

# STATEMENT OF ADVICE

**Document Reference:** SOA-SF0005-2025-001

**Date Prepared:** 15 October 2025

**Version:** Final

## CLIENT DETAILS

**Primary Clients:** John Smith & Jane Smith

**Household Account:** Smith Household (SF0005)

**Address:** 123 Spur Ridge Road, Mornington, Victoria

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**Adviser:** David West

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# EXECUTIVE SUMMARY

This Statement of Advice outlines our recommendations for the Smith Household's financial structure and investment strategy. Our recommendations focus on tax-effective wealth accumulation, asset protection, and retirement planning through your existing entity structure.

## YOUR CURRENT SITUATION

### Entity Structure

Your current holdings are structured across the following entities:

1. **Smith Family Trust** (SF0005-001) - Discretionary trust for income distribution
2. **John's Account** (SF0005-002) - Individual holdings
3. **Jane's Account** (SF0005-003) - Individual holdings
4. **Smith Family SMSF** (SF0005-004) - Self-managed superannuation fund

### Financial Accounts

#### Smith Family Joint Savings

Account: BSB 062-456 Account 67890

Institution: Commonwealth Bank

Account ID: FA-SF0005-001

Current Balance: \$127,500 AUD

Joint holders: John Smith & Jane Smith (Administrator access)

#### Smith Family Investment Portfolio

Account: INV-98765-43210

Institution: Vanguard Australia

Account ID: FA-SF0005-002

Current Value: \$485,000 AUD

John Smith (Manage access), Jane Smith (View access)

### External Relationships

Your accountant, Sarah Chen (sarah.chen@example.com), maintains oversight of tax planning matters and coordinates with our firm on strategy implementation.

# RECOMMENDATIONS

## 1. Excess Cash Deployment

**Issue:** The joint savings account (BSB-062-456 67890) currently holds \$127,500, which exceeds your 6-month emergency reserve requirement.

**Recommendation:** Transfer \$75,000 from Commonwealth Bank savings to your Vanguard investment portfolio (INV-98765-43210) for deployment into diversified fixed income and equity allocations.

**Rationale:** Current savings rate (2.85%) is below inflation, creating negative real returns.

## 2. SMSF Contribution Strategy

**Issue:** Both members have unutilized concessional contribution caps.

**Recommendation:** Maximum concessional contributions to Smith Family SMSF (SF0005-004) of \$27,500 per member annually.

**Implementation:** Coordinate with Sarah Chen on salary sacrifice arrangements. Tax savings of approximately \$8,250 annually per member.

## 3. Trust Distribution Review

**Issue:** Smith Family Trust (SF0005-001) distributions have not been optimized for tax efficiency.

**Recommendation:** Review annual distributions with consideration for adult children beneficiaries and income splitting opportunities.

**Action Required:** Quarterly review meetings prior to EOFY.

## 4. Investment Portfolio Rebalancing

**Issue:** Current Vanguard portfolio (INV-98765-43210) has drifted to 75% equities / 25% fixed income.

**Recommendation:** Rebalance to target 65% equities / 35% fixed income allocation to reduce volatility approaching retirement.

**Implementation:** Authorized under existing Transact access (CFR-ACC001-FA002).

## **FEES & REMUNERATION**

- Initial advice fee: \$3,300 (inc. GST)
- Ongoing portfolio management: 0.85% p.a. on funds under advice
- Transaction fees: As per platform fee schedule

## IMPORTANT INFORMATION

This advice is based on your circumstances as at the date of preparation. Implementation requires your written authority. Please review carefully and contact me with any questions.

**Adviser Declaration:** I confirm this advice is appropriate to your circumstances and objectives as disclosed.

**Signed:** David West

**Date:** 15 October 2024

**Authorised Representative Number:** [AR Number]

**DISCLAIMER:** This is a sample document for testing purposes only. Not for actual financial advice.