



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSSMS501A Invest self-managed superannuation funds assets**

**Revision Number: 1**

## FNSSMS501A Invest self-managed superannuation funds assets

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit describes the performance outcomes, skills and knowledge required to assist trustees with the investment of self-managed superannuation fund assets. It encompasses supporting trustees in devising investment objectives, devising investment strategies, selecting investment services providers, ensuring regulatory limitations are adhered to, complying with investment reporting requirements, monitoring investment services providers activities and monitoring cash flow.</p> <p>This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including legislation administered by the Australian Securities and Investments Commission (ASIC).</p>
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### Application of the Unit

<b>Application of the unit</b>	<p>This unit applies to advisers supporting trustees, trustee employees, investment service providers and investment consultants. Importantly, this unit does not involve financial dealing or specific financial product advising.</p>
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>		

### Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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### Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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## Elements and Performance Criteria

<b>ELEMENT</b>	<b>PERFORMANCE CRITERIA</b>
1. Assist trustees to devise investment objectives	<p>1.1. Investment objectives are established to meet the financial requirements of the client</p> <p>1.2. Investment objectives are recorded in accordance with <b><i>legislative investment requirements</i></b></p>
2. Assist trustees to devise investment strategy	<p>2.1. Portfolio benchmarks are developed for the investment strategy</p> <p>2.2. Investment strategy is developed in accordance with legislative and organisational requirements</p> <p>2.3. Products are selected so that defined financial objectives can be achieved</p> <p>2.4. Asset allocation/mix is determined so that investment objectives will be met</p> <p>2.5. Appropriate <b><i>strategic variables</i></b> are determined</p>
3. Assist trustees in the selection of investment services providers	<p>3.1. A range of performance criteria for service providers is established</p> <p>3.2. A preferred list of <b><i>service providers</i></b> is established</p> <p>3.3. Service providers are reviewed against established performance criteria to ensure the correct selection</p> <p>3.4. Suitable service providers are appointed that meet the established performance criteria</p>
4. Assist trustees to ensure regulatory limitations are adhered to	4.1. Fund assets are invested in accordance with legislation requirements/trust deed requirements.
5. Assist trustees to comply with investment reporting requirements	<p>5.1. Member communication and disclosure requirements are provided in accordance with legislative requirements</p> <p>5.2. Reports produced by investment managers are received by trustees</p>
6. Assist trustees to monitor investment service provider's activities	<p>6.1. Specialist advice is sought as identified and necessary (such as financial planners)</p> <p>6.2. Assets are allocated to investments (or investment dealers) in accordance with trustee's decisions</p> <p>6.3. Investment reports are analysed</p> <p>6.4. Fund results are reviewed against documented fund objectives and strategies</p> <p>6.5. Reallocation of assets is ensured according to results achieved/ or strategy direction</p>
7. Assist the trustee to	7.1. <b><i>Liquidity requirements</i></b> of the fund are managed

ELEMENT	PERFORMANCE CRITERIA
monitor cash flow	taking into consideration current and future liabilities

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- communication skills to:
  - liaise with others, share information, using questioning and active listening as required
  - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
  - perform basic calculations related to self-managed superannuation funds
  - access and update account records electronically
  - use internet information
- data analysis and interpretation skills
- literacy skills to read and interpret documentation from a variety of sources and record and consolidate related information
- interpersonal skills to relate effectively within a team environment
- organisational skills, including the ability to plan and sequence work

#### Required knowledge

- the range of potential services providers
- cash flow and liquidity requirements
- techniques for establishing investment objectives that meet legislative requirements
- investment reporting and legislative requirements

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> <li>• devise investment objectives to meet client needs and strategies to support their objectives</li> <li>• access appropriate investment service providers</li> <li>• interpret and apply investment legislative and deed requirements</li> <li>• monitor service provider activities.</li> </ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> <li>• competency is demonstrated in the context of the work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment</li> <li>• access to and the use of a range of common office equipment, technology, software and consumables</li> <li>• access to organisation financial records</li> <li>• access to organisational policies and procedures.</li> </ul>
<b>Method of assessment</b>	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> <li>• evaluating an integrated activity, which combines the elements of competency for the unit, or a cluster of related units of competency</li> <li>• observing processes and procedures in workplaces</li> <li>• verbal or written questioning on underpinning knowledge and skills</li> <li>• evaluating samples of work</li> <li>• accessing and validating third party reports</li> <li>• setting and reviewing workplace business simulations or scenarios.</li> </ul>
<b>Guidance information for assessment</b>	

## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<p><b><i>Legislative investment requirements</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• arm's length test</li> <li>• Australian Prudential Regulation Authority (APRA) - changes of asset allocation</li> <li>• Australian Taxation Office (ATO) requirements</li> <li>• in-house asset test</li> <li>• limitations of derivatives</li> <li>• prohibiting of acquisition of assets from members/reasons</li> <li>• prohibiting of borrowing</li> <li>• prohibiting of loans</li> <li>• prudent person test</li> <li>• small fund arrangements</li> <li>• sole purpose test.</li> </ul>
<p><b><i>Strategic variables</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• current and future liabilities</li> <li>• diversification of investments</li> <li>• liquidity</li> <li>• risk and return</li> <li>• time horizons.</li> </ul>
<p><b><i>Service providers</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• asset providers</li> <li>• consulting actuarial firms</li> <li>• custodians</li> <li>• investment managers.</li> </ul>
<p><b><i>Liquidity requirements</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• administration costs</li> <li>• benefit payments (transfers out)</li> <li>• consultants' fees</li> <li>• government levies and charges</li> <li>• insurance costs</li> <li>• taxation.</li> </ul>

## Unit Sector(s)

<b>Unit sector</b>	Self-managed superannuation
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### Competency field

<b>Competency field</b>	
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### Co-requisite units

<b>Co-requisite units</b>		