IDEAS TO HELP NAVIGATE UNCERTAIN FINANCIAL TIMES

Cass Smith, Founder

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FREEDOM FINANCIAL SOLUTIONS FFS

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DISCLAIMER

The material in this document neither purports nor intends to give any accounting, legal, tax or investment advice or earnings expectations.

Readers should not act on the basis of any matter in this document without first considering, and if appropriate taking, professional advice with due regard to their own particular circumstances.

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NOT FINANCIAL PLANNING ADVICE

Ideas to help you…

- Cass quit being a financial planner over 3 years ago as she no longer wanted to recommend the share market.

navigate uncertain…

- Financial planners usually tell you to keep your money in the share market and superannuation…becau se that's the 'safest.'

financial times.

- These are also not 'traditional' views that Cass would have given 4 years ago.
- These are ideas to help you navigate uncertain financial times.

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INTERESTING INFORMATION

This is not financial advice.
It's interesting information. An opinion.
That's all. Take it or leave it.

Ideas to help navigate uncertain financial times: April 2025

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SUPERANNUATION

- Do you have it?
- Do you think about it?
- Is your super safe?
- What is a self-managed super fund (SMSF)?

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WHAT IS AN SMSF?

SIMPLY: A SUPER FUND THAT YOU MANAGE YOURSELF

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WHERE IS YOUR SUPER NOW… AND IS IT SAFE?

- Defined Benefit Pensions – Safe as long as the provider remains financially viable.
- Accumulation Accounts – Did you choose your own investment strategy? If not…your super will be in the stock market.
- SMSFs – As safe as your chosen investments.

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THE STOCK MARKET: FACTS & OPINION

- In 2020, the share market fell by up to 40% (Bear Market)
- Rallies based on printing trillions
- Some analysts calculate a crash of 80-90% is on the horizon (Jim Rickards, Robert Kiyosaki, and many others)
- Others have described it as a ‘controlled demolition’ of our current financial systems and thinking
- What has our Government told us or advised?


moneywise

'END OF THE AMERICAN EMPIRE?': Robert Kiyosaki warns the S&P 500 is 'about to crash by 70%' — compares the US economy to the fall of ancient Rome and says 'stupidity repeats.' Do you agree?

Jing Pan
Thu, February 15, 2024 at 4:50 AM PST
3 min read
79

WHAT CAN HAPPEN IN A CRASH?

- When the 2008 GFC hit, the share market dropped by up to 50% in weeks
- Funds were frozen to stop withdrawals
- Even now bank accounts can, and have been frozen
- History has many examples of financial crashes and money confiscation
- As recent as Cyprus 2013, when the government took 10% of everyone's bank account balance

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SURELY NOT IN AUSTRALIA?

Financial Sector Legislation Amendment (Crisis Resolution Powers And Other Measures) Bill 2017 aka

‘Bail In’ Act

Business Banking & finance Wall Street

This was published 3 months ago

The $3.5 trillion Australian prize that has Wall Street salivating

Richard Henderson and Amy Bainbridge
July 26, 2023 – 6.48am

Save Share A A A

Morgan Stanley chief James Gorman has been tapping his Australian roots to access one of the world’s fastest-growing corners of global capital.

The bank’s Melbourne-born boss is one of a string of executives from Wall Street and beyond doing more business with the largest players in Australia’s $3.5 trillion superannuation industry.

The big attraction: inflows of more than $1 billion a week that need to find an investment destination.

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WHEN WILL IT CRASH?

- No one knows
- By that time, it will be TOO LATE TO TAKE ACTION

NOW IS THE TIME FOR ACTION

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BENZINGA

Robert Kiyosaki, 'Rich Dad, Poor Dad,' Warns The Biggest Stock Market Crash Ever Is Coming February – 'Good News Is Everything Goes On Sale'

Jeannine Mancini
Fri, January 31, 2025 at 11:00 AM GMT+11 • 3 min read

Robert Kiyosaki, the author of Rich Dad Poor Dad, has never been shy about making bold predictions. On Jan. 26, he took to X to double down on what he's been warning about for years: a massive stock market crash. This time, though, he's naming a specific date – February 2025 – as the tipping point for what he calls "the biggest stock market crash in history."

