



**AUSTRALIAN
SECURITIES**

Private Fund since 1925

Superannuation Funds borrowing for property



Self managed super funds achieve their financial goals with Australian Securities to finance property acquisitions & build their investment portfolios.

Requirements

- The property must only be used for retirement funding (sole purpose test).
- The property must be held in a trust and the super fund must be the sole beneficiary. The trustee does not need to be a professional trustee company or lender controlled trust.
- A conservative loan to valuation ratio
- The lender has no recourse against other assets of the super fund.

The Basics

- Property investment subject to a mortgage can be included as an asset to the fund.
- Earnings on the fund taxed at 15% compared to the minimum marginal rate of 30%
- Capital gains will be taxed at 10% or 15% not the minimum marginal rate of 30%

ASL Super Funding Requirements

1. 60% maximum loan to valuation ratio (lower of the market value or the capitalized rental value of the property)
2. Financial Planner Certificate and/or Cash flow statement from the Trust to demonstrate positive or neutral gearing of the loan without relying on the super fund.
3. Personal guarantees from the individuals who are the fund members may be required.

Benefits

- Low cost funding
- Choice of fixed or variable interest for terms up to 5 years.
- Right to repay after 12 months
- No limitation on appointment of trustee of fund holding the asset

IMPORTANT INFORMATION: As Australian Securities does not know your financial position or personal requirements. We recommend that before you invest in property, you seek advice from a financial planner on the merits of your fund holding property as an investment and the quality of property investment, fits your purpose.