sacrifice $15,500 to superannuation. Similarly, we also recommend Kelly to salary sacrifice $17,875 to superannuation.

The below table illustrates the potential tax saving to be gained by instituting the recommended personal deductible strategy based on a simplistic assumption *that your salary is your only taxable income and no other tax saving strategies are in place*:

**Jimmy**

|  |  |  |
| --- | --- | --- |
| **Details** | **Without Salary Sacrifice** | **With Salary Sacrifice** |
| Gross Salary Income (Excludes SGC) | $100,000.00 | $100,000.00 |
| **Less: Salary Sacrifice** | **$0.00** | **$15,500.00** |
| Taxable Income | $100,000.00 | $84,500.00 |
| Tax on income (less rebates)^ | $24,967.00 | $19,619.50 |
| Tax on Super | $0.00 | $2,325.00 |
| **Total Tax Paid** | **$24,967.00** | **$21,944.50** |
| **Total Tax Saved (estimate)** | **$3,022.50** |

^Includes Medicare and based on current marginal tax rates.

**Jimmy, we estimated that your total amount of tax saved from a salary sacrifice arrangement will be $3,022.50.**

**Kelly**

|  |  |  |
| --- | --- | --- |
| **Details** | **Without Salary Sacrifice** | **With Salary Sacrifice** |
| Salary Income | $75,000.00 | $75,000.00 |
| **Less: Salary Sacrifice** | **$0.00** | **$17,875.00** |
| Taxable Income | $75,000.00 | $57,125.00 |
| Tax on income (less rebates)^ | $16,342.00 | $10,175.13 |
| Tax on Super | $0.00 | $2,681.25 |
| **Total Tax Paid** | **$16,342.00** | **$12,856.38** |
| **Total Tax Saved (estimate)** | **$3,485.63** |

^Includes Medicare and based on current marginal tax rates.

\* Note that the actual tax savings may differ if you have other taxable income and additional tax-saving strategies

**Kelly, we estimated that your total amount of tax saved from a salary sacrifice arrangement will be $3,485.63.**

**Reasons:**

* ‌Your taxable income will reduce which also reduces your income tax liability.
* ‌Investing in super can provide a higher after-tax rate of return compared to investing outside of super because earnings inside super are taxed at a maximum rate of just 15%, whereas earnings from non-super investments are generally taxed at your marginal tax rate.
* ‌Salary sacrifice provides disciplined savings because your salary is automatically directed into your super.

Consequences:

* ‌All contributions to super are preserved until you meet a condition of release.
* ‌All earnings in your superannuation account are taxed at 15%.
* ‌Superannuation may not provide a better after-tax rate of return than non-super investments if your marginal tax rate is less than 15%.
* ‌The government may change superannuation legislation in the future.

Alternative Strategies Considered:

**Investing outside of Superannuation**

We also considered investing outside of superannuation, however, the investment income you receive during the year is assessable income at your marginal tax rate. In addition, capital gains tax may apply on the growth of the investments when sold. This will depend on the amount of the capital gains and your assessable income at the time.

.

Investment Strategy Recommendations

Our Recommendation:

Jimmy, we recommend you adopt the following investment strategy within your superannuation:

Your portfolio is to be invested in a diversified portfolio of Australian shares, international shares, property, alternative assets, fixed interest, and cash.

You have specific investment objectives and as such we have taken a tailored investment approach through the use of actively managed funds and active asset allocation (where we may be overweight or underweight in the short term, in comparison to the long-term asset allocation).

Your portfolio will be invested in managed funds or exchange traded funds (ETFs) for your investment portfolio given you require diversification and prefer some involvement with the portfolio. ETFs are listed on the stock exchange and may also provide exposure to different investment strategies or differing underlying investments that managed funds may provide. We may also use Separately Managed Accounts (SMAs). These may invest in direct shares or managed funds, but the investment decisions are made by the investment manager.

Actively managed funds can have higher management costs, the aim is to outperform the relevant index or reduce risk. At various times funds will outperform the index or be less volatile depending on market conditions and the investment cycle. Where relevant index type managed funds or ETFs will be used to reduce costs, or to take exposure to a particular investment theme or where it is difficult for active management to outperform the index after fees.

.

Product Recommendations

Jimmy - Rollover the full balance to Macquarie Super Manager II

Our Recommendation:

Jimmy, we recommend you to rollover the full balance of your Aware Super into Macquarie Super Manager II.

Reasons:

* The recommended platform will provide you with the features you require and need, which are:
	+ Low administration fees.
	+ Access to a broad range of investment options.
	+ Transparency in investments
* ‌Macquarie Super Manager II does not charge an account keeping fee.
* ‌Macquarie Super Manager II charges the administration fee on each underlying investment in the investment portfolio. Once the investment balance is greater than $50,000, the administration fee reduces to 0.10%. Therefore, where you have a portfolio with a small number of investments, the administration fee is significantly reduced.
* ‌There is a minimum administration fee of $33.00 per month ($396.00 p.a.).
* ‌Macquarie Super Manager II does not charge transaction costs to switch investments.
* ‌You have specific investment objectives and as such we have taken a tailored investment approach through the use of actively managed funds, index managed funds and active asset allocation
* ‌Actively managed funds allow for further diversification and the benefits of professional expertise, especially where research and extensive resources are required to gain a competitive advantage.
* ‌Index managed funds will be used to reduce costs, or to take exposure to a particular investment theme or where it is difficult for active management to outperform the index after fees.

