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If you are interested in investing in the stock market, but don't want the responsibility of managing your own portfolio, then Separately Managed Accounts offer an alternative.

managed. shares

Warning: This information is intended to form general comments only and does not constitute advice. No investor should rely solely on this information when making investment decisions. This information has not been prepared to take account of investment objectives, financial situations or the particular needs of investors. Investors should consult their client adviser, who can assess their particular needs and circumstances when making investment decisions.

What is managed. shares?

Managed Shares is a Separately Managed Account (SMA) which is an evolution from the Managed Fund style of investment. An SMA offers sophisticated investment models tailored to meet specific investment requirements but your financial adviser has considerable leeway in how your investment is allocated across those models.

Regardless of allocation, however, you have complete transparency of your portfolio – down to the share level – and you can often customise your investment even further by prohibiting or substituting particular stock or freezing tax parcels. SMAs offer tax advantages because of inbuilt features such as netting, which reduces the events that would trigger CGT, as well as potentially reducing transaction fees. Additionally, an SMA provides flexibility as to how tax parcels are managed – allowing you to optimise your tax position.

As with any type of investment, however, the investor needs to be aware of fees, costs and whether the SMA meets their individual investment needs.

How It Works

Trading within the Customised Portfolio Service is conducted at a pooled level. This means that each day the net trading requirements of the whole Customised Portfolio Service are assessed and securities traded on this basis.

Model Portfolios

The available Model Portfolios are all professionally constructed and managed by our Model Portfolio Advisers and provide investors with access to professional investment managers and wholesale rates of brokerage not available individually.

Managed Shares can help you blend your portfolio to suit your circumstances and assist in achieving your objectives.

The Customised Portfolio Service

The Customised Portfolio Service offers access to Model Portfolios of Australian shares and units in managed investment schemes. The Model Portfolios are managed according to a range of objectives and strategies. The Customised Portfolio Service allows you to tailor your Personal Portfolio in accordance with your requirements.

Substitution - You may substitute individual securities with another ASX listed security or with cash.*

Minimum trade size - You may determine a minimum trade size. This means that securities in your Personal Portfolio will generally only be traded if the trade would be of the specified minimum trade size.*

Minimum Holding Lock Facility - Where you have transferred an existing stock holding into your Customised Portfolio Service account you may choose to lock this holding at a level of your choice. When rebalancing your Personal Portfolio in accordance with your chosen Model Portfolio selection we will ensure that, for the nominated stock, the holding is maintained at or above your selected level. *

Fee Payment Options - The flexibility to elect from where your ongoing fees are paid.

* You should be aware that variation from the Model Portfolio(s) may result in the performance of your Personal Portfolio deviating from the performance of the Model Portfolio(s).

Professionally managed direct equity holdings	Investors gain exposure to the share market, and all the benefits of investing in this asset class, with the additional advantage of having their portfolio professionally managed through a choice of investment models.
Portfolio Transparency	Investors can see the underlying stocks they own as an individual portfolio online. They can also view the daily performance and valuations of their portfolio, dividends and franking credits as they are received, purchases and sales, and any associated brokerage costs.
Fewer Trades	Investors' shares, allocated across any number of investment models, are grouped so that they behave like a single share portfolio ("blending"). Shares are also "netted", where prospective purchases and sales are matched against each other before market trades take place. Blending and netting occurs automatically at an individual level and across the entire Service.
Lower Brokerage Fees	All trades are executed at wholesale rates (generally costing less than 5 basis points per trade) and the number of trades are reduced through the process of blending and netting that occurs within the Service.
Individual Tax Packaging	Each investor is able to optimise their tax parcels. And unlike many other managed investment schemes, they don't inherit other investors' capital gains.
Beneficial Ownership	The investor is always the beneficial owner, therefore in-specie transfers of existing shares into the model portfolio does not trigger a capital gains tax (CGT) event (unless stocks need to be sold to bring the investors portfolio in line with the model(s)).

SMA's are generally suited to those investors looking for more hands on involvement, but would still like access to specialist decision makers. They are an innovative product that uses new technology to give investors more control over their investment capital.

Disclaimer: This publication contains general information only and is not intended to constitute financial product advice. Any information provided or conclusions made, whether express or implied, do not take into account the investment objectives, financial situation and particular needs of an investor. It should not be relied upon as a substitute for professional advice.



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