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SURVEY OF FINANCIAL NEEDS AND CONCERNS OF SMSF MEMBERS

PREPARED FOR SPAA-VANGUARD | OCTOBER 2012

SPAA
SMSF Professionals' Association of Australia

Vanguard®

Contents

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1.0 Executive summary

1.1 Background

Rice Warner has been engaged by SPAA-Vanguard to undertake research of SMSF members. Vanguard Investments Australia Limited sponsored this project.

The research covers the financial needs of members during the retirement years and reviews the general concerns they hold about retirement.

A web survey was distributed to SPAA members. The survey asked 69 questions (set out in Appendix A) covering the following areas:

- Demographics and financial well-being
- Self-Managed Super Funds and risks
- Investment choices and product awareness
- Financial advice
- Retirement planning and expenditure.

384 people attempted the survey of which 279 completed it in full.

This report summarises the key findings of the survey and discusses the implications these findings may have on the government's superannuation policies.

1.2 Key findings

1.2.1 Demographics and well-being

- The trustees of an SMSF appear to have higher educational qualifications than the general population. 81% of respondents held a tertiary qualification.
- Nearly half of the respondents have savings of $1 million or more, with 63.5% holding savings of more than $500,000. This is much higher than the average for the general population, particularly as many respondents are still working and building wealth. In contrast, only 4% have savings of less than $200,000.
- 75% are comfortable with their current financial position and a similar number expect to be comfortable over the next five years.
- More than a quarter of respondents expected an income of more than $100,000 a year in retirement. Conversely, only 17% required less than $50,000 a year. Almost all respondents had a clear idea of what they would need.
- Generally, respondents feel comfortable where their current savings are greater than 12 years of required income in retirement. Respondents start feeling somewhat uncomfortable if their savings are less than about 8 years of required income in retirement.
- 95% of respondents rate their physical and mental health as 'excellent,' 'very good' or 'good' (Q66), while only 5% rated their health as 'fair' or 'poor'. Note that healthy people live longer so they require higher retirement benefits than the general population.

1.2.2 Benefits and risks

Benefits

- The key benefits of an SMSF are perceived to be control, flexibility over investments and tax management.
- 87% of respondents indicated that the performance of their superannuation fund met their expectations (Q18).

Risks

- The majority of respondents (83%) are concerned about the risk of possible changes to superannuation or taxation law. Many are not happy with the reduction to the contribution caps for concessional (pre-tax) contributions.
- Many respondents are concerned about keeping the value of savings and investments in line with inflation, and with maintaining a reasonable standard of living.

- One major risk (concerning 68%) was the risk of a major fall in investment markets. Yet, only 32% say that the global financial crisis (GFC) had impacted on their retirement plans (Q34).
- Most respondents are not concerned about leaving any of their superannuation benefit as a bequest to their children. We suspect the majority of respondents were home owners and they may regard the home and superannuation as being assets with different purposes.

1.2.3 Investment choice and product awareness

- Asset allocation for retiree respondents have, on average, much lower allocation to Residential and Commercial Properties, with a correspondingly higher amount in Cash and Term Deposits.
- Most respondents do not have (and have no plans to purchase) life annuities or other guaranteed income products. Two thirds of respondents would be uncomfortable with compulsory annuitisation.
- We asked what other products would be desirable but are not currently available. There were a number of responses requesting government bonds. This indicates that those seeking security prefer to get it from the government than (say) an annuity provider.
- Most respondents do not plan to use the value of the family home to fund part of their retirement spending. Very few are considering reverse mortgages or similar products.
- 43% of respondents currently own Exchange Traded Funds (ETF's) or are considering including these in their portfolio. 20% of people are not aware of this product and 37% are not interested.

1.2.4 Financial advice

Source of advice

- Younger people, on average, seek more professional financial advice, while older people in general are more likely to obtain their information from the internet or newspaper/magazines.
- There is no clear relationship between the sources of financial information and the performance of their SMSF.

Financial advisers – costs and satisfaction

- 52% of respondents had paid for financial advice from a licensed financial planner (Q8). The cost of advice varies in range from less than $500 to more than $2000 (Q11).
- There is a link between poor advice and poor experience and how much they will pay. The less value-add the less they are willing to pay (Q8 & Q15).
- In general, advice costs more if it is complex - for strategic advice, 25% of plans cost more than $2,000, while for advice that includes strategic advice and assistance in making the investments, 50% of plans cost more than $2,000.
- In examining the relationship between satisfaction and the cost of advice, less than half (44%) of respondents are satisfied when the advice cost less than $500, perhaps indicating that simple advice is not sufficient in this complex area. Conversely, people who paid $1000 to $2000 are more likely to be satisfied with the advice (76%).
- There is a challenge for advisers to develop a value proposition for their services.

Financial advisers - competency

- 66% of respondents considered their adviser meets their expectations, while 34% of respondents are not satisfied (Q13). Some of the negative comments respondents provided include:
  - The adviser is more interested in the products sold rather than the return for the client.
  - Advice given is too simple and general in nature, for the cost to be justified.
  - The adviser doesn't make contact; the client has to contact them.
  - Financial advice from the major channels is highly conflicted by what is on their approved product lists and platforms.
- Half of the respondents intend to seek professional financial advice in the future (Q14), and there is a clear relationship that, if someone was satisfied with previous advice, they are willing to pay more for the next piece of advice (75% of people who are willing to pay more than $1,000 for future advice are the respondents who say their adviser met their expectations).
- There is a high awareness of financial services products throughout the research. The respondents had above average scores on financial literacy and high level investment concepts, with Questions 19-22 highlighting their understanding of risk return and high level concepts.
- Unlike mass superannuation in the APRA-regulated funds, these members are not seeking simple/limited advice but want specialised, more complex advice around investments and tax – which they value and will pay for.

When they are unhappy, there are really only 2 issues that arise:

- advisers are not competent/only able to provide basic advice and have a lesser level of knowledge and skill than the trustee
- advice is based entirely on product sale (not strategy) so is more linked to commissions and remuneration strategies.

1.3 Conclusions

The survey results reveal that superannuation is the most important source of income for retirement planning and that holders of SMSFs take their financial plans seriously. The cohort responding to this survey is largely self-funded with little reliance on the Age Pension.

The government's continual changes to superannuation legislation have resulted in a level of distrust of the superannuation system. Ultimately, this will lead to increased investment outside superannuation, potentially in unregulated areas or in unproductive residential real estate.

They have high levels of engagement - 40% review their fund more often than fortnightly and 51% review more often than 3 monthly. This disputes the anecdotal information that they are not engaged more than once a year (at the time of tax lodgement).

Respondents claim that their SMSF has met their expectations and they are strong users of a range of advisory services. Many appear to have weathered the Global Financial Crisis (GFC) well.

Life annuity and reverse mortgage products are not popular, however in light of respondents' concerns with keeping their savings in line with inflation, there may be a demand for financial products that offer inflation protection.

Jack Ding undertook the survey and analysis and this report was prepared and reviewed by the following consultants.

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2.0 Demographics and well-being

2.1 Participants

A total of 279 people completed the survey[1].
In summary:

- 80% are males and 20% are females (Q61)
- 32% have retired and 68% are still working (Q29)
- 88% are Married/Partnered (Q62)
- 63% have a University degree or higher (Q65).

