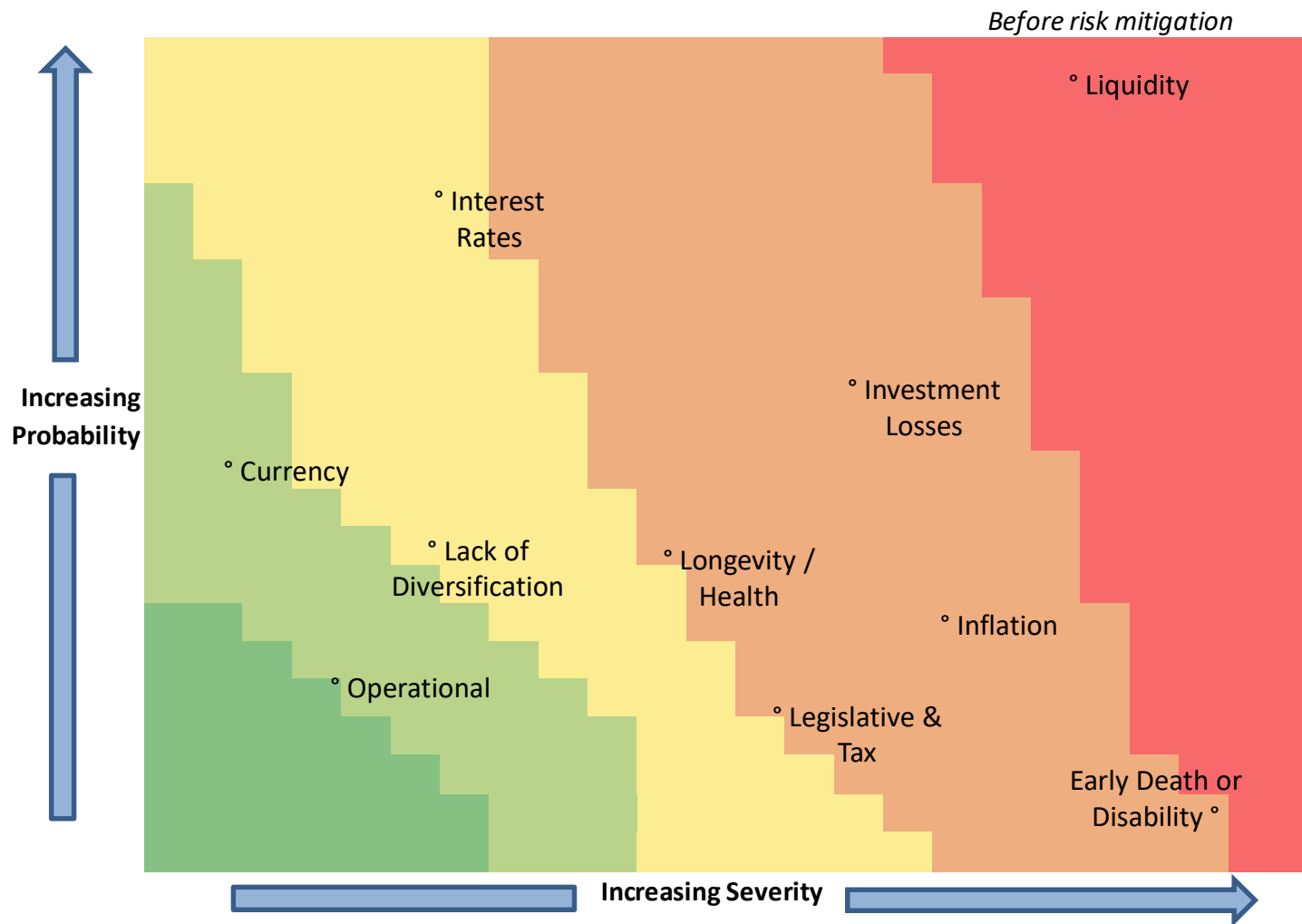


# Illustrative Risk Map for an SMSF



## Risks Considered:-

- Longevity
- Early Death or Disability
- Investment Losses
- Interest Rate Movements
- Inflation
- Currency
- Liquidity
- Legislative and Tax
- Operational Risks

Consider how risks shift both before and after risk mitigation and insurance

Likelihood – on Vertical

Description	Probability - % p.a.	Action Needed
Unlikely	Once Every 15+ Years	Be Aware Of
Possible	Once Every 5-15 Years	Consider measurement
Occasional	Once Every 1-5 Years	Measure and monitor
Likely	Once Every Year	Action required to mitigate
Frequently	More than Once Every Year	Immediate action required to avoid

the measured or estimated probability of occurrence in any one year

Severity – on Horizontal

Description	Severity - % of Fund	Action Needed
Negligible	Less than 0.5%	Be Aware Of
Low	0.5% to 2%	Measure possible impact and report
Medium	2% to 5%	Consider active control by trustees
High	5% to 15%	Need to assess and mitigate
Extreme	More than 15%	Requires active trustee involvement

the measured or estimated cost of an event upon occurrence