



MACQUARIE

# Managed accounts made easy

In the current environment, Separately Managed Accounts (SMAs) offer investors of all sizes confidence, agility and control – and financial advisers a new means of adding value and achieving even greater scale.

This document provides some of the key benefits SMAs may offer you and your clients.

## Benefits for your clients



### Cost efficient

Like managed funds, SMAs offer lower management, custody and execution costs than retail broking fees.

Total fees vary, but can often work out at the same level as those for managed funds. Transaction costs may effectively fall to zero within an SMA as a result of the SMA provider netting the buy and sell transactions across all portfolios before placing orders.



### Tax efficient

An SMA has tangible tax benefits, offering the flexibility to use parcel selection to manage CGT.

For example, you can choose a lock option for clients who might be worse off from CGT costs if the investment manager decides to sell a particular stock. This is in contrast to managed funds that could have negative tax aspects.



### Transparent

You and your client can view the underlying securities held.

In times of strong or poor markets, you can track the performance of individual holdings.



### Agile

SMAs offer the advantages of dynamic asset allocation, allowing investment managers to move quickly into defensive assets or to take advantage of emerging opportunities.



### Flexible

You have the option of adjusting your client's portfolio for in-specie transfers of existing shares, and in some platforms, adding new shares bought outside the SMA or blocking the SMA portfolio manager from selling certain parcels of shares. You can also delete or swap stocks to meet specific criteria, such as ethical considerations.

### Benefits for your practice



#### Scale benefits

SMA's create another level of scale, allowing you to offer new, value-added services for <\$2m investors, giving these clients direct equity exposure and access to new managers now available on wrap.



#### Prepare more for the unexpected

You can dedicate more of your time educating your clients about market performance, investment expectations, and the risks associated with their strategy. By doing so, you can better prepare clients for changing market conditions that may impact performance, and strengthen your relationship with them.



#### Be there for the entire journey

SMA's enable you to add needed value over all stages of your client's life. SMA's can be used in a flexible manner that can be suited to different needs, such as varying appetites of risk or investment selection involvement.



#### Change the conversation

SMA's change the conversation from stock picking to being more strategic. You can spend more 'face time' with your clients and focus on the bigger picture, while a team of experts manage the day-to-day running of the investment portfolio.



My clients love the professional management, but they are still in regular contact with me to discuss markets. Rather than focusing on the nitty gritty – BHP vs. Rio – we're considering market trends. This is a conversation I can have with confidence and where I can really add value. I'm not really comfortable positioning myself as a stock picker. ”

Nick Walter, Investment Adviser, Macquarie

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To better understand how SMA's may benefit you and your practice, please speak to a Macquarie business development manager today.

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