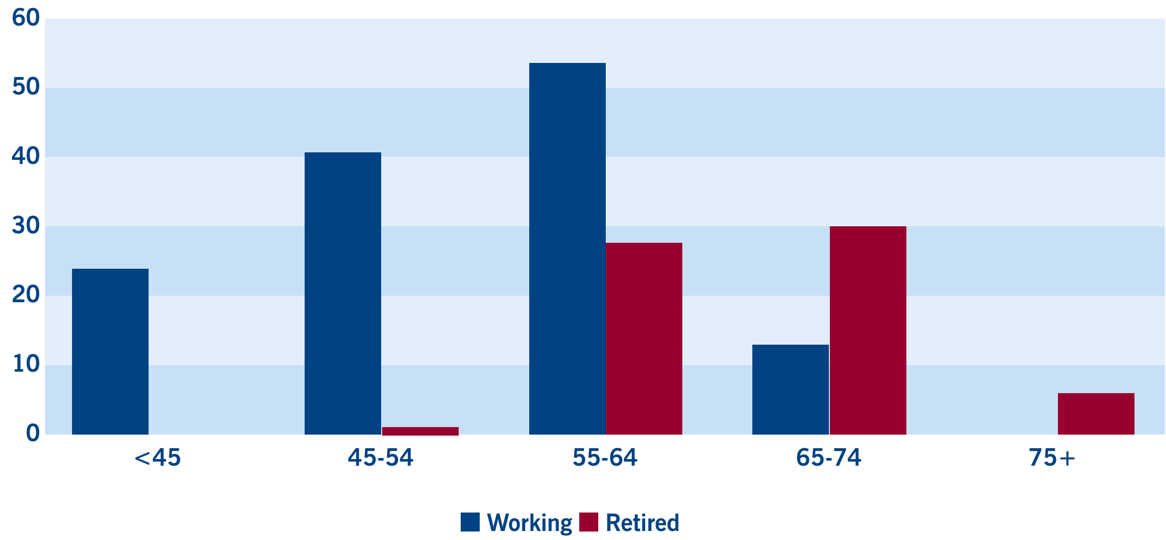
The responses cover a broad range of individuals with most being close to retirement or already in retirement.

A distribution by age of the survey respondents is illustrated in the Graph 1:

A significant number (63%) have undergraduate or higher education qualifications (Q65) with another 18% having a TAFE and other higher education certificate. Therefore, 81% hold higher education qualifications. 8% have trade certificates, with another 5% having achieved year 12.

These responses suggest that the educational standards of active SMSF trustees are well above the general population. This is relevant given the responsibilities of being an SMSF trustee. Note, some family members may take a passive role in the SMSF and they are unlikely to have completed the survey.

Graph 1 Number of respondents by age band



1 384 people attempted the questionnaire in total, while 105 people only completed part of the survey.

2.2 Financial well-being

2.2.1 Savings and investments

Question 52 asked for an indication of assets held in savings and investments, including superannuation (but excluding the family home).

Nearly half of the respondents have savings of $1 million or more, with 63.5% holding savings of more than $500,000. This is much higher than the average for the general population, particularly as many respondents are still working and building wealth.

In contrast, only 4% have savings of less than $200,000.

A distribution by the wealth of the respondents is illustrated in Table 1:

Table 1. Distribution by amount of total savings

Less than $25,000	1.3%
$25,000 to less than $50,000	0.9%
$50,000 to less than $100,000	1.3%
$100,000 to less than $200,000	1.7%
$200,000 to less than $300,000	7.0%
$300,000 to less than $400,000	5.2%
$400,000 to less than $500,000	5.7%
$500,000 to less than $750,000	10.0%
$750,000 to less than $1 million	7.8%
$1 million or more	45.7%

2.2.2 Current financial position

When respondents were asked how they would rate their current (Q1) financial situation and likely financial situation over the next 5 years (Q2), most indicated that they are very comfortable or reasonably comfortable.

Table 2. How would you rate your financial situation?

	Current	Next 5 years
Very comfortable	19.9%	17.0%
Reasonably comfortable	55.1%	58.7%
Neither comfortable nor uncomfortable	13.8%	12.0%
Somewhat uncomfortable	9.1%	10.9%
Very uncomfortable	2.2%	1.4%

2.2.3 Required level of income

Question 30 of the survey asked the level of yearly income required to live comfortably in retirement. More than a quarter of respondents expected an income of more than $100,000 a year in retirement. Conversely, only 17% required less than $50,000 a year.

The group was clear about the required levels of income required. Less than 1% did not know how much they would need.

The range is set out in Table 3.

Table 3. Amount of required annual income for financial wellbeing

Annual Income	Responses %
> $30,000	1.9
$30,000 to $39,999	5.6
$40,000 to $49,999	9.3
$50,000 to $59,999	18.5
$60,000 to $69,999	10.5
$70,000 to $99,999	26.4
> $100,000	27.2
Don't know	0.6

It is useful to compare the required income to current income. Using the above responses, we can combine with the responses to Question 1 (current financial position) and Question 52 (amount of money in savings), to provide an indication of the level of savings one would need to hold to be financially comfortable, as illustrated in Table 4.

Table 4. Amount of savings/required annual income, by financial wellbeing

	Years of required annual income
Very comfortable	14.2
Reasonably comfortable	12.1
Neither comfortable nor uncomfortable	8.7
Somewhat uncomfortable	5.8
Very uncomfortable	Not statistically significant

We can see that, on average, respondents feel comfortable if they have current savings (excluding the value of family home) equal or greater than 12 years of required income in retirement. Respondents only begin feeling somewhat uncomfortable if their savings are less than about 8 years of required income in retirement.

2.3 Health

95% of respondents rate their physical and mental health as 'excellent,' 'very good' or 'good' (Q66), while only 5% rated their health as 'fair' or 'poor'.

66% of respondents also think that their health is 'better' or 'much better' than others who are the same age (Q67).

This is not surprising as there is research indicating that wealthy people generally have better health. However, this cohort is also likely to live longer and they will need higher retirement balances to allow for payments over their future lifetime.

3.0 Benefits and risks

3.1 Benefits

The following table illustrates the main benefits of having an SMSF (Q16). The key benefits are control, flexibility over investments and tax management.

Table 5. What do you see as the main benefits of having an SMSF?

	% think it is important
Control over investing fund's money	95.1%
Flexible investment choices	74.5%
Better tax management	57.9%
Estate planning	43.7%
Able to borrow to invest in some assets	17.8%
Lower cost	61.5%
Easy transition from accumulation to pension	47.8%

Further, 87% of respondents indicated that the performance of their superannuation fund met their expectations (Q18).

3.2 Risks

There are many risks that concern members, including:

- changes to superannuation or taxation law
- investment and associated risks
- keeping the value of savings and investments in line with inflation.

The key risk, which concerned 83% of respondents, is that of possible adverse legislation changes (Q17). We asked whether retirement plans have been affected by the reduction of contribution caps for pre-tax contributions (Q35). 55% of respondents are not happy about the change and most provided reasons, including:

- Many are not able to save much until their children become financially independent. Yet when the time comes to increase contributions, the rules have changed and they cannot contribute as much as they had planned.
- Many say they will never trust the Government again. For example, the Labor Government had previously promised that the level of salary sacrifice will not change.
- There was anger that the contribution caps do not apply to many government employees and MP's as they are members of constitutional protected funds and they can contribute an unlimited amount.

