



Structuring Investment Options – How to read your client

Peter Fry  
Director – Wealth and Superannuation,  
Peter Fry & Associates




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**Peter Fry**

Peter Fry is principal of Peter Fry & Associates, Chartered Accountants and Fry Financial Services, Financial Planners in Melbourne's East, providing services to clients in accounting, taxation, superannuation and financial planning with a speciality (and passion) in Self Managed Superannuation Funds. Peter is also an Accredited SMSF Specialist Advisor™ (BSATM).

Peter has more than 35 years' experience in the accounting profession and has earned a solid reputation for his specialist business services and management advice and development of wealth creation strategies, particularly relating to self managed super funds including structuring and their administration, which then coordinates with financial planning, risk management and estate planning, and has been involved in litigation support and family law matters.

Peter also holds a CFP® (Certified Financial Planner®) designation and has been actively involved in the financial planning aspects of client affairs for over 20 years. Peter was awarded the Lonsdale Financial Group Financial Planner of the Year 2015/2016.

Peter is a Member of the Institute of Chartered Accountants and the Institute of Chartered Secretaries and was instrumental in establishing what is now known as the SMSF Association of Australia Ltd (SMSFA), was inaugural chairman and Board member for 8 years.

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Structuring Investment Options – How to read your client **protect**

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## DISCLAIMER

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The information is correct at time of presentation.

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## Outline

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- Client wants/requests
- Structuring Options
- Adviser considerations
- What can go wrong
- Client considerations



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## OUR POTENTIAL CLIENTS

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- Investment opportunity could involve:-
- Jack, 64 – has SMSF
- Joe, 85 – has SMSF
- J Jnr, 31 – no SMSF
- Sammy G – not our client
- Individuals
- Any combination of the above plus others



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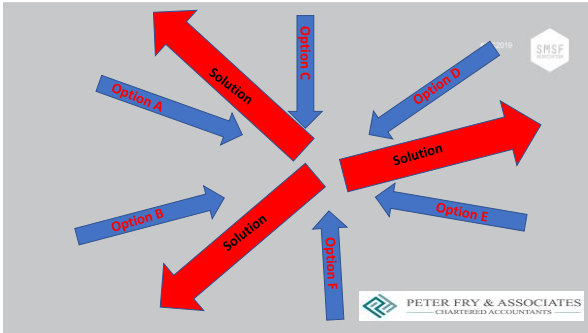
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We need to slow down and consider:-

- Can we advise on transaction?
- i.e. Is this a tax structuring question? Or Is it a financial planning matter requiring license?

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- With accountants hat structuring is ok
- However, to recommend to establish a fund, rollover funds, invest funds need to be licensed
- Risk profile and asset allocation
- Where do SBCGT strategies fit in

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What about transaction only?

- Practicality
- ASIC view

How do you determine if right for client?

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What investment options available?

1. Purchase outright
2. Tenants in Common ( not joint )
3. Joint Venture or Partnership
4. Ungearing Trust or Company (13.22C)
5. Unrelated Trust or Company
6. Widely Held Unit Trust

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7. LRBA
8. Pre 1999 Trust
9. Family Trust
10. Personally
11. Special Disability Trust

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Murphy is lurking.....

Adviser needs to be clairvoyant

Don't focus on immediate, wider picture

What is end game or exit strategy – even if nothing goes wrong

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Documentation

Documentation

Documentation

Needs to be complete and accurate

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What needs to be considered?-

- Why are you doing this?
- The Deed / Legislation
- Does the investment stand in own right?
- LRBA / safe harbour / sign off / costs
- Cheap source of funds?
- Do SBCGT concessions apply?

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- Security
- Sole purpose test
- Investment Strategy / weighting
- Are your goals aligned with others?
- Insurances
- Investor Agreements
- Control issues and changes
- Buy / Sell agreements
- Contribution limits / rules

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- Departure – voluntary / involuntary
- Fall out, business, marriage
- Change of circumstance - retirement
- Change of business or growth
- Incapacity
- Death
- Liquidity / Compulsory cashing
- Tax

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And we haven't even considered operational strategies such as:-

- Transfer balance caps
- Contributions
- Pensions
- Reversions
- SBCGT concessions

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So taking our clients what could occur?

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### Joe and Rosie

- Remember he is 85, she is 83 – death
- Liquidity
- Will important / BDBN
- Is it appropriate
- Could he borrow commercially



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- What will happen to Fund
- Who will buy him out
- SBCGT Concessions
- If he involved Rosie
- If he involved Sammy

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### Jack and Marilyn

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- Blended family
- Nearing retirement – who will buy?
- Access to funds - resignation enough?
- Contribution rules
- SBCGT Concessions
- Current lifestyle



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### Jack Jnr and Carol

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- Younger, how will he buy out Dad
- Why set up an SMSF
- Use home equity



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### Robbie

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- How to look after Mary
- Will
- Pension
- Disability Trust



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### Jacqui O and Ori O

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- Wills
- Control of SMSF
- TBC
- Liquidity



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### Conclusion

The adviser is expected to guide the client to the best result for them, within the rules, appropriate structuring and guiding them through the journey.

Given the detail above and risks

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### Who would be an adviser?

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### Because we love the challenge!

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