But Kiyosaki isn't alone in predicting trouble.

Goldman Sachs analysts also warn of a significant market correction, estimating a potential 30% drop in 2025. Their concerns stem from high valuations and ongoing economic uncertainty. Economist Harry Dent is on a similar page, pointing to America's growing private debt as a time bomb waiting to go off. Dent has even said the bubble could burst as early as mid-2025.

Even if a crash doesn't happen, we already have

INFLATION

Are you feeling it?

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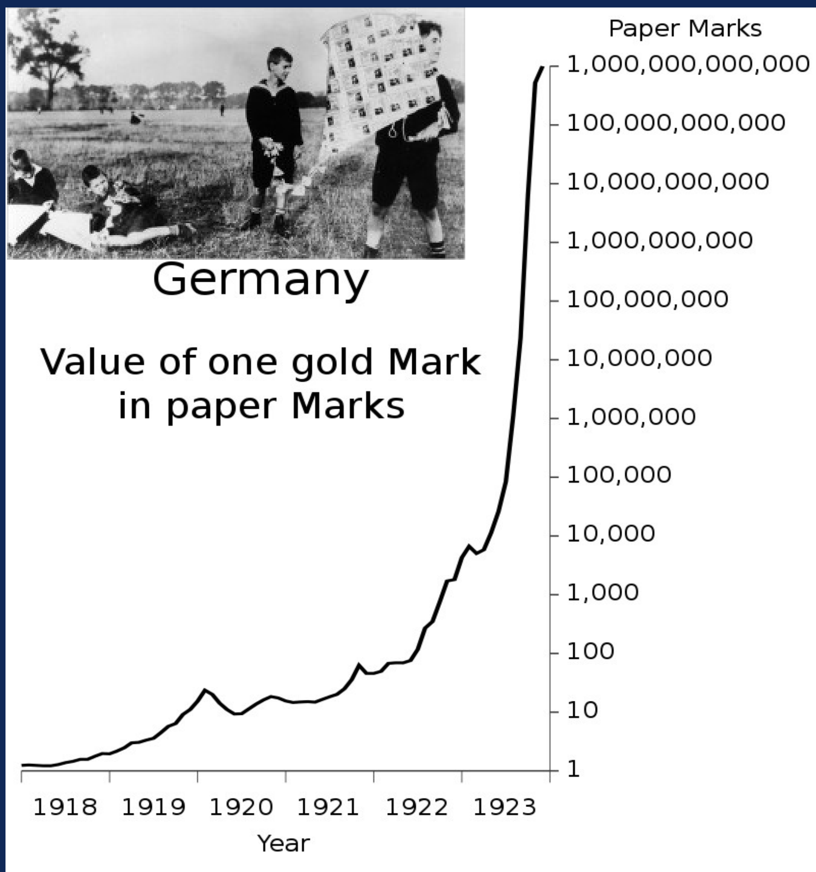
INFLATION: A HISTORY LESSON



GERMANY, A ONE OFF?

No, not even the most severe

- Hungary – 1940s
- Zimbabwe – 2008
- Venezuela – 2013

Worst ever recorded

Inflation accelerated dramatically, from a rate in January of over 100,000% to an estimated rate of over 1,000,000% by May, and nearly 250,000,000% in July.

Prices rose 41%, and by 2018 inflation was at 65,000%

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QUESTION:

HOW DO GOVERNMENTS PREPARE THEIR PEOPLE FOR AN EXTINCTION LEVEL ASTEROID HEADING FOR EARTH?

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NEXT QUESTION:

HOW DO GOVERNMENTS PREPARE THEIR PEOPLE FOR POTENTIALLY DEVASTATING ECONOMIC COLLAPSES?

