



Attractive to investors who like direct shares

## Quick guide Separately managed accounts

# Professionally managed portfolios with beneficial ownership

For a small initial investment, clients enjoy broad diversification and access to top-rated professional investment managers

Separately managed accounts – or SMAs as they are usually known – are the exciting new way to invest in professionally managed or adviser-directed share portfolios.

SMAs retain the advantages of DIY investing and avoid the shortcomings of traditional managed funds. This makes them particularly attractive to investors who like direct shares, especially those with a self-managed super fund.

For a small initial investment, they enjoy broad diversification and access to some of Australia's top-rated professional investment managers.

They also retain ownership of individual securities instead of losing them in a pool. As many investors learned the hard way during the global financial crisis, recent arrivals in a traditional managed fund can face a tax bill caused by the redemptions of other investors - even if the investment's value falls.

Professionally constructed strategies and model portfolios meet the growing popularity of direct share ownership. Investors who like direct shares are also attracted to SMAs because the OneVue SMA includes adviser-directed personally managed portfolios alongside professionally managed mandates.

This feature is particularly attractive in minimising capital gains tax as it allows shares with unrealised gains to stay in the investor's name.

### Advantages

SMA investors can choose from a variety of mandates, transfer in other holdings without triggering capital gains tax, and combine the whole portfolio with a margin loan.

This transparency, flexibility and better tax management has seen separately managed accounts gain enormous market momentum since the global financial crisis.

Other advantages include:

- Wholesale brokerage keeps management fees down,
- Advisers can implement multiple asset class recommendations,
- The transparency of consolidated reporting and online access makes it easy for advisers and investors to monitor asset positions.

The bottom line is that investors get a unique, professionally managed portfolio, simple administration, transparent reporting and the tax advantages of beneficial ownership.

The SMA fits seamlessly in the OneVue UMA suite of products and services.

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