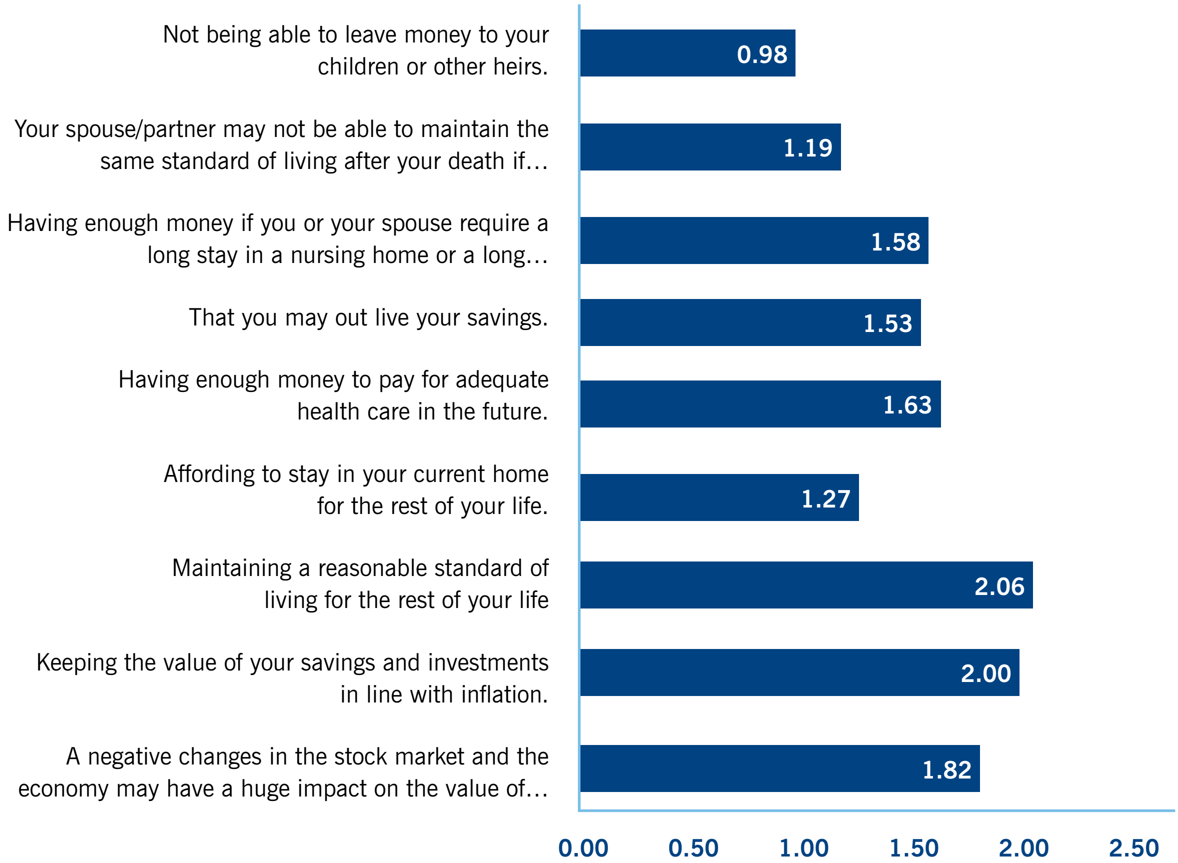
As a result, many respondents indicated that they will now have to contribute more when there are conflicting financial needs (e.g. cost of children's education), while some will have to delay retirement by many years.

One major risk (concerning 68%) was the risk of a major fall in investment markets. Yet, only 32% say that the GFC had impacted on their retirement plans (Q34). We note that the average investment performance for the SMSF segment out-performed the average for all APRA funds for 6 of the 6 financial years to 2011. We suggest that those managing an SMSF are more closely aligned to their investments than members of other funds.

Respondents' attitudes towards various other risks (Q3) can be illustrated in the following graph, which summarises the responses, when asked to rate their concerns toward various risks. The higher the score, the more concerned they are.

From this graph, we can see that people are most concerned about 'Maintaining a reasonable standard of living' and 'Keeping the value of savings and investments in line with inflation'. This indicates that a financial product with inflation protection may be popular, although the current market for this type of product is not well developed.

Graph 2 Q3: How concerned are you about each of the following?



For example, 32% indicated that they would consider annuity/income stream products if they were inflation indexed, but most had no interest (Q28).

Respondents worry least about 'Not being able to leave money to their children or other heirs'. In addition to Question 3, in their responses to Question 41, more than 90% of respondents plan to leave a bequest however, most people's plan is to just leave "whatever is left if I don't spend all my wealth". This indicates that leaving a bequest to a person's heirs is not a high priority and can rather be regarded as a balancing item.

However, as most respondents (87%) have no intention of using the value of their family home to fund their retirement (Q40), it is justifiable that many do not see the need to leave any wealth to their children outside the family home.

Nearly a quarter of members intend to leave a large part of their wealth as a bequest (Q41). Most of the rest will leave behind to their children whatever is left when they die.

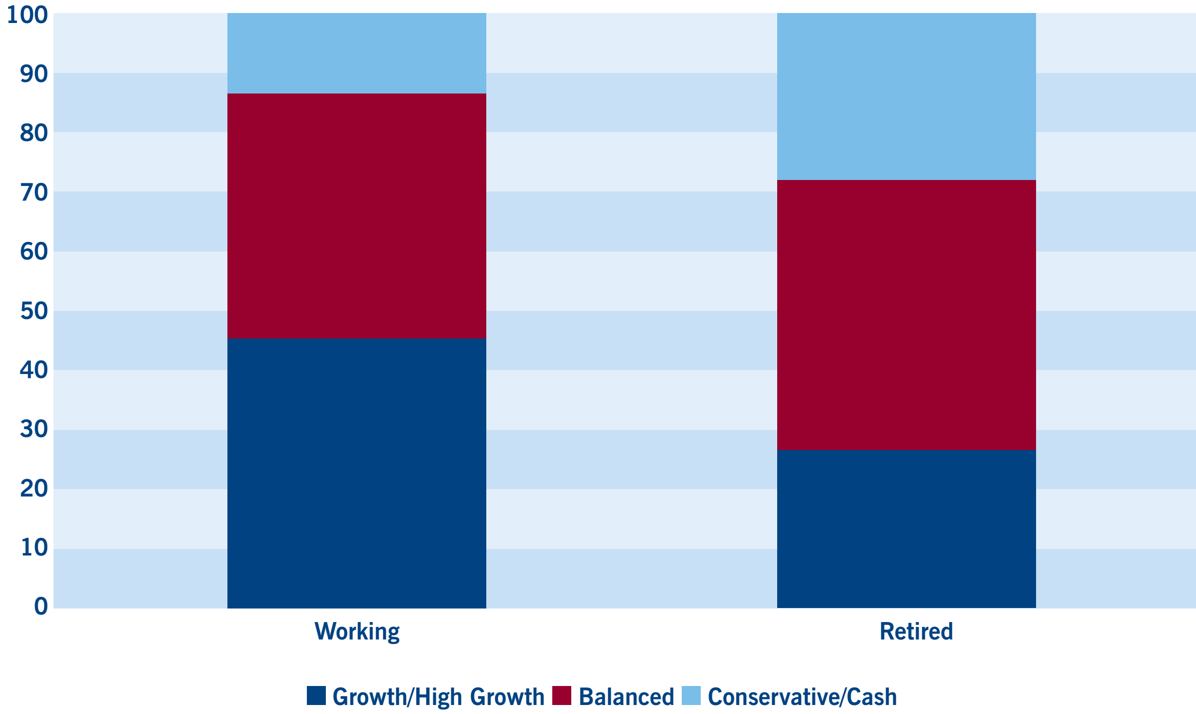
4.0 Investment choices and product awareness

