



FINANCIAL SOLUTIONS

Need help buying an investment property?
Talk to JLM about an SMSF loan.



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**Self-Managed
Superannuation Fund.**

A type of superannuation fund in Australia that is managed by the members themselves, rather than by a professional fund manager. Members of an SMSF are typically also the trustees of the fund, which means they have direct control over how their retirement savings are invested.

↓ Latest Article: **Why borrow in an SMSF?**
↓ Keed reading to find out more.

Why borrow in an SMSF?

1. Investment Diversification:

Borrowing allows the SMSF to diversify its investments beyond what its current funds allow. It can invest in assets such as property, which might not be possible without borrowing.

2. Tax Benefits:

SMSFs enjoy concessional tax treatment, including a lower tax rate on capital gains if assets are held for more than 12 months. Borrowing to invest in such assets can enhance tax benefits within the fund.

3. Income Generation:

Investing in income-producing assets like property or shares can provide a steady income stream for the SMSF, which can be beneficial for funding retirement payouts to members.

4. Capital Growth:

Borrowing to invest in assets that are expected to appreciate over the long term can help grow the SMSF's wealth, potentially providing better retirement outcomes for its members.

5. Leverage:

By borrowing, the SMSF can leverage its existing funds to acquire larger assets. This can potentially magnify returns if the asset's value increases over time.

6. Portfolio Stability:

Property tends to be less volatile than stocks, providing stability to the SMSF portfolio, particularly during periods of market volatility.

7. Hedge Against Inflation:

Property values tend to increase over time, providing a potential hedge against inflation and preserving the purchasing power of your retirement savings.



Interested to learn more? Get in touch with JLM today!

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