

Can I use my super as a deposit for a rental property?



Rents to rise by 21.3% over next 3 years [BIS Shrapnel]

One in three Australians to acquire property over next 2 years
[Mortgage Choice]


Maybe it's time to get moving



1. How much do you and your partner have in your superannuation?

Most Australians are members of an Industry or Retail superannuation fund. If the amount exceeds \$100,000 then you could consider establishing your own superfund. A husband and wife can combine their balances. Brothers, sisters, friends and neighbours can also combine balances (see below). If you have less than \$100,000 and equity in another property (i.e. your home) you could use a unit trust and still use your super for the deposit (see below).

Check the statement provided by your superannuation provider (i.e. CBus, Australian Super, BT, etc)



Member Annual Benefit Statement
 as at 30 June 2010

Member number: 12345678

Mr Sam Sample
1 Sample Street
SAMPLETOWN VIC 1234

For information about your Annual Benefit Statement, please refer to the explanatory notes. This statement and the explanatory notes form your 2010 periodic statement.

Need some help?
If you have any questions, please contact our Member Centre on toll free 1300 366 216.

| 1. Your account summary | |
|---|--------------------|
| Opening balance at 1 July 2009 | \$50,124.57 |
| Additions | |
| Employer Superannuation Guarantee (SG) contributions | \$9,930.00 |
| Salary sacrifice contributions | \$3,200.00 |
| Additional employer contributions | \$0.00 |
| Personal and/or personal deductible contributions | \$3,000.00 |
| Government co-contributions | \$0.00 |
| Eligible spouse contributions | \$1,000.00 |
| SG and SHH special account vouchers | \$0.00 |
| Rollovers from other complying superannuation funds | \$12,543.78 |
| Total additions | \$29,673.78 |
| Investment returns | |
| Gross investment return | \$3,201.05 |
| minus: Tax on investment return | \$434.18 |
| equals Net earnings | \$2,766.87 |
| Deductions | |
| Partial withdrawals (including rollovers) | \$0.00 |
| Commonwealth superannuation contributions tax (surcharge) | \$0.00 |
| Commonwealth contributions tax (15%) | \$2,342.46 |
| Commonwealth contributions tax – no TFN (31.5%) | \$0.00 |
| Death and disability insurance premium | \$172.07 |
| Income protection insurance premium | \$341.54 |
| Management cost | |
| Management fee (0.5% pa of average account balance over the year) | \$318.86 |
| minus: tax credit on management fee | \$47.83 |
| minus: Member protection | \$0.00 |
| equals Net management fees deducted from your account | \$271.03 |
| Total deductions | \$5,129.46 |
| Closing balance at 30 June 2010 | \$79,438.12 |

| 2. Your insurance | |
|--|--|
| Your insurance as at 30 June 2010: | |
| Unit-based death and disability insurance | 3 units at \$1.10 per unit per week |
| Age-based insurance | Death, TPD & TTD |
| Income protection | 2 year payment, 90 day wait, approved occupation |
| Benefits | |
| Death and total and permanent disability insurance cover | \$300,000.00 |
| plus Your closing balance | \$79,438.12 |
| equals Your death & total and permanent disability benefit | \$379,438.12 |
| Income protection cover per month | \$3,125.00 |
| <small>See the explanatory notes for information on your total but temporary disability benefit.</small> | |

| 3. Your personal details | |
|--|----------------|
| Date joined VcSuper Fund | 01/04/2001 |
| Age at 30 June 2010 | 40 |
| Tax file number | Supplied |
| Death benefit nomination: | Binding |
| Expiry date of nomination | 30/05/2011 |
| Nominated beneficiaries and percentage: | |
| Samantha Sample | 50% |
| Sean Sample | 50% |

| 4. Your account balance history | |
|---------------------------------|--------------|
| \$21,648.54 | \$33,105.79 |
| \$45,012.81 | \$50,124.57 |
| \$79,438.12 | |
| \$30/06/2006 | \$30/06/2007 |
| \$30/06/2008 | \$30/06/2009 |
| \$30/06/2010 | |

| 5. Investment option allocation | |
|---------------------------------|------------------------------|
| Nominated options | Balance at 30/06/2010 |
| Growth 100% | \$79,438.12 |

| 6. Access to your benefit | |
|---|-------------|
| Your preserved benefit | \$79,438.12 |
| Your restricted non-preserved benefit | \$0.00 |
| Your unrestricted non-preserved benefit | \$0.00 |

| 7. Tax information | |
|--|-------------|
| Components of your benefit | |
| Taxable | \$78,096.26 |
| Tax-free | \$1,341.86 |
| <small>As you are over age 60, withdrawals from the taxable component are also tax-free.</small> | |
| Contribution types received in 2009/10 | |
| Concessional contributions | \$16,130.00 |
| Non-concessional contributions | \$1,000.00 |
| Other contributions | \$12,543.78 |

Your closing balance represents funds available to rollover to your own fund.