4.1 Asset allocation

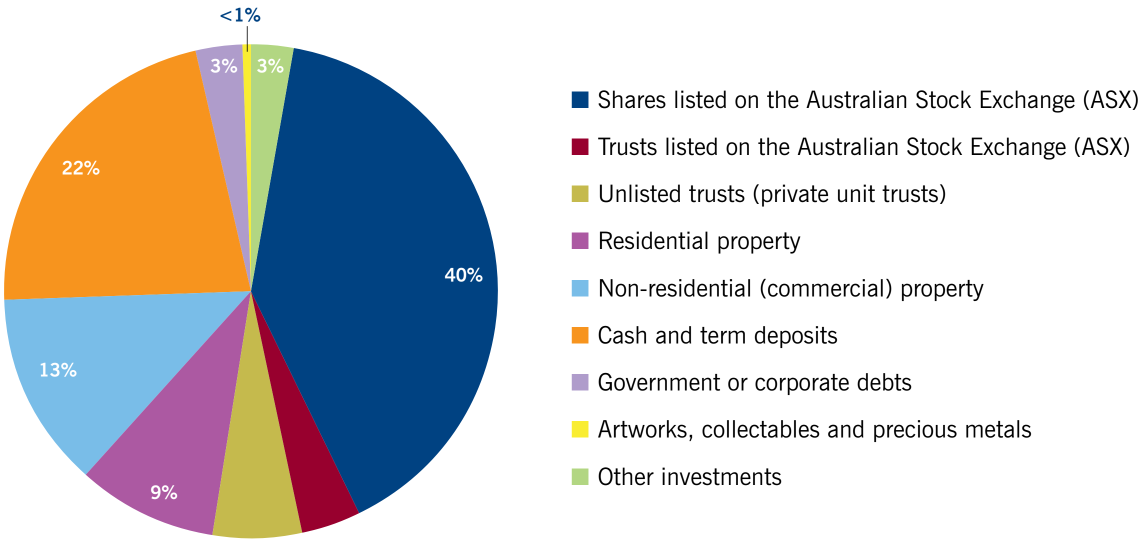
Graph 3 illustrates the investment portfolio of the respondents by work status (Q19).

It is not surprising to see that retirees generally have more conservative allocations.

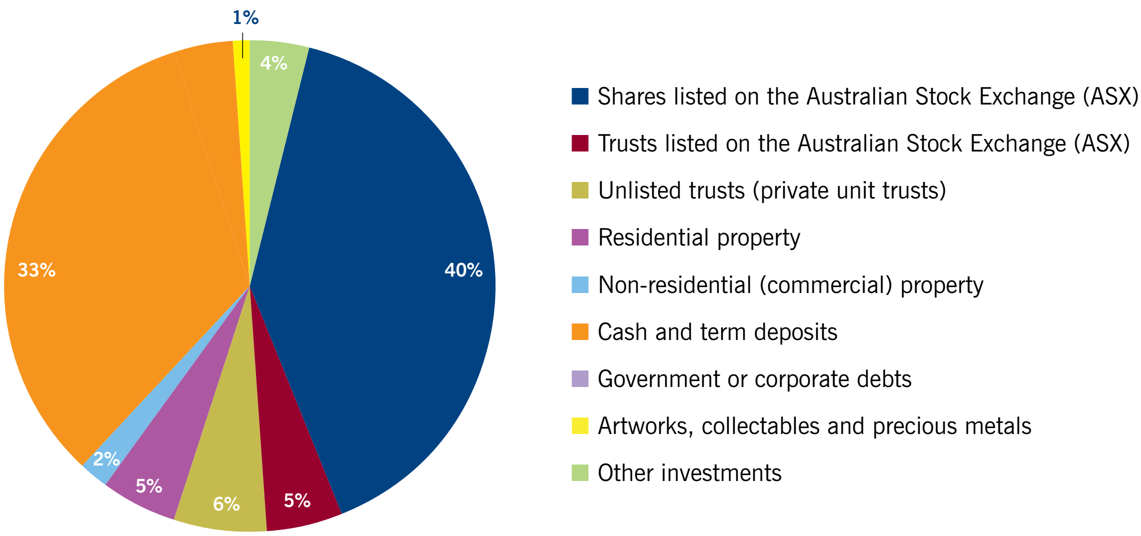
Graph 3 Investment portfolio by work status



Graph 4 Average asset allocation – Pre-retirees



Graph 5 Average asset allocation – Retirees



We can also look at the detailed asset allocations as illustrated in Graphs 4 (pre-retirees) and 5 (retirees).

We can see that the asset allocations for retirees have, on average, a much lower allocation to Residential and Commercial Properties, with a higher amount in Cash and Term Deposits.

We looked at the ATO classification for all SMSFs and compared it with the respondents to the survey. Overall, there is a 16% allocation to property whereas the sample has 22% (pre-retirees) and 7% (retirees). In particular, there is a 13% allocation to commercial property amongst accumulators whereas this drops to 2% for retirees. This may indicate that business premises are used during the working life but are then sold along with the business at the point of retirement.

The other noticeable difference is for Australian listed shares and trusts. The total segment has 34% compared to 44% (pre-retirees) and 45% (retirees).

4.2 Alternative investments

Various questions were asked to determine respondent's attitudes towards specific retirement/ investment products. The key findings are:

Annuities

- Most retirees have their superannuation in account-based (allocated) pensions (Q24).
- Most respondents do not have life annuities or other guaranteed income products (Q24) and most people have no plans to 'buy a life annuity product' (Q4). In Question 27, respondents were asked what price they would be willing to pay to purchase life annuity products. 47% of respondents indicated they would not choose an annuity product regardless of price, while ONLY 40% would accept an annuity product that is twice fair value.
- The responses are similar if the annuity product were publicly funded, with 66% of respondents indicating they would not be comfortable if annuitisation was compulsory - even if they received value for the investment (Q28).
- 79% do not believe that compulsory annuitisation will help them to achieve their retirement plan (Q37).

Government Bonds

Question 39 asked what other products would be desirable but are not currently available. There were a number of responses requesting Government Bonds. This indicates that those seeking security prefer to get it from the government than (say) an annuity provider.

Family Home

- Respondents do not see the family home as an asset to fund retirement spending. Most respondents have no plans to 'take out reverse mortgages' (Q4), while 87% of respondents do not plan to use the value of the family to fund part of their retirement spending (Q40).

