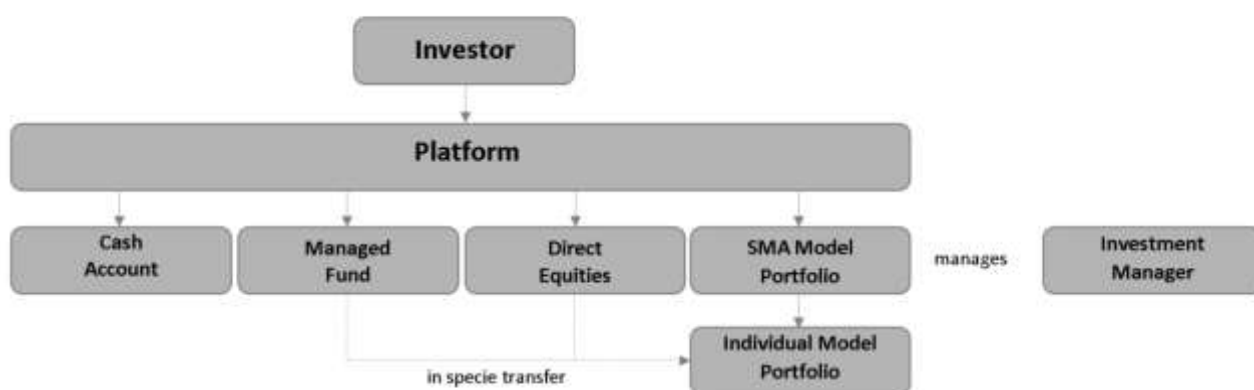


# Investment Concepts – Separately Managed Account (SMA)

A Separately Managed Account (SMA) provides investors beneficial interest in a professionally constructed and managed portfolio of investments that may consist of Australian shares, listed securities (such as shares, ETFs, ETCs, LICs, etc.), managed funds and cash.



## How it works

An SMA is a registered managed investment scheme that allows you to access a number of professionally constructed and managed investment portfolios (model portfolios) comprising Australian listed investments, managed funds, and cash in which beneficial ownership is retained by you (or the trustee in the case of a superannuation investment).

An SMA can be accessed via an eligible platform (for both investment and superannuation) or in some cases directly from the provider.

## Benefits

- **Individual accounts** - Unlike a unitised managed fund in which investors collectively have an interest in the pool of fund assets, the SMA investor has absolute beneficial ownership in the investment options held in their account.
- **Transparency** - You can view the assets that you hold within your chosen Model Portfolio through your platform reports and facilities.
- **Portability** - You can transfer Australian securities and units in managed funds that are held by (or for) you into the Wrap platform before transfer into the SMA and still retain the beneficial interest in those assets. You can also transfer your securities and units in managed funds between your Model Portfolios within the SMA.
- **No inherited capital gains** - When you transfer assets into your account, or assets are acquired by us and held as part of your account, an individual cost base is established in relation to that Model Portfolio. For securities this means there are no tax consequences for you as a result of other investors' transactions.

**Important:** This document contains general information about the benefits, costs and risks associated with certain product classes and strategies. It has been prepared without taking into account your objectives, financial situation or needs. Because of this you should, before acting on any advice in this document, consider whether it is appropriate to your personal circumstances.

- **Professional investment management** - The SMA provides you with access to leading experienced professional investment managers who ensure each model portfolio is continually monitored and managed
- **Consolidated reporting** - SMAs are typically integrated with the technology systems of a platform through which you access the SMA, meaning you will be able to have a comprehensive view of your Model Portfolio. This means you can:
  - view the breakdown of investments in your Model Portfolio
  - keep track of your investments, and transact between an SMA and other investments on your platform easily

## Risks and Consequences

- The capital value of SMAs may fluctuate, particularly in the short-term.
- Capital Gains Tax may be payable on any growth in the value of your investments when you eventually redeem or sell them.
- Income distributions are not guaranteed and may fluctuate over time.
- Re-invested income will still form part of assessable income for tax purposes.
- There are costs associated with SMAs, you should refer to the PDS for further information.
- Loss of immediate access to your funds.
- SMAs can include exposure to growth assets, such as shares, so are often suitable for investors who seek long-term capital growth. In such cases, if you withdraw within a shorter timeframe, there is an increased risk of loss.

Version: 1.08

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