

SMSF RISKS

Stewardship Accountants Pty Ltd Trading As CLOUDSUPERFUND (AFSL:490514) will herein be referred to as “CLOUDSUPER”.

It is important to weigh up the risk and benefits to setting up or moving your SMSF administration over to CLOUDSUPER. We have done our best to provide a summary below:

CLOUDSUPER is a No Advice Platform

CLOUDSUPERFUND is a no advice platform and does not provide financial product advice or recommend any products including whether or not an SMSF is suitable for your objectives, financial situation or needs. The information in this website and the links provided are for general information only and should not be taken as constituting professional advice from the website owner – CLOUDSUPER. All information is general and does not take into account your objectives, financial situation or needs. You should consider whether the information is suitable for you and your personal circumstances. Before you make any decision about whether to acquire a certain product including the decision to establish an SMSF, we recommend you should obtain and read the relevant product disclosure statements and consult a licensed or authorised financial adviser. CLOUDSUPER is not liable for any loss caused, whether due to negligence or otherwise arising from the use of, or reliance on, the information provided directly or indirectly, by use of this website.

Trustee Responsibility

As an SMSF trustee, you are ultimately responsible for running your SMSF. It is important you understand your duties, responsibilities and obligations. For more information on the obligations of a SMSF trustee. *Source: ATO Publication – Running a self-managed super fund (NAT 11032).*

For more information on trustee responsibility please read [ATO Publication Running a self-managed super fund \(NAT 11032\)](#).

Setting up a self-managed super fund

SMSFs are not suitable for everyone, and you should think carefully before deciding to set one up. It is a major financial decision and you need to have the time and skills to do it. There may be other, better options for your super savings. If you are considering an SMSF for your super savings, the publication *Thinking about self-managed super* (NAT 72579) provides you with some practical information. Licensed financial advisers, tax agents and accountants can also help you understand what is involved. *Source: ATO Publication – Setting up a self-managed super fund (NAT 71923).*

For more information on setting up a self-managed super fund please read the following ATO publications:

[ATO Publication Setting up a self-managed super fund \(NAT 71923\)](#)

[ATO Publication Thinking about self-managed super \(NAT 72579\).](#)

Establishment Fees & Minimum SMSF Balance

The CLOUDSUPER platform does not require a minimum balance to be available in order to setup an SMSF and there is no setup fee charged by CLOUDSUPER. Our fees are outlined in the [fees](#) page.

You need to ensure you have enough super savings to make your fund viable. The costs of establishing and running a fund can vary significantly but as a general guide, to be competitive with an APRA-regulated fund, you will need up to around \$200,000. You should get advice about your circumstances, including the proposed number of members and how you propose to run the fund. It will also cost around \$2,000 to run a median-sized fund each year. However, it can often cost more depending on the cost of the professional accounting services you use and the cost of tax, audit and legal advice you obtain to run the fund. *Source: ATO Publication – Thinking about self-managed super (NAT 72579).*

For more information on minimum SMSF Balances please read [ATO Publication Thinking about self-managed super \(NAT 72579\).](#)

Investment Risk

The Trustees of the SMSF are responsible for all investment decisions and risk. *Source: ATO Publication – Thinking about self-managed super (NAT 72579).*

For more information on risk in a self-managed super fund please read the following ATO publications:

[Running a self-managed super fund \(NAT 11032\)](#)

[Thinking about self-managed super \(NAT 72579\)](#)

Life Insurance

If you set up or join an SMSF, you need to make sure you have adequate life insurance in case you die or you're unable to work because of an illness or accident. Most APRA regulated super funds offer life insurance benefits up to a certain level if you die or you are unable to work because of an illness or accident at a low cost because they can buy group policies. You may need to consider additional costs for insurance when comparing the benefits of an SMSF with your existing fund. *Source : Source: ATO Publication – Thinking about self-managed super (NAT 72579).*

For more information on risk in a self-managed super fund please read the following ATO publications:

[Thinking About SMSF \(NAT 72579\)](#)

How SMSFs are Regulated

Super funds regulated by APRA are subject to prudential regulation. SMSFs are not prudentially regulated but are subject to compliance-based regulation. This approach recognises that, because the members of an SMSF are also its trustees, they are in a position to protect their own interests. The super laws require that SMSFs have an investment strategy that must be reviewed regularly and that investments are made in accordance with that strategy. There are also restrictions on what SMSFs may invest in; investments must be permitted under the super laws as well as by the SMSF's trust deed. Our focus is on compliance with super and tax laws. We undertake activities to check compliance in order to safeguard retirement savings, but we do not consider or provide specific guidance on the investment risk a strategy has, or how trustees should manage that risk. Be aware that under existing super laws there is no government or industry compensation available for SMSF members who suffer losses as a result of fraudulent conduct or theft. You should also understand that you cannot seek resolution of SMSF disputes through the Superannuation Complaints Tribunal. *Source: ATO Publication – How your self-managed super fund is regulated (NAT 71454).*

For more information on risk in a self-managed super fund please read the following ATO publications:

[How Your SMSF Is Regulated \(NAT 71454\)](#)

The ATO have created multiple Publications for SMSFs which should be carefully reviewed before deciding if an SMSF is the right choice for you. They have been attached below:

ATO Publications

[How your self-managed super fund is regulated \(NAT 71454\)](#)

[Paying benefits from a self-managed super fund \(NAT 74124\)](#)

[Winding up a self-managed super fund \(NAT 8107\)](#)

[Running a self-managed super fund \(NAT 11032\)](#)

[Setting up a self-managed super fund \(NAT 71923\)](#)

[Thinking about self-managed super \(NAT 72579\)](#)

Moneysmart Publications

[Moneysmart Self-managed super fact sheet June 2013](#)