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## **CBC Financial Advisers – Our Advice Kit for Self Managed Super Funds**

**Welcome to CBC Financial Advisers (CBC).** Our team of highly qualified staff look forward to working with you to help you to achieve your financial goals and objectives.

### **Who are we?**

CBC Financial Advisers is a family owned company which has been providing quality Financial Advice since 1994. We are a member of **Count Wealth Accountants (Count)**, Australia's largest independently owned network of financial planning Accountants and Advisers. Our **Financial Services Guide** contains further information on Count and our relationship with them plus more information on CBC and our services.

### **Our Philosophy**

**CBC Financial Advisers** cares about your financial future and we will ensure that you:

- Receive quality advice tailored to your (SMSF's) investment needs and objectives
- Understand the financial planning process and how it can benefit you
- Know exactly how much your initial financial plan and ongoing services will cost
- Receive cost effective advice with no entry or implementation fees payable on any financial products that we may recommend to you

### **How can we help?**

**CBC Financial Advisers** can help you with:

- Building a portfolio within your Self Managed Super Fund (SMSF) to meet the Investment Strategy of your Fund and to meet your SMSF members' own personal risk profiles.
- Assisting you (where applicable) in ensuring your SMSF maintains enough 'liquid' assets to meet legislated pension obligations.
- Technical assistance when required from our in-house specialists in SMSF administration
- Management and assistance with completion of fund paperwork to make any recommended changes and implement payment of pensions.
- Assisting you to ensure your 'Binding Beneficiary' Nominations are in place and up to date.

The following two pages outline the **Financial Planning process** at CBC and also provide information on our **research house – Lonsec**.

# CBC's step-by-step Guide to Advice for your SMSF

## 1. Prepare

Think about your SMSF's Investment goals, such as:

- What is the 'Investment Strategy' of the Fund? Has it been reviewed recently?
- What investments does/would the Fund want to hold? (i.e. shares, managed funds, property?)
- What are the individual members' Risk Profiles (i.e. tolerance to risk?)
- Are the beneficiary nominations for all members up to date?
- If drawing a pension, what is the Fund's liquidity position and requirements?
- Do you have a need for Wealth Protection insurance personally, and can this be taken up within your SMSF?

Come prepared with your SMSF's financial documents, including:

- The previous financial year's tax return and financial accounts
- Current fund balances
- Current Beneficiary Nominations
- Our Financial Needs Analyser (FNA) questionnaire

## 2. Your First Appointment

Your initial appointment is at our expense and with no obligation. This meeting will usually take 60 minutes or so and will allow us to explore how we can help you going forward.

During this meeting we can work through your financial goals and will determine the type of advice appropriate for you. We will also explain our **Financial Services Guide** and assist you to complete the enclosed **Financial Needs Analyser (FNA)** questionnaire. We need this questionnaire in a similar way that a doctor needs a medical history before they can prescribe anything for you. We need to know the details and 'history' of the Fund so we can recommend appropriate investments. Please feel free to add any other specific information about the SMSF into the FNA prior to our meeting.

## 3. Review and Accept Quote

After the first appointment, we will provide you with a **Quote** itemising the cost of our initial advice. We will ask you to sign a **Terms of Engagement** at this time. Once you are happy to proceed we will prepare written recommendations for the Fund, known as a **Statement of Advice (SoA)**.

## 4. Preparation of Plan

Once we have a complete picture of your SMSF (from the FNA and from our discussions with you), we will develop a financial plan. This will usually take up to 4 weeks to prepare depending on the Fund's circumstances.

## 5. Second appointment/presentation of Plan

We will arrange a time to present your financial plan to you (this can also be posted to you prior). We can also email this document to you using an encrypted PDF file and we can also meet with you via Skype and webcams if desired. During this meeting we will discuss our advice in detail and explain how it will assist your Fund to achieve its investment goals and objectives.

## 6. Implementation of Recommendations

Once you are satisfied with your Plan, we will ask you to sign an **Authority to Proceed** document. After that we will assist you to implement and put all of our recommendations into place.

## 7. Ongoing advice

Regular reviews of your situation are essential to ensure your SMSF is on track to meet its investment goals and objectives. The cost and terms of this service will be established by mutual agreement. **This part of our advice is the most important** as investment funds and the economic climate change over time. Just like a car needs a regular service or it will break down, a review of the Fund's original plan will ensure all is in order financially and that investment strategies recommended for the Fund remain appropriate.

## What is the Value of Advice within a SMSF?

Unlike when you buy a new home or car, it can be difficult to see what you are actually getting when you seek financial advice. To really appreciate what you are paying for, you need to look at the longer term to see the full benefits. Count (and therefore CBC) use **Lonsec Research** for our investment research.

## The Lonsec Research Process

Lonsec is a specialist investment research and stockbroking house that has been working in partnership with financial advisers for more than 16 years. Research coverage includes a wide range of managed funds, property and infrastructure, agribusiness and structured products.