Consequences:

* ***We estimate the recommended Macquarie Super Manager II is $348.75 more expensive than your current account.***
* ‌You will pay an exit fee of $35.00 upon rollover of your Aware Super account.
* ‌You may forfeit your Life and TPD cover in your current super account.
* ‌Upon death, any remaining account balance will be paid to your nominated beneficiary or to your estate.
* ‌The government may change legislation relating to contributions.

**Maintenance of minimum cash balances**

* ‌As stated in the PDS, there is a minimum cash balance to be held within the account.
* ‌If your cash account balance drops below the minimum balance, the platform reserves the right to sell down your investment holdings to replenish your cash account. If platform chooses to sell your investment holdings to replenish your cash account balance, the managed investment holding with the highest balance is generally sold down first.

Kelly - Maintain your existing AustralianSuper

Our Recommendation:

Kelly, we recommend you maintain your existing AustralianSuper account.

Reasons:

* ‌Given your small account balance, a low-cost industry remains appropriate.
* Your current portfolio broadly remains in line with your balanced risk profile.
* The current cost of this platform remains competitive when compared to the alternative products researched.
* We also considered SunSuper and REST Super. There are no significant costs savings by roiling over to a new industry fund.
* ‌By retaining your current fund, you will not pay any exit fees or transactions fees to sell down your current portfolio and rollover to a new account.

Consequences:

* Upon death, any remaining account balance will be paid to your nominated beneficiary or to your estate.‌
* ‌The government may change legislation relating to contributions.‌
* The value of your investment’s portfolio will be subject to market fluctuations.

.

Investment Product Recommendations

Jimmy and Kelly, following from our recommendations on your strategic asset allocation and investment strategy we propose the below changes to your existing portfolio:

Sales and Purchases

**Sales:**

|  |  |
| --- | --- |
| **Fund Name** | **Amount ($)** |
| **Jimmy Test** |
| **First State Super (Personal Division) (123456789)** |
| Aware Super - Super - Balanced Growth | $100,000.00 |
| **Subtotal** | **$100,000.00** |

Purchases:

|  |  |
| --- | --- |
| **Fund Name** | **Amount ($)** |
| **Jimmy Test** |
| **Macquarie Super Manager II** |
| BlackRock Advantage International Equity Fund | $27,000.00 |
| BlackRock Multi Opportunity Absolute Return Fund | $9,000.00 |
| Cash Holding - Macquarie Wrap Cash Hub | $3,000.00 |
| Janus Henderson Tactical Income Fund | $13,000.00 |
| MLC Wholesale Global Property Fund Class A | $4,000.00 |
| MLC Wholesale Property Securities Fund | $4,000.00 |
| PIMCO Income Fund - Wholesale Class | $13,000.00 |
| Vanguard Australian Shares Index Fund | $27,000.00 |
| **Subtotal** | **$100,000.00** |

.

Proposed Portfolio:

|  |  |
| --- | --- |
| **Investment** | **Amount ($)** |
| **Jimmy Test** |
| **Macquarie Super Manager II** |
| BlackRock Advantage International Equity Fund | $26,908.20 |
| BlackRock Multi Opportunity Absolute Return Fund | $8,919.00 |
| Cash Holding - Macquarie Wrap Cash Hub | $3,000.00 |
| Janus Henderson Tactical Income Fund | $12,994.80 |
| MLC Wholesale Global Property Fund Class A | $3,988.00 |
| MLC Wholesale Property Securities Fund | $3,980.00 |
| PIMCO Income Fund - Wholesale Class | $13,000.00 |
| Vanguard Australian Shares Index Fund | $26,973.00 |
| **Subtotal** | **$99,763.00** |
| **Total for Jimmy Test** | **$99,763.00** |
| **Kelly Test** |
| **AustralianSuper** |
| AustralianSuper Super - PreMixed Balanced (MySuper) | $75,000.00 |
| **Subtotal** | **$75,000.00** |
| **Total for Kelly Test** | **$75,000.00** |
| **Total Portfolio Valuation** | **$174,763.00** |

**Consequences:**

* You will incur capital losses on the recommended sales and purchases of $2,000.
* You will incur a buy sell spread on the recommended sales and purchases.
* Your ongoing portfolio management costs may increase because of the recommended sales and purchases.
* If we are moving from cash to growth investments, your investment will no longer be guaranteed, and you will be taking on more risk.
* If we buy and sell assets, you may be out of the market. Markets may move, and you may end up buying the investments at a higher price than the day we sold out.
* Please refer to the disclosure section further below for full details.

