

ACT UNIT TRUST
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2 May 2020

Leete SMSF
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INVESTMENT LOSS IN ACT UNIT TRUST

As previously discussed back in March 2019, there had been a substantial internal restructure of the ACT Insurance ("ACT") business.

The restructure of the ACT Insurance business, together with the recent changes made to the insurance and superannuation industry as a result of the findings of the Royal Commission has resulted in a sizable loss to your share of the business.

On 25 March 2019, your share of the business was valued at \$21,011,17.
A initial unit buyback payment of \$10,500 was made at the time of this valuation.

This valuation was based on a sale multiple that existed before the finalisation of the Royal Commission in February 2019.

Based on the prevailing market conditions now, the sale multiple for financial planning businesses have dramatically reduced due to the reduction of upfront insurance commissions, banning of conflicted super remuneration, banning of grandfathered commissions, opt-in requirements and fee for service arrangements.

On that basis, your investment within the ACT business has dissolved and your share of the business has been valued at \$0.

This means means that no additional payments will be made to your business.

Yours sincerely,



Anders Huitfeldt

Revalued down to nominal \$1