

Are you ready to manage your own retirement savings?

Over one million Australians have their retirement savings housed within a Self Managed Super Fund (SMSF). Some SMSF Trustees engage a professional to invest and manage their investments on their behalf, others choose to manage their own investments.

There are no formal qualifications or minimum experience levels required to take on the large responsibility of setting up a SMSF and managing your own retirement savings. Plenty of people manage their retirement savings successfully and prudently, others find themselves out of their depth and put their retirement savings at serious risk.

This questionnaire is designed to see if you possess the necessary knowledge and acumen required to manage your own retirement savings. Please answer each of the questions honestly by giving yourself a score out of ten.

1 - Rules & Penalties

There are very specific rules in place about how a SMSF should operate and quite onerous penalties if you break those rules. As Trustee, it is your duty to understand these rules and the potential penalties that exist. Please rate your knowledge of the current rules & penalties applicable to SMSFs.

1 2 3 4 5 6 7 8 9 10

*I have no idea about what the rules are
or the potential penalties applicable to
SMSFs.*

*I have a very strong knowledge of the
rules and penalties applicable to SMSFs.*

2 - Investment Risk

Every investment decision carries some element of risk. Usually, the higher the potential return, the higher the risk. Having a clear understanding of the risks associated with various investments is fundamental to making sound investment decisions. Please rate your understanding of the risks associated with different types of investments.

1 2 3 4 5 6 7 8 9 10

*I have no idea about
investment risks*

*I have a strong understanding of risks
associated with different investments*

3 - Investment Knowledge

There are a huge volume of opinions, though unfortunately not always an equal volume of knowledge regarding different investment options. Having a strong knowledge of how investments and our wider financial system operate, is incredibly important when managing your retirement savings.

1 2 3 4 5 6 7 8 9 10

*I have no idea about how investments
work and don't understand our financial
system*

*I have a strong knowledge of
investments and our financial system*

4 - Available Time

Operating a SMSF properly requires a time commitment. This commitment will obviously vary depending on the size and complexity of your investments, though there are a number of procedures and compliance tasks you, as Trustee, will need to commit to each year, regardless of how much is invested.

1 2 3 4 5 6 7 8 9 10

*I have very little available
time*

*I have plenty of available
time*

5 - Willingness

A SMSF Trustee must have available time and the willingness to manage their retirement savings. This willingness is often personality driven. Some people are highly motivated to research investments, make decisions and monitor investments.... other people would rather have a root canal than spend time researching investment options.

1 2 3 4 5 6 7 8 9 10

*I have no willingness to
manage investments*

*I am highly motivated to
manage investments*

6 - Temperament

We all have our strengths and weaknesses, not everyone is cut out to look after investments. Sometimes, being honest with yourself and coming to the realisation that you are not the best person to look after your retirement savings, is the best investment decision you will ever make!

1 2 3 4 5 6 7 8 9 10

I make spur of the moment and/or rash decisions which I often later regret

I usually make well researched and calculated decisions which I rarely regret

7 - Experience

There is no substitute for experience when it comes to most endeavours in life, and investing is no exception.

1 2 3 4 5 6 7 8 9 10

I have never invested before and have zero investment experience

I have extensive investment experience over a long period

8 - Track Record

Whilst a person can learn from their mistakes, and prior performance is not the only indicator of future performance, a sound track record is a good indicator that you have the necessary skill and knowledge to contemplate managing your retirement savings.

1 2 3 4 5 6 7 8 9 10

I have lost a lot of money in the past on bad investment choices

I have made very solid investment choices in the past

9 - Information Sources

The more informed a decision maker becomes, usually the better decisions he/she will make. Being able to source high quality, reliable and complete investment information is fundamental to making sound investment decisions.

1 2 3 4 5 6 7 8 9 10

A friend of a friend has given me a few hot tips

I have read a lot of well recognised information from reliable sources

10 - Continued Learning

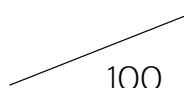
Our financial system is fluid and ever changing and it is important therefore to keep up to date, if you want to give yourself the best chance to manage your retirement savings successfully. Key to keeping up to date is taking information from well recognised and reliable sources.

1 2 3 4 5 6 7 8 9 10

I watch the news each night on TV, does that count?

I read a large variety of well recognised sources of information

Now add up your total score for all ten questions

 100

Score of 70 or above

You appear to have the necessary attributes to competently manage your own retirement savings. Good luck!

Between 50 and 70

You appear to have most of the attributes to competently manage your retirement savings though there are some gaps. We recommend seeking professional assistance, or holding off until your knowledge and skills improve.

Score below 50

Sorry, you don't seem ready to do this by yourself. You could be putting your retirement savings, and potentially those of other family members, at serious risk.