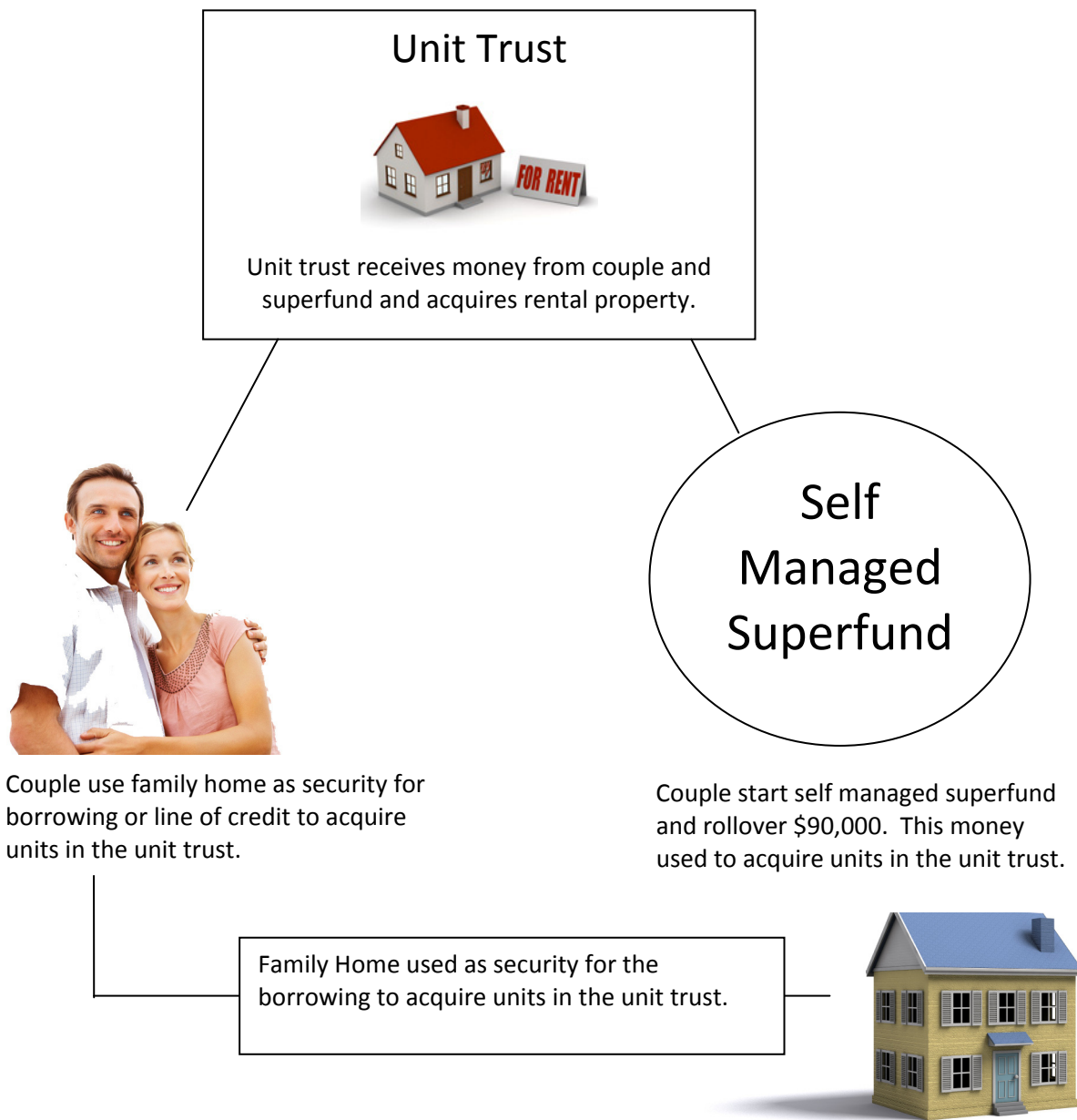
2. If we have more than \$100,000 in our work based superannuation.

If either alone or with your partner you have more than \$100,000 in your superannuation accounts then you can consider establishing a self managed superannuation fund and rolling your superannuation into your own fund.

You should seek advice from professionally qualified and licenced advisors before establishing your self managed superfund. Considering your superannuation will be your largest asset you should take great care establishing a self managed superfund and who you select to help you run the fund.