They don't

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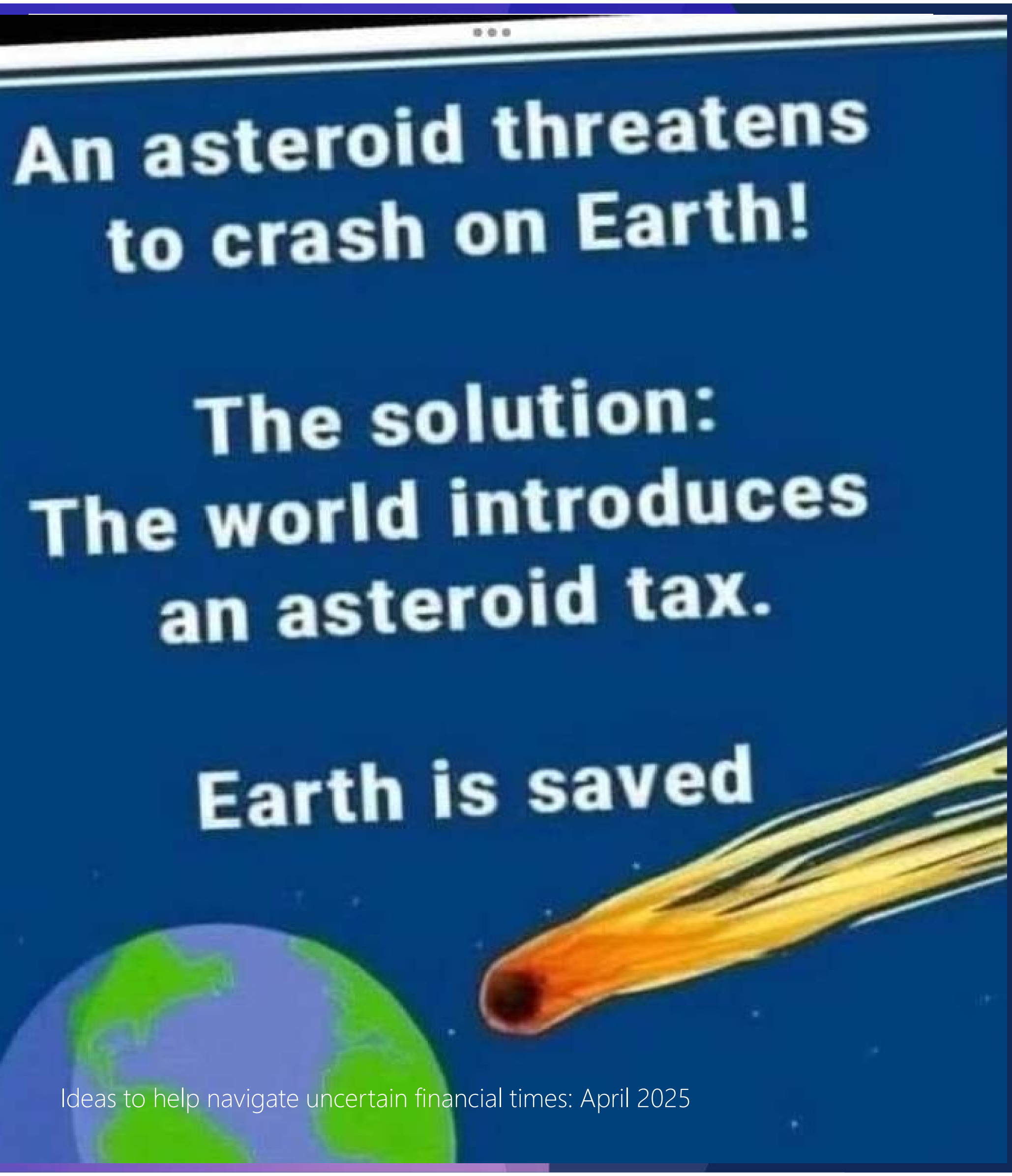

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So with all that in mind…

IS YOUR SUPERANNUATION SAFE?

IS YOUR SUPER SAFE?

Accumulation accounts

- Move to cash? Safe as long as no freeze
- WARNING 1: miss out on potential growth
- WARNING 2: miss out on possible losses
- BENEFIT: quicker to rollover into an SMSF

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IS YOUR SUPER SAFE?

If you're over 60, retired, and in an Accumulation account

- OPTION 1: withdraw it all
  - WARNING: if you change your mind later, contribution limits mean you may not be able to get it all back into super
  - WARNING: investments you make with the funds may be liable for capital gains tax
  - WARNING: increase in assets outside super may impact government subsidies
- OPTION 2: move to an SMSF and choose your own investments and avoid asset gain issues

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LIKE TO KNOW MORE ABOUT SELF-MANAGED SUPER FUNDS?