.

Your Proposed Asset Allocation

Upon implementation of our recommendations, the asset allocation of each entity will be as shown as shown below:

Jimmy Test

| ***Asset*** | ***Current*** | ***Proposed*** | ***Risk Profile*** | ***Variance*** |
| --- | --- | --- | --- | --- |
| Domestic Cash | 12.00% | 4.33% | 5.00% | -0.67% |
| Domestic Fixed Interest | 27.00% | 12.83% | 12.00% | 0.83% |
| International Cash | 0.00% | 0.10% | 0.00% | 0.10% |
| International Fixed Interest | 0.00% | 12.01% | 12.00% | 0.01% |
| ***Total for Defensive Assets:*** | ***39.00%*** | ***29.26%*** | ***29.00%*** | ***0.26%*** |
| Alternative | 4.00% | 9.03% | 9.00% | 0.03% |
| Domestic Equity | 19.00% | 27.09% | 27.50% | -0.41% |
| Domestic Property | 16.00% | 3.83% | 4.00% | -0.17% |
| International Equity | 22.00% | 27.83% | 26.50% | 1.33% |
| International Property | 0.00% | 2.95% | 4.00% | -1.05% |
| ***Total for Growth Assets*** | ***61.00%*** | ***70.74%*** | ***71.00%*** | ***-0.26%*** |



Whilst the recommended portfolio is slightly overweight in alternative assets, your overall asset allocation is broadly in line with your recommended investment strategy and asset allocation.

Kelly Test

| ***Asset*** | ***Current*** | ***Proposed*** | ***Risk Profile*** | ***Variance*** |
| --- | --- | --- | --- | --- |
| Domestic Cash | 4.00% | 4.00% | 5.00% | -1.00% |
| Domestic Fixed Interest | 18.00% | 18.00% | 12.00% | 6.00% |
| International Cash | 0.00% | 0.00% | 0.00% | 0.00% |
| International Fixed Interest | 0.00% | 0.00% | 12.00% | -12.00% |
| ***Total for Defensive Assets:*** | ***22.00%*** | ***22.00%*** | ***29.00%*** | ***-7.00%*** |
| Alternative | 0.00% | 0.00% | 9.00% | -9.00% |
| Domestic Equity | 27.50% | 27.50% | 27.50% | 0.00% |
| Domestic Property | 18.00% | 18.00% | 4.00% | 14.00% |
| International Equity | 32.50% | 32.50% | 26.50% | 6.00% |
| International Property | 0.00% | 0.00% | 4.00% | -4.00% |
| ***Total for Growth Assets*** | ***78.00%*** | ***78.00%*** | ***71.00%*** | ***7.00%*** |



Whilst the recommended portfolio is overweight in domestic equity assets, your overall asset allocation is broadly in line with your recommended investment strategy and asset allocation.

.

Product Replacement Information

As part of our recommendation I have completed an investigation into your existing investments and compared both advantages and disadvantages of replacing your investment. This information has been provided to help you identify the reason why I have recommended a switch and assist you in deciding whether to act upon our advice. The research I undertook prior to making our recommendation has been retained on your client file. Should you require a copy, please let me know and I’ll provide it free of charge.

**Jimmy Test**

|  | ***Existing Plans*** | ***Proposed Plans*** |
| --- | --- | --- |
|  | ***First State Super (Personal Division) (123456789)*** | ***Macquarie Super Manager II*** |
| Account Balance | $100,000.00 | $99,763.00 |
| ***Ongoing costs*** |  |  |
| Administration Fees | $150.00 | $570.90 |
| Investment Fees and Costs | 0.47% | $470.00 | 0.6013% | $599.85 |
| Membership Fee | $52.00 | $0.00 |
| Performance Fees | 0.15% | $150.00 | 0.00% | $0.00 |
| ***Gross Ongoing Costs*** | ***$822.00*** | ***$1,170.75*** |
| ***Rebates*** |  |  |
| Investment Rebate | 0.00% | $0.00 | 0.0024% | $2.39 |
| ***Total Rebates*** | ***$0.00*** | ***$2.39*** |
| ***Net Ongoing Cost*** | ***$822.00*** | ***$1,168.36*** |
| ***Transactional Costs*** |  |  |
| Buy/Sell costs | $0.00 | $237.00 |

Alternative products Considered:

* Macquarie Wrap Consolidator II - Elevate
* MLC Wrap Series 2
* BT Panorama

Reasons for rejection:

These have similar features to your existing platform but have higher ongoing annual administration fees based on your current account balances and underlying investments. Although your existing super is significantly cheaper, your preferences for super indicate that you are willing to pay extra for a platform with more diversification of underlying investments and highly detailed reports.

.