3. If we have less than \$100,000 in our superannuation.

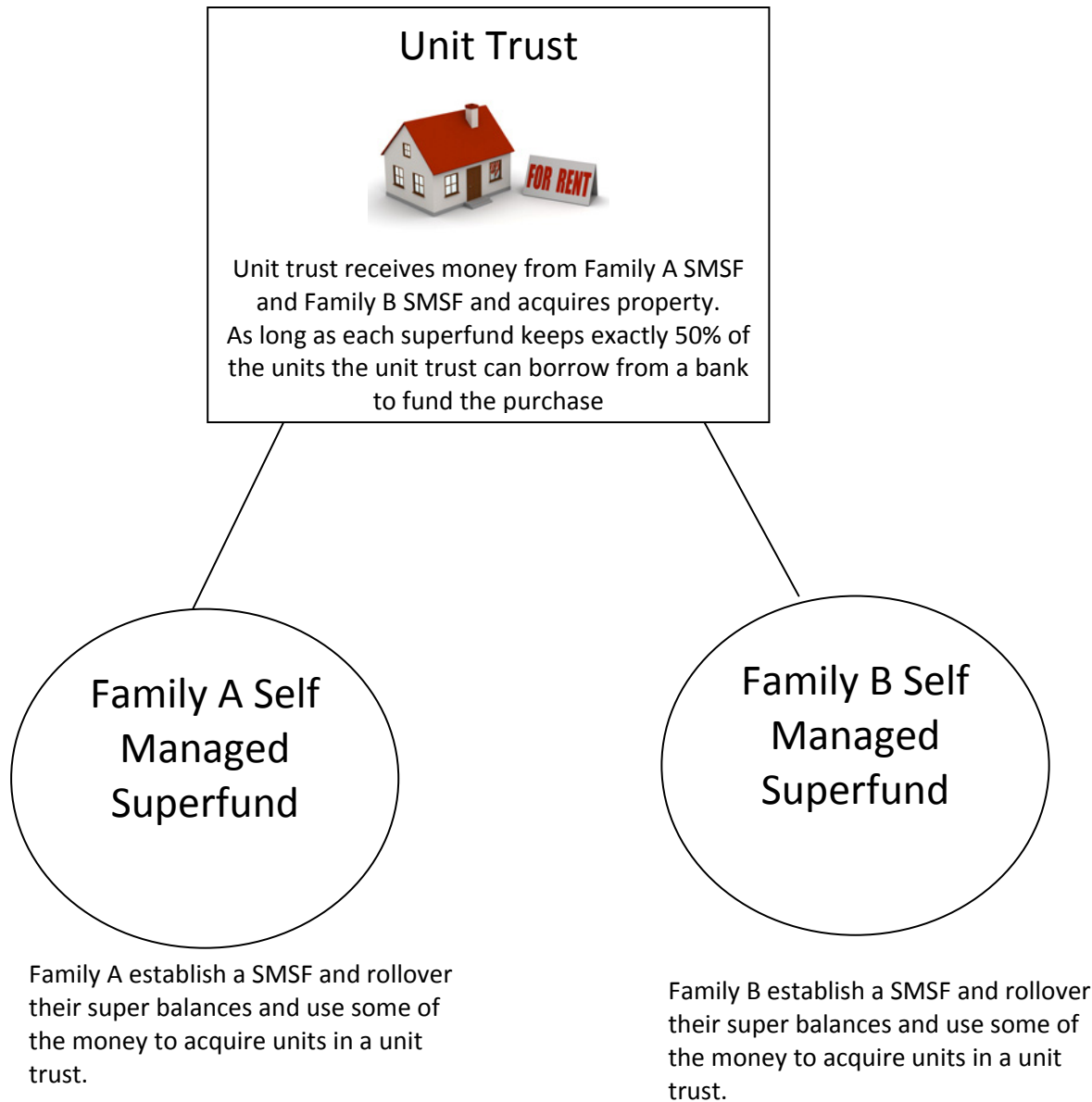
If you have a superannuation balance less than \$100,000 you can still use your superannuation as a deposit on property if you have enough equity in a property like the family home. This is by way of using a unit trust as outlined below.



4. Can I start a superfund with my brother, neighbour, friend and acquire a property?

The laws around who can be a member of a self managed superfund have only one main requirement that the fund not have more than 4 members. The members can even be minors, although this is not recommended. Brothers, cousins, friends, neighbours can all be members together in a self managed superfund as long as the number of members is less than 5.

5. If I was going to invest my super with a neighbour or friend what is the best structure?



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