



## **SMSFs kick off the bottom**

### **Press Release**

Recent market rebounds have seen self managed super funds leverage back into shares to make up for lost ground.

Michael Kolikias National Sales Manager of Quantum Warrants says there is a growing appetite amongst DIY super funds to use portfolio warrants to take advantage of the market pullback and benefit from a recovery over the longer term.

“Having enough saved in super is at the top of people’s minds as they rethink their long term growth strategy,” he said.

However Mr Kolikias acknowledges that while gearing provides an opportunity for DIY super funds to rebuild wealth, investors need to have the risk appetite and take a long term view to ride out the inevitable falls of the investment markets that will happen along the way.

“When it comes to managing risk, a diverse portfolio in quality companies and conservative borrowing is the key,” Mr Kolikias said.

“Although Quantum allows clients to borrow up to 70 per cent within the facility, most set their gearing at 40-50 per cent.”

Mr Kolikias says unlike traditional warrants, Quantum Portfolio is a simple investment without the complexities of derivatives, lower in cost and more tax effective.

“Tax is minimised for the super fund by generating approximately three times the amount of additional franking credits than buying stocks ordinarily,” he said.

Quantum Portfolio is structured with a non-recourse loan which is a requirement for lending within super under the SIS Act.

Mr Kolikias sees the growing trend for gearing in super being driven by;

1. Contributions limits recently imposed in the May Budget - \$25,000 per year
2. Share markets have fallen over 50%
3. Interest rates are at historically low levels
4. SMSFs are sitting on a truckload of cash
5. People are living longer and aspire toward a larger pool of savings for retirement

### **About Quantum Portfolio**

Quantum Warrants have been specialising in property and portfolio warrants since the legislation changed to allow gearing through superannuation in July 2006.



Quantum Portfolio is an investment lending platform that allows you to buy a portfolio of shares and managed funds using equity and borrowed funds within Super.

Quantum Portfolio is a simple way to invest in shares and managed funds to accelerate investment returns and minimise tax within an SMSF.

Unlike traditional warrants, Quantum Portfolio is lower in cost, more tax effective and is a simple investment without the complexities of embedded derivatives.

#### Key Features

- Ability to increase the exposure to shares and managed funds
- Ability to increase diversification
- Access to the benefits of dividends, franking and tax deferred distributions on the total investment amount without your superannuation fund having to contribute the full investment amount
- Potential to use excess franking and interest deductions to offset contributions and earnings taxes within your superannuation fund
- Extensive choice of 200+ shares and 1,200 managed funds
- Ability to trade Approved Securities
- Ability to create a "self funding" position such that expected dividends exceed interest expense, leaving the excess available to reduce your debt
- Competitive interest rates and low facility fees
- Simple application process without credit checks
- Consolidated reporting (with online access) on all transactions, investment holdings, obligations, dividends, distributions and interest