



The superannuation revolution

Exelsuper is the brainchild of Chris Harris, who after 22 years advising clients regarding their superannuation felt that the industry needed a shake up. It was time for the superannuation revolution.

His vision is simple. Give people back the power over their superannuation and make it simple and straightforward.

Superannuation is the largest savings vehicle for Australians, but with many feeling disillusioned and let down by their superannuation fund managers through the global economic turbulence, more and more people are taking back the power over their retirement savings and getting excited about growing their wealth for retirement.

Having the control over your own superannuation in a self managed superannuation fund places you in the driver's seat, making all of your own investment decisions and with Exelsuper it is not as complex as you may think. You control your SMSF and we do all the legal compliance and administration work for you.

Self managed superannuation is not new, but the accounting and financial planning industries make SMSF an elitist, difficult and expensive solution that can appear just too hard. Traditional superannuation has become a financial trap serving investment advisers and fund managers while the accounting profession has a vested interest in making SMSF complex.

Chris and the Exelsuper team have a passion for making self managed superannuation more accessible to more people. It's not actually about superannuation; it's about helping people break free from a superannuation system that no longer seems to deliver their goals for financial freedom; to make SMSF easy for the average Australian.

Exelsuper throws away commission, deceptive fee structures, hidden vested interests and bad advice and delivers real value through education, knowledge and better superannuation strategies.

Welcome to the superannuation revolution. Welcome to Exelsuper.

Regards

Sarah Hall

Sarah Hall
OPERATIONS MANAGER
Exelsuper Pty Ltd



Our referral policy

Exelsuper is always thrilled when our clients refer us to family and friends. This is such a great compliment about our service, so we take this very seriously.

We are often asked to meet with family and friends who might need some advice about self managed superannuation and we are happy to do this for you.

At Exelsuper this is how we like to go about it:

- We treat each person you introduce us to with respect and care.
- We are more than happy to have a no obligation chat.
- Your privacy and your family and friends' privacy are assured.
- We ask for a brief introduction if possible so everyone feels comfortable (we find often an email or phone call is all that is needed).

Exelsuper want to ensure that your family, friends and colleagues can have access to the same services we provide to you. Please feel free to contact us anytime if you would like to refer a family member, friend or acquaintance.



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Ensuring you are fully informed and prepared with all of the information to make the right decision is vital. You may not yet feel ready to make an appointment or complete an application form, so for further information visit our website to learn more about Exelsuper and SMSF.

exelsuper.com.au

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Use Your Super To Buy An Investment Property



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EXEL^oSUPER

smarter self managed super

How it works

Financial freedom in retirement is everyone's ultimate goal. Replacing our working income with a passive income delivered straight into our bank account is real financial freedom.

SMSF is the ultimate savings vehicle. It delivers valuable tax benefits that help you accelerate your retirement savings.



However, while SMSF is a great vehicle for saving, it is after all 'self managed'. On an ongoing basis there are a number of legal requirements to adhere to, ensuring your fund is compliant and that you stay out of trouble with the ATO. But don't worry, Exelsuper will always be there to help you understand and meet these obligations.

Equally important are the tasks that need to be undertaken to ensure you don't miss out on some of the amazing strategies and opportunities that SMSF offers.

A well run SMSF results in three things:

- Improved tax outcomes for you and your fund.
- Well thought out estate plans to ensure the wealth you leave behind is a great legacy that benefits your spouse and kids the way you want it.
- Intelligent investments that are built using your ideas and talents such as borrowing to purchase an investment property, shares, term deposits etc.

There is no question that having the control to select your own investments and implement the strategies of your own choosing is what we would all like and with Exelsuper taking care of the 'managing' burden of SMSF you get to make all the decisions while we do all the work.

How much super do I need to buy a property?

The first thing people want to know is how much super do I need to get started? There is no minimum balance needed to start a self managed superannuation fund. It is possible to start an SMSF with a zero balance, but in our opinion you will need at least \$100,000-\$150,000 to make SMSF financially viable.

The good news is that with SMSF you can combine your super balance with your spouse or business partner, and borrow to purchase investments to create the economies of scale needed to make it economical.

There is a lot more to great super than reducing fees. It's about achieving financial freedom so that you can have the luxury of choosing your retirement lifestyle.



Our clients choose Exelsuper over cheap alternatives such as an Industry fund or other DIY providers because they believe that the power to make their own decisions about how their super is invested with an expert SPAA accredited Adviser to assist them each step of the way, will ultimately achieve their financial freedom sooner.

At Exelsuper our desire is to give you the power to choose the investment strategy that is right for your retirement goals while we do all the administrative work to implement and manage your decisions for you.

And while we make this easy for you, we do this with an easy and straightforward fee structure. We realise self managed superannuation administration fees can appear substantial, especially if your balance is lower. That's why our flat monthly fee gives you the transparency to easily judge the value you receive.

Maybe SMSF is not for you right now. No problem, Exelsuper can offer you the unique option of choosing an economical SMSF alternative that has slightly less flexibility and control, but may be the solution for you while you are building your super balance. You can upgrade to the full-service SMSF when the economies of scale move in your favour. (Go to exelsuper.com.au to see our fees, and also check out Exelsuper TV to see videos about how SMSF and buying a property with your super can work for you.)

