

## **We support ASIC's action on property spruikers**

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SMSFOA supports ASIC's action in the NSW Supreme Court today to prevent a property investment promoter from carrying on an unlicensed financial services business.

Without pre-judging the circumstances and outcome of this case, SMSFOA supports strong action by ASIC to crack down on unscrupulous property spruikers who target SMSFs and other investors.

Setting up an SMSF to borrow heavily to invest in a residential property so the fund has only one highly-g geared asset is risky and would generally not be recommended as a sensible investment strategy.

SMSFs are successfully used by over a million Australians to save for their retirement by building up a sound, well-balanced portfolio to produce reliable returns over the long term.

Property can be part of a sensible mix of assets, including shares, bonds and cash.

While the value of SMSF investment in residential property has grown in recent years, its share of total SMSF assets has remained stable at around 3.5%.

SMSFs invest more – around 12% of total assets – in commercial and industrial property, often linked to the owner's business.

The motivation for setting up an SMSF should be to save for a financially secure retirement and people contemplating doing so should consider consulting an accredited financial adviser.

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