Exchange Traded Funds

- 43% of respondents currently own Exchange Traded Funds (ETF's) or are considering including these in their portfolio. 20% of people are not aware of this product and 37% are not interested (Q25). The reasons given for not having an interest include the perception that they are:

  1. too risky
  2. lack transparency
  3. too complex.

5.0 Financial advice

5.1 Sources of information

Table 6 lists the proportion of respondents using different sources of financial information (from Q6).

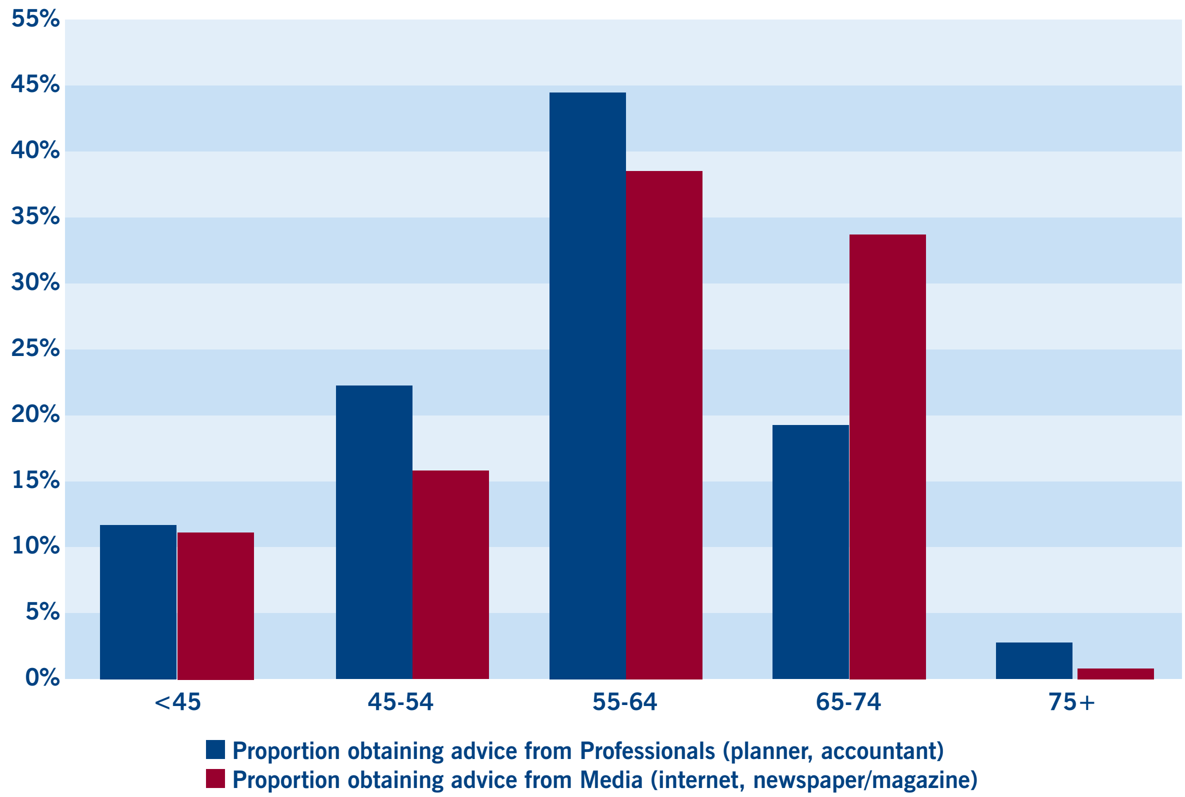
Table 6. Sources of information

Source of information	% using this source
Financial planners or advisers	43.0%
Accountant or taxation specialists	51.9%
Friends or family	7.8%
Financial newspapers/magazines/ books	40.7%
Internet	31.5%
None	9.3%
Other, please specify	14.1%

Amongst the most popular sources of information, younger people on average seek more professional advice, while older people in general are more likely to obtain their information from the internet or newspaper/magazines. This is illustrated in Graph 6.

Question 6 confirms the main source of advice (52%) is from accountants with 43% using a FP/ FA and at least 14% using stockbrokers or other specialists. This is commensurate with the SPAA/ Macquarie research (early 2012) showing an increase in use of FA.

Graph 6 % of respondents using different sources of information by age



5.2 Source of information and performance

We were unable to find a clear relationship between the sources of financial information and the performance of their SMSF, as illustrated in Table 7.

We can see that the respondents are equally likely to be satisfied with the performance of their SMSFs regardless of which source of financial information they use. When we look at the ratio of ‘Savings excluding the value of family home’/‘required annual income at retirement’ (which is an indicator of their financial situation, similar to Table 3), this ratio does not significantly differ between people using different sources of financial information.

Many respondents use more than one source of information, and 66% of respondents use the above identified sources at least quarterly to assist with their financial decision making (Q7). However, we cannot find clear relationships between these and financial performance either.

5.3 Financial advisers

52% of respondents had paid for financial advice from a licensed financial planner (Q8). The cost of advice varies in range from less than \$500 to more than \$2000 (Q11).

The respondents are strong users of a range of advice services - 87% wanted strategy and investment advice. In general, advice costs more if it is complex - for strategic advice, 25% of plans cost more than \$2,000, while for advice that includes strategic advice and assistance in making the investments, 50% of plans cost more than \$2,000.

In examining the relationship between satisfaction and the cost of advice, less than half (44%) of respondents are satisfied when the advice cost less than \$500, perhaps indicating that simple advice is not sufficient in this complex area. Conversely, people who paid \$1000 to \$2000 are more likely to be satisfied with the advice (76%).

Table 7. SMSF performance and financial wellbeing by source of information

	% satisfied with the performance of SMSF	Average savings/required income
Financial planners or advisers	86.4%	11.1
Accountant or taxation specialists	87.1%	11.2
Friends or family	93.3%	9.3
Financial newspapers/magazines/books	86.1%	11.1
Internet	86.3%	10.6

66% of respondents considered their adviser meets their expectations, while 34% of respondents are not satisfied (Q13). Some of the negative comments respondents provided include:

- The adviser is more interested in the products sold rather than the return for the client.
- Advice given is too simple and general in nature, for the cost to be justified.
- The adviser doesn't make contact; the client has to contact them.
- Financial advice from the major channels is highly conflicted by what is on their approved product lists and platforms.

Half of the respondents intend to seek professional financial advice in the future (Q14), and there is a clear relationship that, if someone was satisfied with previous advice, they are willing to pay more for the next piece of advice (75% of people who are willing to pay more than $1000 for future advice are the respondents who say their adviser met their expectations).

5.4 Conclusions

There is a high awareness of financial services products throughout the research. The respondents had above average scores on financial literacy and high level investment concepts, with Question 19-22 highlighting their understanding of risk return & high level concepts.

There is a link between poor advice and poor experience and how much they will pay. The less value-add the less they are willing to pay (Q8 & Q15)

There is a challenge for advisers to develop a value proposition for their services.

Unlike mass superannuation in the APRA-regulated funds, these members are not seeking simple/limited advice but want specialised, more complex advice around investments and tax – which they value and will pay for.