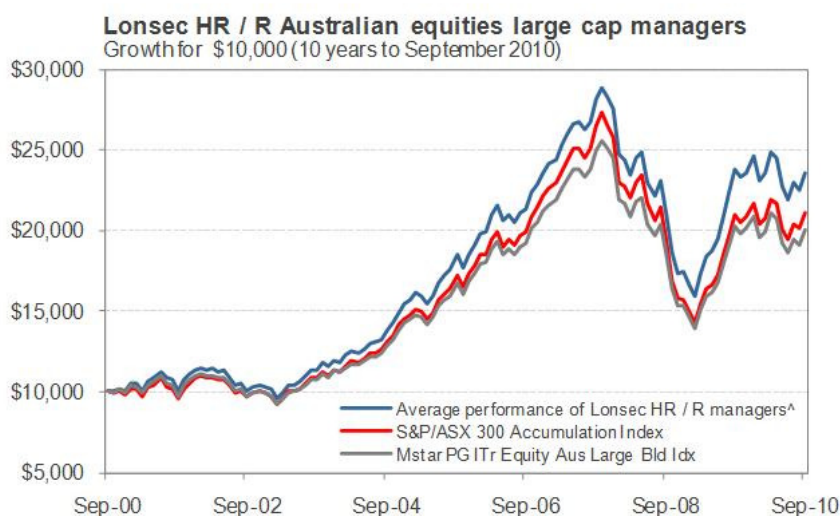
Lonsec analysts provide an incisive and penetrating style of product analysis with each team member having extensive experience in the investment industry, and backgrounds spanning a variety of well-regarded funds management, banking and investment research houses. Their analysis and recommendations provide a high level of qualitative research explaining the key benefits or potential problems of various investment products.

Lonsec believes that managing money is a combination of 'art' and 'science'. Lonsec don't accept that there is one way to manage money, although they do believe that there are a number of critical ingredients that combine to produce a quality investment product. Listed below are a number of Lonsec's key beliefs that are central to their research process and provide the framework for their assessment of managed funds across most asset classes:

- i) People & Resources
- ii) Philosophy (Style)
- iii) Research
- iv) Portfolio Construction
- v) Risk Management
- vi) Lonsec Fund View

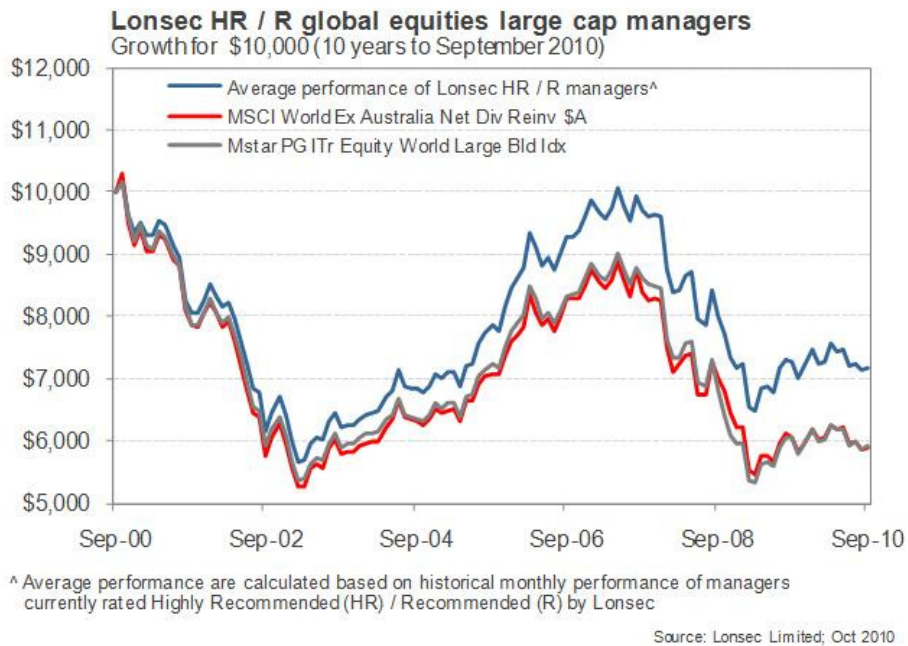
As the charts below illustrate, Lonsec has a proven track record at selecting the Fund Managers that have in the past outperformed the median (or 'average') manager each year. This performance is also net of the Fund Managers investment management costs.

This research illustrates that by recommending only Lonsec approved Fund Managers the chances of doing better than 'average' are maximised.



<sup>A</sup> Average performance are calculated based on historical monthly performance of managers currently rated Highly Recommended (HR) / Recommended (R) by Lonsec

Source: Lonsec Limited; Oct 2010



If you have any questions on any of this information or would like to make an appointment please contact us on FreeCall **1800 622 892** or [cbc@cbc.com.au](mailto:cbc@cbc.com.au)

With Compliments

**CBC Financial Adviser Team**

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Financial Advisers of CBC Financial Advisers  
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