

## Owning Shares Made Easy

Managed Accounts let you own direct shares without all the usual administration. They come with the added benefits of being professionally managed, cost effective and can also provide access to investments not readily available to individual investors.

### What is a Managed Account?

A managed account is a professionally managed investment portfolio, which can be made up of shares, cash and other listed securities. Unlike a managed fund, with a managed account, you are the beneficial owner of the underlying securities. The many benefits of managed accounts are detailed overleaf. Below compares the advantages of a managed account with a direct share portfolio and a managed fund.

Feature	Managed Funds	Direct Share Portfolios	Managed Accounts
Professional Management	✓	✗	✓
Transparency	✗	✓	✓
Direct Ownership of Assets	✗	✓	✓
Portability of Shares (without triggering CGT)	✗	✓	✓
Tax Advantages of Ownership (no inheritance of capital gains from others)	✗	✓	✓
Customisation	✗	✓	✓
Portfolio Reporting and Administration	✓	✗	✓
Reduced Administration	✗	✗	✓

# Morningstar Managed Accounts

The benefits of owning direct shares, without all the hard work.

Advantages of a Managed Account	Benefit for You
<b>Professionally Managed Investment Portfolios</b>	You get access to a low cost, actively managed investment portfolio, managed by Morningstar's global team of investment professionals. So you won't have to spend time researching stocks or continuously managing and monitoring your investment portfolio.
<b>Transparency</b>	You can see exactly what shares, cash and other listed securities you hold at any given time.
<b>Tax Advantages</b>	As the portfolio is owned by you, you don't inherit any embedded unrealised or realised capital gains. And capital losses can be used to offset gains from other assets.
<b>Reduced Administration</b>	<p>With one application process you buy an entire portfolio of securities. There's no need for manual re-weighting, buying or selling as this is part of the service provided by the professionals managing the portfolio.</p> <p>This means less paperwork and a more streamlined process if you want to implement any changes to your investment strategy.</p>
<b>Customisation</b>	Moving shares in and out of a portfolio is easy, so you and your adviser can create a truly customised investment portfolio. This also results in there being no double ups on securities. If you already have exposure to a security, there's no need to double up.
<b>Centralised Reporting</b>	<p>You get all the information you need about your investment in one report. Your adviser can customise the level of detail that goes into your report so you're getting exactly the information that you want.</p> <p>You get reports at the portfolio level or at an individual security level. At an individual security level it's possible to have performance and reports in real time.</p>
<b>Low Cost</b>	You benefit from a professionally managed portfolio at a lower cost than a direct share portfolio.
<b>Everything In One Place</b>	You can keep on top of your investment holdings by being able to access everything in the one place.

## Two Sets of Experts, One Goal

Your financial adviser plays a vital role on your path to financial security. From helping you plan for the lifestyle you want, to connecting you with the options that are right for you. Your financial adviser will assess your current situation and identify your financial goals and objectives, as well as establish the level of risk you're comfortable taking to achieve these goals. Based on your financial goals and objectives as well as your risk tolerance, Morningstar provides a solution to help you achieve them.

Morningstar Managed Accounts have been designed to meet the needs of investors, whatever your financial goals, risk profile and life stage.

## Diversified Managed Accounts

Morningstar's Diversified solutions are your gateway to Morningstar's asset allocation, security selection, portfolio construction, and research expertise. Morningstar's disciplined investment process combined with expert implementation ensures you are invested in today's best investment opportunities. These investment solutions have been designed to align with the needs of investors; increasing wealth, while aiming to preserve capital through every stage of the market cycle.

Managed Account	Asset Allocation	Objective	Time Horizon	Investment Fee
<b>Defensive</b>		CPI+ 0.75%	2 years	0.55%
<b>Conservative</b>		CPI+ 1.0%	3 years	0.55%
<b>Diversified Income</b>		CPI+ 2.0%	4 years	0.61%
<b>Balanced</b>		CPI+ 2.5%	5 years	0.61%
<b>Growth</b>		CPI+3.5%	7 years	0.66%
<b>High Growth</b>		CPI+ 4.5%	9 years	0.72%
<b>High Growth Plus</b>		CPI+5.0%	10 years	0.77%

- Australian Shares
- Australian Property
- Global Infrastructure
- Australian Bonds
- Cash
- International Shares
- International Property
- Alternatives
- International Bonds

## Sector Managed Accounts

Morningstar Sector Managed Accounts are for advisers who want to use these building blocks to create tailored portfolios for their clients.

Sector Managed Account	Asset Allocation	Objective	Time Horizon	Investment Fee
<b>Australian Shares Core</b>		S&P/ASX 200 Accumulation Index	7 years	0.65%
<b>Australian Shares Income</b>		S&P/ASX 200 Accumulation Index	7 years	0.65%
<b>Australian Shares Small Cap</b>		S&P/ASX Small Ordinaries Accumulation Index	7 years	0.85%
<b>Property</b>		S&P/ASX 200 REITs Accumulation Index	5 years	0.39%
<b>Global Shares</b>		MSCI ACWI Accumulation Index (Net Dividends Reinvested)	7 years	0.65%
<b>Cash</b>		UBS Australia Bank Bill Index	2 years	0.28%



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Morningstar is a leading provider of asset allocation, portfolio construction and investment research services with over 35 years' experience in the United States, Australia and other international markets. Morningstar advises and manages funds for superannuation funds, institutions, platform distributors, financial advisers and individuals.

Morningstar's disciplined investment approach delivers independent, cost effective and holistic solutions for investors – helping them reach their financial goals. This long-term, valuation driven approach is underpinned by an emphasis on preserving capital and undertaking comprehensive fundamental analysis of global asset classes and securities.

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