A step by step guide to buying an investment property in super

Australia's love affair with property has taken an interesting turn in the last couple of years. Many of us are sick of the sharemarket rollercoaster. Combine this with a lack of performance, transparency and ethics within the superannuation industry, our dreams for a great retirement seem to be further away than ever. As a result many of us are turning to property investment within super to get our retirement dreams back on track.

This guide is a simple step by step guide about what needs to be done to buy a property with your super. But be careful, as super is complex and has many rules that cannot be broken without severe penalties. Therefore, always seek professional specialist SMSF advice before taking any action to implement your superannuation strategy.



01 Establish a Self Managed Super Fund

Before starting to search for a property you need to setup a self managed superannuation fund as this is the only way to own property with your super. Already, 1/3 of Australians have moved away from traditional and industry funds adopting instead to take full control over how their super is invested with a Self Managed Fund. If you don't have a self managed superannuation fund, then it's important to engage a self managed super Specialist, who understands property purchases in self managed superannuation, and the particular rules associated with borrowing to buy property with your super as a deposit. The setup of a self managed superannuation fund takes around 8-10 weeks before you'll be ready to sign a contract and purchase a property.

02 Top Up your Super

Maximise your deposit by topping up your super balance. Now this is optional, but sometimes it's good to make sure that your deposit is as healthy as possible, as the closer you are to paying your property off, the closer you are to retirement. Also superannuation offers great tax benefits such as tax deductible contributions or salary sacrifice to help you get money into super tax efficiently. But, check with us first to ensure you understand the contribution caps, and what the best contribution strategy is for you.

03 Seek Specialist Advice

At this point, you need to seek advice from an SMSF adviser to plan the cash flow of your fund to ensure that the contributions that you and your partner are making, plus your employer contributions, plus the anticipated rental income from the property is sufficient to cover the mortgage payments, and to determine if you'll need to make any additional personal or salary sacrifice contributions to meet these repayments. This will also help you when you talk to your mortgage broker about how much you can borrow and the price range of properties that you can consider. We always allow a 20% deposit, plus the borrowing costs, such as stamp duty and bank fees, and always ensure that there's a safety margin in case the property lies vacant for a while, but really these are the same things that any prudent property investor would do before buying an investment property, inside or outside super.

04 Seek advice from a Mortgage Broker about Lending in Super

Speak to your preferred bank or mortgage broker about their loan requirements when borrowing within a self managed superannuation fund. If you don't have a Mortgage Broker then Exelsuper can recommend a broker who is experienced with lending to self managed superannuation funds and can arrange everything for you.

05 Choose the property strategy that's right for you

Consider what type of property you're looking for. For example are you looking for a property in reasonable condition that can be rented out immediately, or are you looking for a property to renovate and add value to. If your plan is to renovate, you need to consider that your self managed superannuation fund needs to be able to fund the renovation costs from its cash flow, because you can't borrow additional funds to renovate.

Whilst renovation and repair is allowed, you can't substantially change the nature of the property either, so turning a house into an office, or adding an additional granny flat is not allowed.

When borrowing, property developments not allowed either. You can't buy a run down house on a big block, knock it down, and build three townhouses. Even the subdivision of an existing block is not allowed.

By phoning us and letting us know what your looking to do, an Exelsuper SMSF Specialist Adviser will guide you on how to ensure that you are complying with these rules. Our advisers are specialists in this field, and ensure you never breach the rules of super.

06 Ensure the legal title is held in a custodial trust

It's a requirement of superannuation law that when a fund borrows to purchase an investment property, the legal title to the property is held in a separate holding trust until the loan's repaid. Either your bank or Exelsuper will arrange the setup of this legal structure for you. Now this holding trust is an additional legal structure that we need to establish in addition to your Self Managed fund, and is sometimes referred to as a custodial trust, a bare trust or holding trust, and costs roughly \$2,000 in addition to normal bank fees and borrowing costs for the establishment of the custodial trust.

Ok, so once all this is done you're ready to jump in and start looking for that ideal investment property. Of course, this maybe a while away yet, but the first step can be really simple and easy. Just ask your mortgage broker for a referral to Exelsuper for an initial chat about how buying a property within your super works and if this is appropriate for you.

If you don't have a broker, feel free to just call us direct on **(08) 8 357 3564** or email: service@exelsuper.com.au

What to expect at your first appointment

Your first complimentary appointment has a single purpose, that is to empower you to make the best decisions about your superannuation with all the facts at hand.

Your personal SMSF Specialist Adviser™ will start by getting straight down to facts and sourcing information specifically relevant to you and your circumstances.

You will come away from this appointment with a good understanding of how property in super works and if it is appropriate for you. We are not sales people, and we do not sell property. We are specialist SMSF advisers who care only about helping you to be wealthy at retirement.

Your initial appointment will be with a SPAA SSA specialist SMSF adviser, who holds the highest qualification available to any self managed superannuation specialist.