When they are unhappy, there are really only two issues that arise:

- advisers are not competent/only able to provide basic advice and have a lesser level of knowledge and skill than the trustee
- product sale only advice linked to commissions and remuneration strategies.

6.0 Retirement planning and expenditures

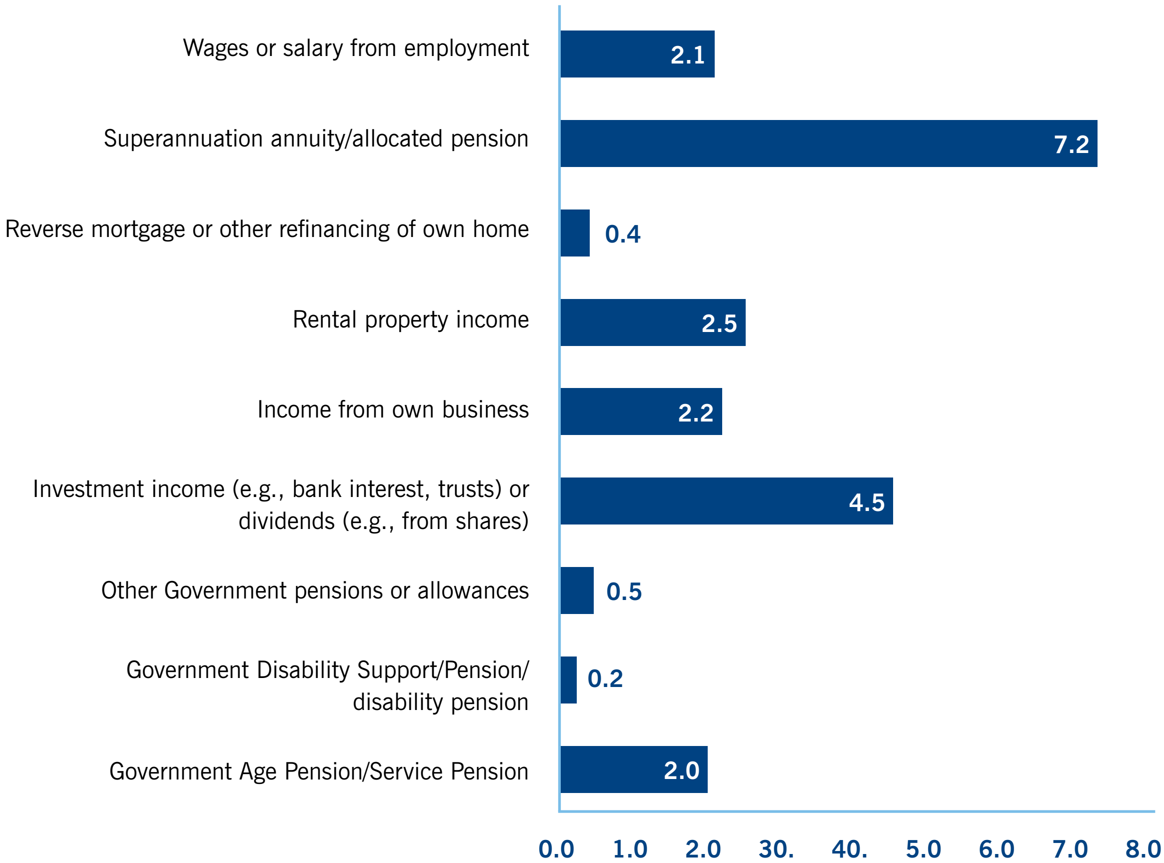
6.1 Source of income

The majority of people intend to fund their retirement with account-based pensions and investment income from assets outside superannuation (Q32). This is illustrated Graph 7. The higher the score, the more importance respondents place on the item.

Only 2% of respondents are in receipt of a full Age Pension. Clearly, this segment is largely self-funded and will receive lower government benefits in retirement.

On average, respondents require $75,000 annual income to live comfortably in retirement, or 11.8% of their current savings per year. However, this varies significantly between different respondents.

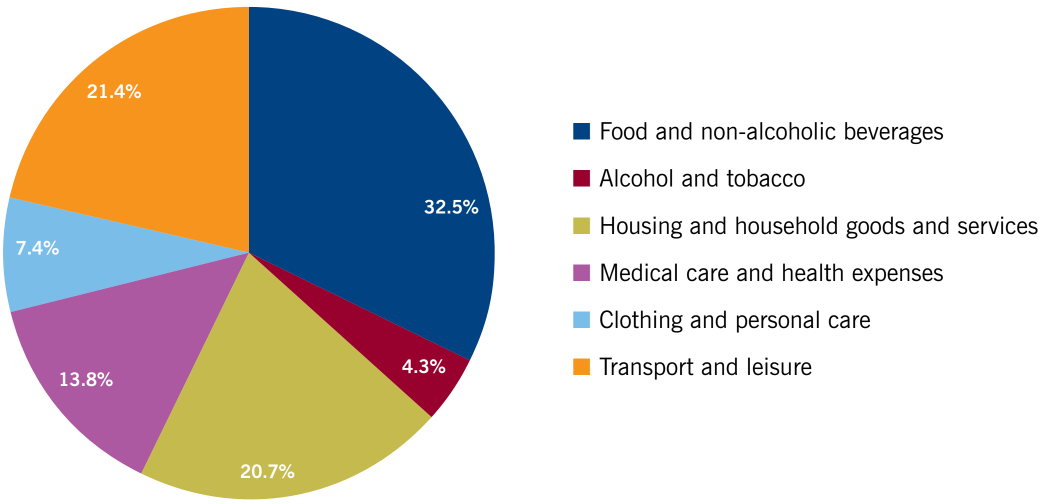
Graph 7 Rank of sources of retirement funding (average score out of 10)



6.2 Expenditure

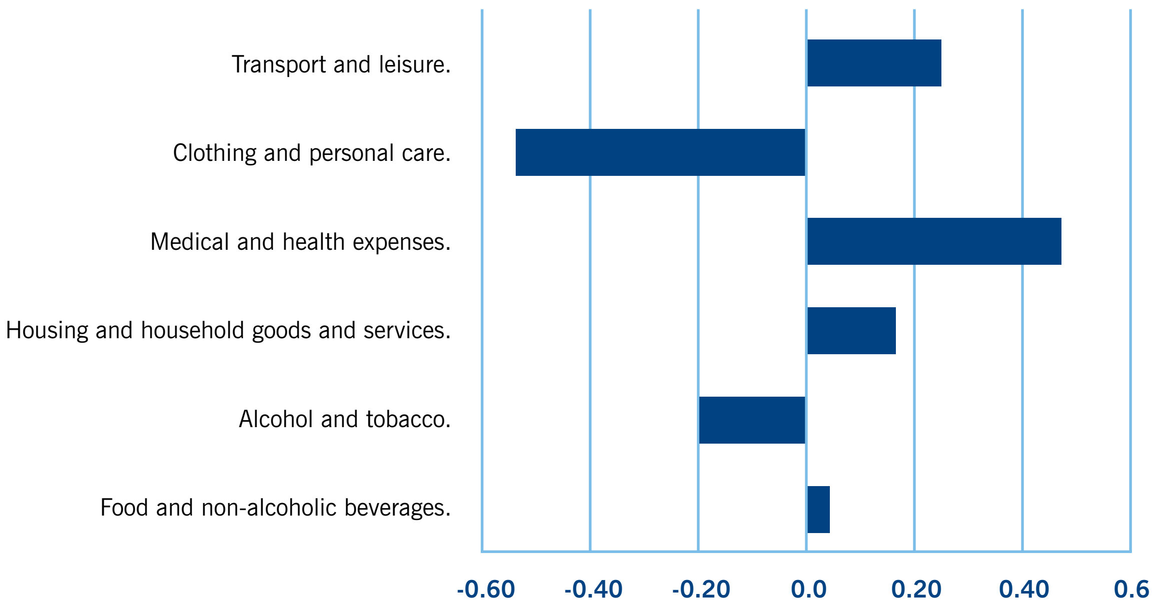
Question 45 of the survey asked current retirees their monthly expenditure on different sources of good/services, and the responses are illustrated in Graph 8:

Graph 8 Sources of expenditure post-retirement



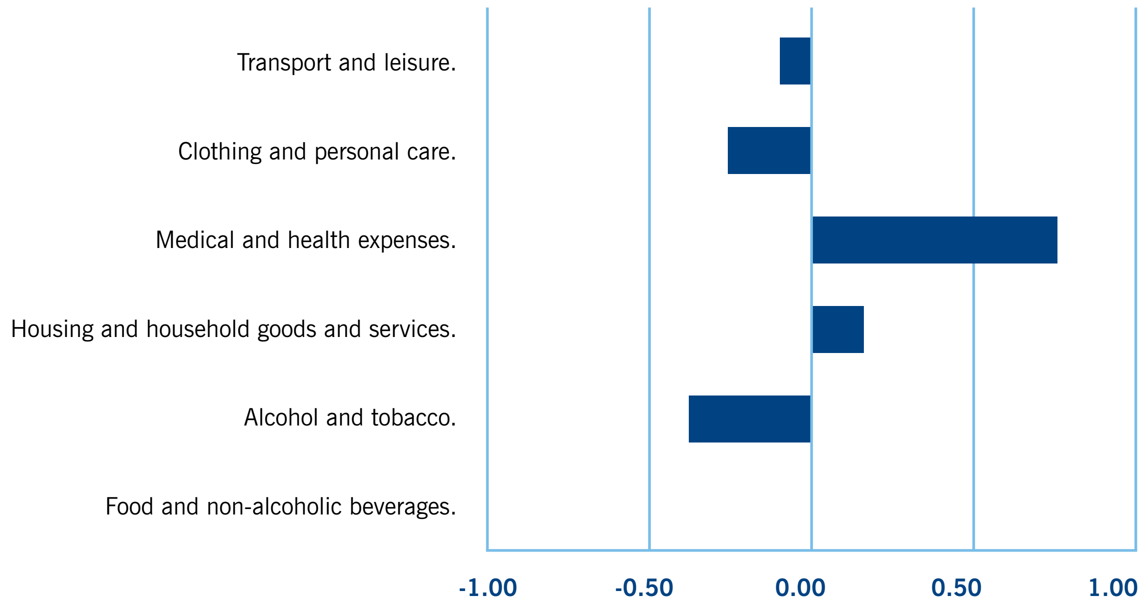
Various expenditures are expected to change following retirement, as illustrated in Graph 9, which shows the proportion of respondents with increased/decreased spending for various items.

Graph 9 Change in expenditure post-retirement compared to pre-retirement.



Medical care and health expenses are expected to continue increasing as retirees get older as reflected in Graph 10, which summarises where respondents expect an increase/decrease in spending for various items in 10 years' time.

Graph 10 Expected change in expenditure in 10 years' time compared to now



A Appendix A – Survey questions

1. Thinking about the finances and level of consumption of you and your spouse/partner, how would you rate your current financial situation?

2. Thinking about the future, how would you rate the financial situation and level of consumption of you and your spouse/partner over the next five years?

3. How concerned are you about each of the following (ranging from very concerned to not at all concerned):

   A negative change in the stock market and the economy may have a huge impact on the value of your savings.
   - Keeping the value of your savings and investments in line with inflation.
   - Maintaining a reasonable standard of living for the rest of your life.
   - Affording to stay in your current home for the rest of your life.
   - Having enough money to pay for adequate health care in the future.
   - That you might outlive your savings.
   - Having enough money if you or your spouse requires a long stay in a nursing home or a long period of nursing care at home.
   - Your spouse/partner may not be able to maintain the same standard of living after your death, if you should die first.
   - Not being able to leave money to your children or other heirs.

4. After you and your spouse/partner retire, or as you get older, there are some things that can be done to protect yourselves financially. Please indicate whether you and your spouse/partner have done any of the following, plan to do so in future, or have no plans at all to do so.
   - Pay off all credit cards and personal loans.
   - Pay off all credit cards and personal loans.
   - Completely pay off mortgage.
   - Increase insurance cover (life, disability, trauma, accident or private health).
   - Cut back on spending.
   - Take up part time work.
   - Obtain professional financial advice.
   - Move assets to more conservative asset classes (fixed interest, term deposits and cash).
   - Buy a life annuity or other product to provide guaranteed income for life.
   - Take out or increase reverse mortgage or home refinancing.
   - Move to a smaller home/less expensive area.
   - Sell household goods, investment property or other material assets.
   - Approach others (friends or relatives) for financial support/loan.

5. How often, if at all, do you and/or your spouse/partner keep track of the value of your savings and investments (superannuation and/or non-superannuation)?
   - Fortnightly, weekly or more often than weekly
   - Monthly or quarterly
   - About once a year
   - About once every two years
   - Every three years or less often
   - Never

6. When you and/or your spouse/partner seek assistance with financial decision making, which source do you use to get that advice? (select any that apply)
   - Financial planners or advisers
   - Accountant or taxation specialists
   - Friends or family
   - Financial newspapers/magazines/books
   - Internet
   - None
   - Other, please specify

7. How often do you and/or your spouse/partner use any of the sources identified to assist with your financial decision making?

8. Have you ever paid for financial advice from a licensed financial planner?

9. When did you receive that advice?

10. What type of services do you require from your adviser?
    - Strategic investment advice only
    - Strategic investment advice as well as assistance in making the investment
    - Assistance in making the investment only
    - Other, please specify

11. Approximately, how much did you pay for that advice?

12. Did you act on the advice?

13. Does your adviser meet your expectations?

14. Do you intend to seek professional financial advice in the future?

15. If the advice includes recommendations of suitable investment strategy for you and your spouse/partner, how much would you be prepared to pay for the advice?