Projected Outcomes

Recommend Situation

Cashflow and taxation projections

Maintaining adequate cashflow to meet living expenses is fundamental to the success of your plan. Below is a summary of your estimated income, expenses, tax and overall cashflow.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Date*** | ***1 Jul 20*** | ***1 Jul 21*** | ***1 Jul 22*** | ***1 Jul 23*** | ***1 Jul 24*** |
| **Age - James** | **40.5** | **41.5** | **42.5** | **43.5** | **44.5** |
| **Age - Kelly** | **38.5** | **39.5** | **40.5** | **41.5** | **42.5** |
|  |  |  |  |  |  |
| **Income** |  |  |  |  |  |
| James’s Salary | 100,000 | 102,100 | 104,244 | 106,433 | 108,668 |
| Kelly’s Salary | 75,000 | 76,575 | 78,183 | 79,825 | 81,501 |
| Interest on Cash Account | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| Rental Income on Investment Property | 30,000 | 30,630 | 31,273 | 31,930 | 32,600 |
| **Total Inflow** | **206,250** | **210,555** | **214,950** | **219,438** | **224,020** |
|  |  |  |  |  |  |
| **Expenditure** |  |  |  |  |  |
| Living Expenses | 60,000 | 61,260 | 62,546 | 63,860 | 65,201 |
| School Fees | 0 | 0 | 0 | 21,855 | 22,510 |
| James’ Income Tax | 24,468 | 26,081 | 26,466 | 27,355 | 26,180 |
| Kelly’s Income Tax | 14,270 | 15,972 | 16,117 | 16,760 | 16,123 |
| Repayment of Borrowings | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| Salary Sacrifice | 33,375 | 35,044 | 36,796 | 38,636 | 40,568 |
| **Total Outflow** | **168,113** | **174,357** | **177,925** | **204,465** | **206,582** |
|  |  |  |  |  |  |
| **Net Cashflow** | **38,137** | **36,198** | **37,025** | **14,973** | **17,438** |
|  |  |  |  |  |  |
| Allocated to home mortgage | 38,137 | 36,198 | 37,025 | 14,973 | 17,438 |

Capital projections

The charts below projects your cashflow and capital position into the future after implementing our recommendations. On the first graph, the **solid** **blue** shows your Total Retirement Wealth (super, non-super and income stream assets) in today’ value, as displayed on the left-hand side. The **red** **line** shows your expenditure requirements (in today’s value), displayed on the right-hand side. The **green** **vertical** **bars** represent your Income and Capital Draw-down over time (in today’s value) and displayed on the right-hand side.

Note that when the value is discounted by CPI, this means that it has already considered of the ever-increasing value of goods and services over each year and representing everything under today’s value of money.



On the second graph, shown below, the **coloured vertical bars** represents your expected income in each year after implementing our recommendations. The height of the bar is measured from the right hand axis. The bars are made up of different coloured components that indicate the various sources of income during the year (e.g. employment income, retirement income streams, age pension, capital drawdowns). The **red line** represents your current expenditure and later your desired level of expenditure in retirement. Again, all values are in today’s dollars as we have allowed for inflation.



The following charts and/or graphs below provides additional information regarding our estimated projections according to the above assumptions.



**Jimmy and Kelly, from our projections and given the above assumptions, we estimate you will have approximately $3,418,576.33 (in today’s dollars) at Kelly’s retirement age 65. Based on this, we estimate you will have sufficient capital to meet your retirement objectives.**

Disclosures

This section outlines the amounts you pay for our advice and the services provided. We have also shown the amounts we receive. All amounts are inclusive of GST (where applicable).

Advice Preparation & Implementation Fee

|  |  |
| --- | --- |
| **Fee Type** | **Amount ($)** |
| Plan Preparation Fee | $500.00 |

**Transaction Costs and Brokerage**

As there are no transactions of shares or ETFs, there will be no transaction costs in our proposed recommendations.

Ongoing Fees

The following tables outline the ongoing fees you will incur because of implementing the recommendations in this report:

|  |  |  |  |
| --- | --- | --- | --- |
| **Ongoing Fees** | **Who Receives This** | **% on Assets Invested** | **Amount payable by you ($)** |
| **Jimmy Test** |
| **Macquarie Super Manager II** |
| **$100,000.00** |
| Administration Fees | Macquarie Super Manager II | Based on a Tier List | $570.90 |
| Investment Fees and Costs | Retained by the underlying fund manager | 0.6013% | $599.85 |
| **Gross Ongoing Costs** | **$1,170.75** |
| Investment Rebate | James Test | 0.0024% | $(2.39) |
| **Total Rebates** | **$(2.39)** |
| **Net Ongoing Costs** | **$1,168.36** |
| **Kelly Test** |
| **AustralianSuper** |
| **$75,000.00** |
| Administration Fees | AustralianSuper | Based on a Tier List | $30.00 |
| Investment Fees and Costs | Retained by the underlying fund manager | 0.47% | $352.50 |
| Membership Fee | AustralianSuper | Flat fee | $117.00 |
| Performance Fees | AustralianSuper | 0.03% | $22.50 |
| **Net Ongoing Costs** | **$522.00** |
| **Ongoing Adviser Service Fees** |
| **Jimmy Test**  |
| Macquarie Super Manager II | Flat Fee\*  | $500.00 |
| **Total Ongoing Adviser Service Fee** | **$500.00** |

*\*Note that flat fees will increase according to CPI each year.*

Ongoing Contributions

You should note that any ongoing contributions towards the recommended super, pension and/or investment accounts will increase the fees on the account, especially the administration fees shown from the scale above. Please refer to the Fees section of the Product Disclosure Statement for more information.

