



## The AET **small** APRA fund – an SMSF with a **professional trustee**

Self-managed super funds (SMSFs) may be the fastest growing sector of the super industry – but did you know there are two types? Which one is right for your client?

While SMSFs give your clients the freedom and flexibility to take control of their super, this freedom and flexibility comes at a price – the responsibility of being the trustee. Being a trustee can be an onerous task and, if not carried out properly, can lead to hefty penalties. But, there is an alternative – a small APRA fund.

### What is a SAF?

A SAF is essentially an SMSF but with a professional trustee. It provides the same level of investment control and flexibility as an SMSF, but without the associated responsibility of being a trustee or the risk of compliance breaches.

The AET small APRA fund (AET SAF) could be the solution for clients who do not have the time, energy or expertise to be the trustee. It may also be suitable for clients who are relocating overseas, bankrupt or disqualified persons, or even older clients.

### Why choose a SAF?

#### ✓ No trustee responsibilities

IOOF Investment Management Limited (IIML) acts as the trustee for the AET SAFs. As the trustee, IIML will establish your client's fund, monitor their investment strategy and ensure their fund meets all required legal and compliance obligations.

#### ✓ No compliance burden

Your clients don't need to shoulder the burden of compliance because the AET SAF has a professional licensed trustee (IIML). The trustee will issue tools that help your client understand how their super works, a product disclosure statement and annual member statements.

#### ✓ Estate planning opportunities

The AET SAF can form part of a client's estate planning strategy. The appointment of a professional trustee gives your clients certainty in the nomination of beneficiaries so that your clients' super death benefits are paid according to their instructions. This is particularly important for clients with blended families or for clients who wish to provide for a family member with an intellectual disability.

### ✓ Investment flexibility

A wide choice of investments is available including all ASX listed securities, wholesale managed funds, term deposits and private assets (including direct residential and commercial properties, collectables and business real property).

Investments may be managed in line with both your dealer groups' list of investments and the investment strategy selected for the fund.

### ✓ Tax minimisation and planning opportunities

While some superannuation funds use tax credits and offsets to reduce the tax payable by the fund, individual members may not always receive the full tax benefit. With the AET SAF, although tax remains payable at the fund level, the relevant credits are passed directly to your clients' account.

### ✓ No capital gains tax on SMSF transfers

If your SMSF clients no longer wish to be a trustee, one way to release them from this responsibility, without subjecting the SMSF to capital gains tax, is to transfer these clients to the AET SAF. The fund continues to exist but the members resign as trustees and IIML is appointed as the professional trustee.

### ✓ Retirement income options

Retirement income options can be tailored to your client's circumstances.

**For more information about the AET small APRA fund, please speak to Luke Costa, National Specialist – SMSF Solutions.**

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