16. What do you see as the main benefits of having an SMSF? (select any of the following that apply to you)
    - Control over investing fund's money
    - Flexible investment choices
    - Better tax management
    - Estate planning
    - Able to borrow to invest in some assets
    - Lower cost
    - Easy transition from accumulation to pension
    - Other, please specify

17. Thinking about your SMSF, which of the following risks do you think apply to it? (select any that you consider applies)
    - Investment and associated risks such as severe market fluctuation
    - Changes to superannuation or taxation law that affect your SMSF
    - Liquidity risks (difficulty in selling investments when required to pay benefits or fund expenses)
    - Theft and fraud relating to the investments made by your SMSF (unlike large funds, there is no government protection for SMSF)
    - Other, please specify

18. Has the performance of your Self-Managed Super Fund met your expectations?

19. Thinking about the investments of your SMSF, how would you describe the fund's current investment strategy?

20. Which of the following investment strategies do you think is most likely to lead to a loss of money over a one year period?
    - Growth/High Growth
    - Balanced
    - Conservative/Cash
    - Don't know

21. Which of the following investment strategies do you think is most likely to generate highest return over a ten year period?
    - Growth/High Growth
    - Balanced
    - Conservative/Cash
    - Don't know

22. Please indicate the proportion of your fund invested in the following asset classes (All fields must be completed and total to 100%, please enter 0 where your fund is not invested)

23. Are you aware of the following retirement income/investment products? (please tick those that you are aware of)
    - Term annuities
    - Lifetime annuities
    - Deferred annuities
    - Variable Annuities/ Other guaranteed income products
    - Reverse Mortgages

- Allocated/ account based pensions
- Fixed interest funds/Exchange Traded Funds (ETFs)
- Other, please specify

24. Which of the following retirement income/ investment products do you currently own? (please tick all that apply)
    - Term annuities
    - Lifetime annuities
    - Deferred annuities
    - Variable Annuities/ Other guaranteed income products
    - Reverse Mortgages
    - Allocated/ account based pensions
    - Fixed interest funds/Exchange Traded Funds (ETFs)
    - Other, please specify

25. Are you aware of Exchange Traded Funds (ETFs) and would you like to include it as part of your portfolio?

26. The following question is asked to see how much value you place on receiving money now compared to receiving a greater amount of money in the future. Let's assume you had a choice between receiving $50,000 now, or a greater amount of money one year from now, what is the minimum amount you would need to receive in one year's time, in order for you to choose this option instead of $50,000 now?
    - I would accept $51,000 in one year's time
    - I would accept $53,000 in one year's time
    - I would accept $55,000 in one year's time
    - I would accept $60,000 in one year's time
    - I would prefer to receive $50,000 now regardless
    - Other, please specify

27. If you had a choice between receiving $50,000 now, or an amount of money every year for the rest of your life, what is the minimum amount you would need to receive every year, in order for you to choose this option instead of $50,000 now?
    - I accept $1,000 every year for the rest of my life
    - I accept $2,000 every year for the rest of my life
    - I accept $3,000 every year for the rest of my life
    - I accept $5,000 every year for the rest of my life
    - I would prefer to receive $50,000 now regardless
    - Other, please specify

28. Would you be comfortable if it was compulsory to convert half of your superannuation balance into an income stream to last you the rest of your life?

29. Please indicate if you have retired from paid work.

30. What level of yearly income, at today's price, do you think you require to live comfortably in retirement?

31. Do you think you are on track to achieve a comfortable retirement?

32. How do you intend to fund your retirement? Please rank the sources your household might have access to in retirement, with '1' being the main source, '2' being the next most important source, and so on. (leave blank if not applicable)
    - Government Age Pension/Service Pension
    - Government Disability Support Pension/ disability pension
    - Other Government pensions or allowances
    - Investment income (e.g., bank interest, trusts) or dividends (e.g., from shares)
    - Income from own business
    - Rental property income
    - Reverse mortgage or other refinancing of own home
    - Superannuation annuity/allocated pension
    - Wages or salary from employment
    - Worker's compensation or insurance (e.g., accident/sickness insurance)
    - Other (please specify)

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33. Have you deferred or plan to defer you retirement due to any reasons?

34. Has the Global Financial Crisis impacted on your retirement plans and how?

35. Has the reduction of the amount of superannuation you can salary sacrifice or claim as a tax deduction impacted on your retirement plans? (Note: for anyone aged 50 and over tax deductible contribution have reduced from $50,000 to $25,000 for the current tax year)

36. If you were required to set aside part of your superannuation savings to provide an income for life would it change how you how you currently invest in or outside of superannuation?

37. Would the introduction of a requirement to set aside part of your superannuation to provide an income for life help you to achieve your retirement plan?

38. Are there enough investment/product choices available to your SMSF?

39. Please list any products that you like to choose but currently are not available?

40. Do you plan to use the value of your family home to fund part of your retirement spending? (e.g. Sell the house or take out reverse mortgage or home refinancing)

41. How much do you plan to leave as inheritance/ bequest?

42. Do you intend to leave an inheritance/ bequest apart from your family home? (select all that apply)
    - No
    - Yes, to my spouse/partner, children and/or other family members
    - Yes, to friends
    - Yes, to specific charity groups
    - Yes, to other.

43. Has your household's need for the following goods or services increased, decreased, or stayed the same since before you retired from paid work?

44. In 10 years' time, how do you think your household's need for the following goods and services will change?

45. How much is the current monthly expenditure of your household on the following goods and services?

46. The table below lists possible income sources that your household might have access to in retirement. Please rank the sources your household has access to, with '1' being the main source, '2' being the next most important source, and so on. (leave blank if not applicable)
    - Government Age Pension/Service Pension
    - Government Disability Support Pension/ disability pension
    - Other Government pensions or allowances
    - Investment income (e.g., bank interest, trusts) or dividends (e.g., from shares)
    - Income from own business
    - Rental property income
    - Reverse mortgage or other refinancing of own home
    - Superannuation annuity/allocated pension
    - Wages or salary from employment
    - Worker's compensation or insurance (e.g., accident/sickness insurance)
    - Other (please specify)

47. What was your total household income in the past 12 months, before taxes? Household income is income from all sources from all members of your household.

48. How much of your income in the past 12 months is pension being taken as a pension from your SMSF?

49. Do you receive the Government Age Pension?

50. Approximately, how much was the total Government pension your household received in the past 12 months?

51. Do you think the amount of the Age Pension, including other Social Security benefit, alone would provide a sufficient amount for you and your spouse/partner to live on?

52. Approximately how much money would you and your spouse/partner currently have in savings and investments, including investment or holiday properties and money in superannuation, but excluding your home?

53. About how much money would you say you and your partner currently have in your Self-Managed Super Fund?

54. Apart from any mortgage(s) that you may have over your own residence, what is the total amount of money you (and your partner, if you have one) owe, on all personal loans, credit cards, investment property loans, etc.?

55. Do you or your family own your own residence outright, are you paying it off, or are you renting?

56. What is the approximate value of your residence? (Owning outright)

57. What is the approximate value of your residence? (Paying off)

58. How much is the outstanding mortgage(s) over your residence?

59. How much rent are you (and your partner) paying per week?

60. What is your year of birth?

61. What is your gender?

62. What best describes your current marital status?

63. If you are married or have a spouse/partner, what is your partner's year of birth?

64. How many children (under or over 18 yrs) are financially dependent on you (either within or outside of your household)?

65. What is the highest level of education that you have completed?

66. In general, would you say your physical and mental health is:
    - Excellent
    - Very Good
    - Good
    - Fair
    - Poor

67. Compared with others who are the same age, how would you rate your physical and mental health?

68. Do you currently receive any of the following health care cards? (select all that apply)
    - Commonwealth seniors health card
    - Veterans' affairs gold card
    - Veterans' affairs white card
    - Pensioners concession card
    - Health care card
    - None of these

69. What is your postcode?

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