Performance Fees:

In addition to the Management Cost, the fund manager may charge a performance fee which may be reflected in the unit price. The fee is usually calculated as a percentage of a fund’s outperformance of a benchmark (for example the ASX 200) or high watermark. Refer to the Fees section of the Product Disclosure Statement for more information.

Adviser remuneration

Your financial adviser is paid only from the remuneration and other payments that iComply2 CAR receives. Your financial adviser does not get paid in regard to brokerage nor any commission rates that are payable to iComply2 Development.

.

Actions Required by You

To proceed with our advice, you will need to undertake the following steps:

* Sign the Authority to Proceed page
* Complete and sign the enclosed financial product application forms.
* Provide the required identification (e.g. drivers licence; passport; or proof of age card). If you do not have one of these, we will assist you.

.

Authority to Proceed

Mr. James and Mrs. Kelly Test

60-62 YORK STREET

SYDNEY NSW 2000

* We have read and understood this Statement of Advice (SOA) prepared by my adviser and dated 1 May 2024, including the disclosure of fees and commission associated with the implementation and ongoing management of the recommendations.
* We confirm that the information provided by me and restated in this SOA accurately summarises my current personal and financial position and my needs and objectives. I understand that if any of this information is incomplete or inaccurate then the advice may not be appropriate to my circumstances.
* We understand that the recommendations in this SOA have been prepared for my sole use and are current for a period of 60 days from the date of the SOA. I acknowledge that after this time I should not implement the recommendations without further review from my adviser to ensure they remain appropriate.
* We have received your Financial Services Guide and understood the contents.
* We have received Product Disclosure Statements for all products recommended within this SOA and any ‘Additional Information’ listed in this SOA (where applicable).
* I accept the recommendations offered in this document and authorise Mr. Anthony Lyon to implement all recommendations.

* I agree to proceed as varied below. I understand that by choosing to implement a variation to the advice we risk making a financial decision that may be inappropriate to my needs.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| **Signed:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | **Signed:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Mr. James Test | Mrs. Kelly Test |
|  |  |
| **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

Appendix

.

**Managed Fund Costs**: Managed fund management costs are often referred to as Management Costs (MCs) and represent the ongoing cost of a managed fund which also include the performance fee. The costs may vary over time according to the mix of the underlying investments and the total funds under management. This amount is not deducted from your account but deducted from the fund’s income before it is distributed to you.

**Performance Fees:** In addition to the Management Costs, the fund manager may charge a performance fee which may be reflected in the unit price. The fee is usually calculated as a percentage of fund’s outperformance of a benchmark (for example the ASX 200) or high watermark. Refer to the Fees section of the Product Disclosure Statement for more information.

|  |  |  |  |
| --- | --- | --- | --- |
| **Investment** | **Amount ($)** | **MCs\* (%)** | **MCs\* ($)** |
| **Jimmy Test** |
| **Macquarie Super Manager II** |
| BlackRock Advantage International Equity Fund | $26,908.20 | 0.50% | $134.54 |
| BlackRock Multi Opportunity Absolute Return Fund | $8,919.00 | 1.45% | $129.33 |
| Cash Holding - Macquarie Wrap Cash Hub | $3,000.00 | 1.50% | $45.00 |
| Janus Henderson Tactical Income Fund | $12,994.80 | 0.45% | $58.48 |
| MLC Wholesale Global Property Fund Class A | $3,988.00 | 0.89% | $35.49 |
| MLC Wholesale Property Securities Fund | $3,980.00 | 0.73% | $29.05 |
| PIMCO Income Fund - Wholesale Class | $13,000.00 | 0.96% | $124.80 |
| Vanguard Australian Shares Index Fund | $26,973.00 | 0.16% | $43.16 |
| **Subtotal** | **$99,763.00** | **0.60%** | **$599.85** |
| **Kelly Test** |
| **AustralianSuper** |
| AustralianSuper Super - PreMixed Balanced (MySuper) | $75,000.00 | 0.50% | $375.00 |
| **Subtotal** | **$75,000.00** | **0.50%** | **$375.00** |

\* Note that the Management costs (MCs) also include performance fees.