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SMSF ADVANTAGES?

CONTROL

You have total and direct control over your super, and can act quickly when needed

CHOICE

You have a more investment options including bullion, property & more

TAX & FEES

You can benefit from 15% tax on income, 10% tax on any capital gains, no tax after 60, and lower fees when combined SMSF balance is more than $200,000

FAMILY

You can build family wealth as an SMSF can have up to 6 members

LEVERAGE

You can borrow to buy property

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“IT’S COMPLEX.
IT’S EXPENSIVE.”

- Everyone’s Accountant/Friend/Family

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COMPLEX? NOT FOR US. WE MAKE IT EASY FOR YOU.

- Freedom Financial Solutions FFS

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EXPENSIVE?

IT'S JUST NUMBERS.

If your combined balance is more than $320,000 it could be cheaper to run (most industry funds charge 1–1.5% plus often other hidden fees). And Don't forget the tax benefits.

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WHAT CAN AN SMSF INVEST IN?

- Property (borrow to buy!)
- Precious metals (gold, silver)
- Crypto
- Share market / managed funds
- Bonds
- Cash in the bank
- Other (antiques, artworks, collectibles)

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WHAT CAN AN SMSF INVEST IN?

Basic rules – investments must be

- Sound and consider return, risk, stability etc
- for the 'sole purpose of retirement'
- At 'arms length' (no related parties involved)
- You can't live in/on a property investment…

…but you can

- Rent it to a business run by the Members

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SAFE INVESTMENTS RIGHT NOW?

- Shares? Not if the market crashes
- Superannuation? Not if it's in the share market
- Cash in the bank? Risky with inflation, withdrawal freeze or even possibly confiscation
- Property? Yes/no/maybe as it can hold value against inflation
- ✓ Precious metals (gold, silver)? YES – holds value against inflation
- ✓ SMSFs? Yes as you control it yourself and can invest in property and precious metals

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SMSF INVESTMENTS

YOU choose and buy the investments directly (not through us)

- If bullion, buy the actual physical asset (not gold company shares)
- Possess the actual physical asset, or leave in a vault

- How to buy – trusted dealers will help you
  - Set up an account in your SMSF name
  - Place your order
  - Pay for it from your SMSF bank account
  - Pick it up or have it delivered
  - Keep the paperwork
  - Store it securely

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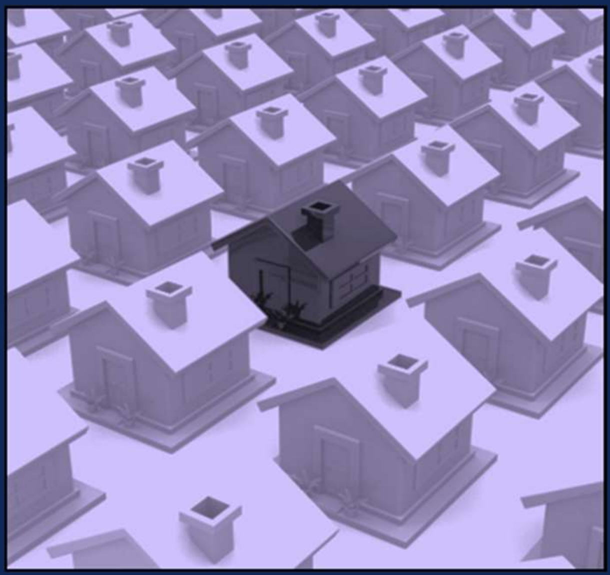
HOW TO BUY PROPERTY IN AN SMSF



- Buy outright
- Borrow from a lender
  - 60-70% loan to value ratio (LVR – the amount you are borrowing as a percentage of the value of the property)
  - Cash flow positive from day one
  - No funds out of your personal pocket
  - Use the power of leverage
- Or lend to the SMSF yourself (rather than contribute)

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LOAN ARRANGEMENT

Jessica Wong
SMSF Lending Consultant &
Property Investment Consultant
Tel 1300 333 121
email jessica@freedomffs.com.au

- Review or establish your SMSF
- Obtain loan pre-approval
- Find a property
- Set up a Bare Trust
- Advise your solicitor that the property will be bought in the name of the Bare Trust
- Exchange contracts
- Proceed to settlement

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HOW TO SET UP A SMSF?

