

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)

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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.