**Buy/Sell Spread on Managed Funds:**

You may also incur a buy/sell spread on the purchase or disposal of managed funds, which represent the costs of purchase or redemption to the find manager. They do not apply to any shares or ETFs. Buy/sell spreads range from 0% to 2.50% and are built into the unit price of the fund. For example, on a $10,000 managed fund this is up to $250.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund Name** | **Current Value** | **Adjustment** **to Value** | **Proposed Value** | **Buy Sell Spread** |
| **Jimmy Test** |
| **First State Super (Personal Division) (123456789)** |
| Aware Super - Super - Balanced Growth | $100,000.00 | $(100,000.00) | $0.00 | 0.00% | $0.00 |
| **Subtotal** | **$100,000.00** | **$(100,000.00)** | **$0.00** | **0.00%** | **$0.00** |
| **Macquarie Super Manager II** |
| BlackRock Advantage International Equity Fund | $0.00 | $27,000.00 | $27,000.00 | 0.17% | $45.90 |
| BlackRock Multi Opportunity Absolute Return Fund | $0.00 | $9,000.00 | $9,000.00 | 0.45% | $40.50 |
| Cash Holding - Macquarie Wrap Cash Hub | $0.00 | $3,000.00 | $3,000.00 | 0.00% | $0.00 |
| Janus Henderson Tactical Income Fund | $0.00 | $13,000.00 | $13,000.00 | 0.00% | $0.00 |
| MLC Wholesale Global Property Fund Class A | $0.00 | $4,000.00 | $4,000.00 | 0.15% | $6.00 |
| MLC Wholesale Property Securities Fund | $0.00 | $4,000.00 | $4,000.00 | 0.25% | $10.00 |
| PIMCO Income Fund - Wholesale Class | $0.00 | $13,000.00 | $13,000.00 | 0.00% | $0.00 |
| Vanguard Australian Shares Index Fund | $0.00 | $27,000.00 | $27,000.00 | 0.05% | $13.50 |
| **Subtotal** | **$0.00** | **$100,000.00** | **$100,000.00** | **0.00%** | **$115.90** |
| **Fund Name** | **Current Value** | **Adjustment** **to Value** | **Proposed Value** | **Buy Sell Spread** |

**Capital Gain/Loss:**

We estimate you will realise the following capital gain/loss:

|  |  |
| --- | --- |
| **Fund Name** | **Capital Gain/Loss ($)** |
| **Jimmy Test** |
| **First State Super (Personal Division) (123456789)** |
| Aware Super - Super - Balanced Growth | $2,000.00 |
| **Subtotal** | **$2,000.00** |
| **Total Capital Loss for Jimmy Test** | **$2,000.00** |

.

Product Disclosure Statements (PDS) for Product Recommendations:

A PDS is a document or a set of documents that contain detailed information about a financial product, such as any significant benefits, risks, fees and other costs, and application. The following table below shows the products recommended to you and their corresponding PDS.

|  |  |
| --- | --- |
| **Product Recommendation** | **PDS Link** |
| **Jimmy Test** |
| **Macquarie Super Manager II** |  |
| BlackRock Advantage International Equity Fund (BAR0817AU) | https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-advantage-international-equity-fund-pds-en-au.pdf |
| BlackRock Multi Opportunity Absolute Return Fund (BLK0001AU) | https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf |
| Janus Henderson Tactical Income Fund (IOF0145AU) | https://az768132.vo.msecnd.net/documents/49797\_2017\_05\_30\_03\_09\_58\_150.gzip.pdf |
| MLC Wholesale Global Property Fund Class A (MLC0786AU) | http://www.mlcinvestmenttrust.com.au/resources/MLCIT/StaticFiles/pdf/mlc\_wholesale\_global\_property\_fund\_pds.pdf |
| MLC Wholesale Property Securities Fund (MLC0263AU) | http://www.mlcinvestmenttrust.com.au/resources/MLCIT/StaticFiles/pdf/MLCWPSF\_SPDS.pdf |
| PIMCO Income Fund - Wholesale Class (ETL0458AU) | https://www.pimco.com.au/handlers/displaydocument.ashx?c=722CGG9B6&wd=Product%20Disclosure%20Statement%20(AU)&fn=PIMCO%20Income%20Fund%20-%20Wholesale%20Class%20PDS.pdf&id=R0cB7jFunCZNjg3ebiVt4lnHU%2FrO2VHPliDsFZptavMzzKc5TenFFAzV2RXRcFDOBFhl1zcd2PV7tmexlrFo4xauk%2FiE%2BLJNVrwPr0y%2FyNSh%2B9DoTrYz6C7suIT2uf1i6Vb8vg%2FjfeQceJK15tVK69eVboZyqDMSoEexDcmsfxGjpQ6Nkecg6Xl4AfUE6RkhVq6LMYMRsqoX7qcaRWeNflp1hFE8NlJDeeG5NfxYAGdbOjugZlQ%2BsJ25kc8S8tdXDKFRmcAQwbNAxTbmxuLTCCWr2khPiIHlYuY01vvz7V6W4S4esWb%2BFJDgvJ%2FwsIfANTUoq%2BU4BQyqJCQGZ4w6JUQvqn20IBGqnl5WzPX870NIVt746tBC%2F8%2FLZ1zWkKoNWjAENL07D%2F4A4R6KWhQ%2BFQixcbPpbj98Q1tY%2BtcsLRfQHgIEL9MdZ8yOP0AlYIeIwHS2PN0O9no9B09xexln8M2NcSxc8qCxA3wQFMJ6%2BVhzfMChqNAIBW71p6xJzOkX |
| Vanguard Australian Shares Index Fund (VAN0002AU) | https://www.vanguardinvestments.com.au/adviser/adv/investments/product.html#/fundDetail/wholesale/portId=8100/?overview |

.