Step 1

Ask us and we'll do 97% for you, first >

Step 2

We establish your SMSF Trust & appoint the Trustees, and >

Step 3

We obtain your SMSF's TFN & ABN, and >

Step 4

We setup the SMSF bank account, and lastly >

Step 5

We request & chase your rollover.

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WHAT DO YOU HAVE TO DO?
TO SET UP

Learn	Order	Sign	Comply	Approve
Learn a little, read our FAQs, watch out videos, join our free Q&A sessions, and then >	Send us your completed order form, then we'll send you some paperwork >	Review, sign and return these legal 'Establishment Documents', and then we'll apply for the SMSF's ABN & TFN >	Occasionally the ATO wants a little more info. We'll help you prepare in case they do. Once the ATO marks your SMSF 'complying' >	Review and approve the bank account application we send you. When the bank is open, we'll request your rollover. Easy Peasy.

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WHAT DO YOU HAVE TO DO?
EVERY YEAR

Invest	File	Review	Sign	Return
Document your investments in an 'investment strategy,' and buy the investments from your SMSF bank account.	Save & send our accountant your paperwork, eg investment and other SMSF receipts, photographs of bullion etc	Review the annual financial statements when the accountant sends them to you	Sign the annual financial statements when you have reviewed and are happy	When you've signed them, return them to your accountant by the deadline for audit and lodgment. Easy peasy.

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TOP 5 FAQS

Name?	How long?	How many?	How much?	Other fees?
Name your SMSF anything you want	Setup usually takes 4-6 weeks	Up to 6 members; we suggest *likeminded* partners, children, siblings, or friends	Set up fee is $2500+gst (payable from the SMSF once your funds roll in); $660 deposit to get started	Annual accounting fee 1% of fund value with caps of $1620-$3,120+gst, audit $550-750, ATO $259, ASIC renewal $65 if applicable

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FAQ 6: IS THERE A MINIMUM BALANCE?

No, it's your choice

- Most cost effective over $320,000
- Ideally, over $200,000 but…
- In uncertain financial times many are now doing it to
  - hedge against possible crashes
  - to protect their retirement funds
  - to take greater control, and
  - for more freedom of investment choices

FAQ 6: LESS THAN $200,000?

Options to build the SMSF

- join with another LIKEMINDED Member or two (you can have up to six)
- make personal contribution through salary sacrificing
- transfer into it (limited to some asset classes and/or sell down and make personal contributions to the SMSF.)

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SMSFS: IT'S ALL ABOUT YOU

You can take advantage of some real benefits, such as

- Family wealth – up to 6 in a family can join the SMSF
- Fees – when the combined balance in the SMSF is greater than $150,000 it can be cheaper to run
- Tax – 15% tax on income, asset protection from creditors, max 10% tax on any capital gains, and…

…if you keep your investments until the age of 60 and start a pension from your SMSF…

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ANY CAPITAL GAIN CAN BE TAX FREE

ANY RENT ON A PROPERTY CAN BE TAX FREE

ANY INCOME PAID OUT TO YOU CAN ALSO BE TAX FREE

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REMEMBER: IT'S YOUR SUPER, IT'S YOUR CHOICE

- Cass Smith

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MEET OUR SETUP TEAM

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Senior Assistant

Lia
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Junior Assistant

Grant Abbott LLM
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Stephanie
Administrative & ASIC
Assistant

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MEET OUR ACCOUNTING TEAM

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Peta Demczyszyn
SMSF Accounting Division Manager & SMSF Accountant

Ninette
SMSF Specialist & Accountant

Juleen
SMSF Accountant

Mleke
SMSF Accountant-in-training

Mark
SMSF Accountant-in-training

Stephanie
Administrative & ASIC Assistant

Kiran
Tax Division Manager

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SUPERANNUATION SOLUTIONS

BUILD YOUR WEALTH
PROTECT YOUR LEGACY

- Asset protection strategies
- Trusts and other structures
- Wills & estate planning
- Property buying and selling
- Mortgage Broking
- Tax advice, tax returns
- Business advice
- Insurance (via financial planner)
- Wealth Coaching

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SIGN UP FOR OUR WEEKLY NEWS!

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THANK YOU

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