Alternative Product Comparisons for Platform Recommendations

The table(s) below shows a comparison in initial one-off costs and the ongoing costs of our recommended platform products towards alternative products:

**Jimmy Test**

|  | ***Current Situation*** | ***Macquarie Super Consolidator II (Elevate)*** | ***Macquarie Super Manager II******(Recommended)*** | ***BT Panorama Super (Full menu)*** | ***MLC Wrap Super Series 2 (Full)*** |
| --- | --- | --- | --- | --- | --- |
| ***Ongoing costs*** |  |  |  |  |  |
| Administration Fees |  | $150.00 |  | $290.29 |  | $570.90 |  | $145.15 |  | $488.23 |
| Expense Recovery Fee |  | $0.00 |  | $0.00 |  | $0.00 |  | $95.00 |  | $0.00 |
| Investment Fees and Costs | 0.47% | $470.00 | 0.6013% | $599.85 | 0.6013% | $599.85 | 0.5689% | $567.60 | 0.5911% | $590.13 |
| Membership Fee |  | $52.00 |  | $528.00 |  | $0.00 |  | $540.00 |  | $0.00 |
| Operational Risk Reserve Levy | 0.00% | $0.00 | 0.00% | $0.00 | 0.00% | $0.00 |  | $29.93 |  | $16.97 |
| Performance Fees |  | $150.00 |  | $0.00 |  | $0.00 |  | $0.00 |  | $162.80 |
| Super Administration Fee | 0.00% | $0.00 | 0.00% | $0.00 | 0.00% | $0.00 | 0.00% | $0.00 |  | $24.96 |
| ***Gross Ongoing Costs*** | ***$822.00*** | ***$1,418.14*** | ***$1,170.75*** | ***$1,377.68*** | ***$1,283.09*** |
| ***Rebates*** |  |  |  |  |  |
| Investment Rebate |  | $0.00 |  | $2.39 |  | $2.39 |  | $0.00 |  | $13.95 |
| ***Total Rebates*** | ***$0.00*** | ***$2.39*** | ***$2.39*** | ***$0.00*** | ***$13.95*** |
| ***Net Ongoing Cost*** | ***$822.00*** | ***$1,415.75*** | ***$1,168.36*** | ***$1,377.68*** | ***$1,269.14*** |
| ***Transactional Costs*** |  |  |  |  |  |
| Buy/Sell costs |  | $0.00 |  | $237.00 |  | $237.00 |  | $235.00 |  | $161.40 |

The following fees are $0.00 in all proposals: Adviser Commission, Adviser Service Fee, Brokerage Fee, Contribution Commission, Contribution Commission Rebate, Contribution Fee, Exit Fees, External Brokerage Fee, Initial Commission, Initial Contribution Fee, Insurance Commission, Insurance Premium, Less Initial Contribution Commission Rebate, Listed Securities Fees, Managed Funds Fee, Other Fees, Other Rebates, Portfolio Balance Rebate, Portfolio Construction Fee, SMA Administration Access Fee, Supplementary Brokerage fee, Trail Commission, Trail Commission Rebate, Trustee Fees, Withdrawal Fees

.

Information Flyers

Prepared for

**Mr. James & Mrs. Kelly Test**



Prepared by

Mr. Anthony Lyon

**1 May 2024**

Senior Financial Planner of

iComply2 CAR

Corporate Authorised Rep of iComply2 Development

ABN 71 633 826 721

Australian Financial Services Licensee

Licence No: 123456

ASIC Adviser Number: 987123654

10/60 YORK STREET

SYDNEY NSW 2000

Email: anthony.lyon@icomply2.com.au

The following information provides further detailed information regarding the recommendations made to you by your financial adviser, Mr. Anthony Lyon. This flyer is to be read in conjunction with the corresponding Statement of Advice (SOA) and not to be read independently. If you have any further queries about the information stated in this strategy flyer, contact your financial adviser using the details provided above.

.

Strategy Flyer

Salary Sacrifice

Salary sacrifice is an arrangement where you elect to receive part of your future salary as superannuation contributions instead of as income. The amounts sacrificed into super are taxed at just 15% instead of being taxed at your marginal tax rate and this tax saving helps your retirement savings grow.

For a salary sacrifice arrangement to effectively reduce your taxable income, you need to have the arrangement in place with your employer before becoming entitled to the salary or wages. For example, if you put a new salary sacrifice arrangement in place today, it cannot cover the salary you earned last week because you are already entitled to that salary.

You need to confirm with your employer that you are able to salary sacrifice because it is not compulsory for employers to offer it. If your employer does offer salary sacrifice, you should also check what they require to put the arrangement in place.

**Limits and restrictions**

The current concessional contribution cap is $25,000. If you go over the cap, you may have to pay extra tax.

When working out your super contributions for the financial year, remember – contributions don't count when the payment is sent, they only count once the payment is received by your fund. If you are planning to make a contribution and want to claim a tax deduction in the current financial year, your fund must receive it by 30 June.

***Note: If you split your before-tax contributions and give some to your spouse, these contributions still count towards your concessional cap.***

If you are between 65 and 75, you need to meet the work test to be eligible to continue making contributions.

From 1 July 2018, if you do not use your concessional contribution cap for the income year, you will be able to carry forward your unused amount to the following year. However, you will only obtain an increase in your concessional contribution cap by the amount of the unused cap where you have a total superannuation balance of less than $500,000 at the end of 30 June in the previous year. Unused amounts are available for a maximum of five years and will expire after this time.

Meeting the ‘work test’

There are rules for the types of contributions your fund can accept for members of various ages. If you have reached 67 years but not 75 years, you must have worked at least 40 hours within 30 consecutive days in a financial year before your super fund can accept contributions for you. This includes non-mandated employer contributions (e.g. salary sacrifice), personal contributions, spouse contributions and government co-contributions.

**Let’s talk tax…**

When considering tax in relation to a contribution into super, you not only need to think about how you wish the treat the contribution for tax purposes going into the fund, but how the contribution and its future earnings within the fund will be taxed as well.

The contributions that you claim as a deduction will count towards your concessional contributions cap. When deciding whether to claim a deduction for super contributions, you should consider the super impacts that may arise from this, including whether:

* You will exceed any of your contribution caps
* Division 293 tax applies to you (additional 15% tax where your income exceeds $250,000)
* You wish to split your contributions with your spouse;
* It will affect your super co-contribution eligibility.

If you exceed your cap, you will have to pay extra tax and any excess concessional contributions will count towards your non-concessional contributions cap.

**Important – Earning more than $250,000**

If you earn more than $250,000 of income in any one year, your concessional contributions may be subject to an additional 15% tax. This tax is called Division 293 tax. It was introduced as an additional 15% contributions tax to be paid by high income individuals. This tax is charged if your income plus your concessional super contributions are above $250,000 (known as ‘income for surcharge purposes’). There are different tax rules for members of defined benefit super funds.

Anyone with an ‘income for surcharge purposes’ of more than $250,000 (including rental property losses and other items) in a financial year, effectively now pays 30% tax on concessional contributions, doubling the super contributions tax bill for high-income earners.

.

Product Flyer

**.**

Macquarie Super Manager II

Macquarie Super Manager is a wrap-style account as it brings superannuation and pension investment choices around a central cash hub, the Macquarie Cash Account. This cash hub allows for easy administration of a portfolio, as all buying, selling, reporting and maintenance of investment choices occur in one place.



Macquarie Super Manager provides the convenience of one central point of contact for all your account queries and one central point of contact when you want to buy and sell the underlying investments.

Macquarie Super Manager provides access to a range of benefits including:

* Extensive investment selection of wholesale managed funds, shares and other ASX listed securities and term deposits from two providers;
* Online transacting flexibility for advisers which allows your instructions to be acted on quickly;
* Comprehensive reporting which gives up-to-date information on your portfolio at any time;
* Access to the Macquarie Cash Account, which forms the hub of your portfolio. Using this account, you can buy investments, receive income and dividends and pay administration fees;
* Access to competitive insurance cover for death, TPD and income protection through Macquarie Life;
* Access to estate planning and tax efficient tools such as non-lapsing death benefit nominations, compensation of income tax paid on contributions and child allocated pensions; and,
* Individual tax processing, which means your tax position is calculated based on the transactions that you undertake and includes the benefits of franking credits and discounts on capital gains on the assets you hold;
* In-specie switch from Super to Pension. Transferring from Macquarie Super Accumulator to commence a pension in Macquarie Pension Manager leads to no capital gains tax on the underlying assets under current legislation.
* For pension accounts, the ability to commute an existing pension, combine the proceeds with additional super contributions and commence a new pension, all within the one account (while retaining your account number, personal details and transaction history).

**Auto cash management**

Auto cash management is a feature accessible through a Super Manager account and it enables the management of your cash account balance.

Your adviser can select a minimum and maximum cash balance as either a dollar value or percentage on any investor account that holds managed funds (excluding hedged funds). Each month, Macquarie checks your cash balance and where the balance falls outside the bands your adviser has selected, Macquarie will automatically create transactions to take the cash to the minimum or invest the amount over the maximum. Auto cash management runs each month and allows you piece of mind knowing that your money is always fully invested and that you will have sufficient funds available should you have the need.