



Key Investment Concepts

What is a Managed Account?

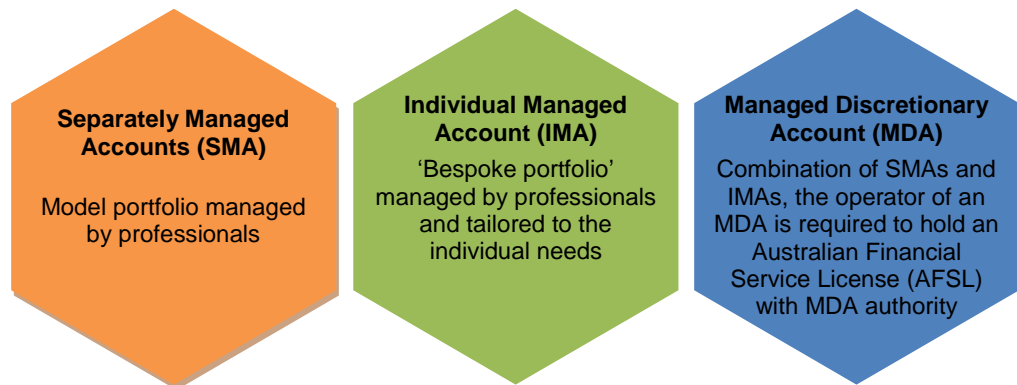
Aon Hewitt Financial Education Series

Managed accounts are investment portfolios that are owned by an individual investor and professionally managed by an investment expert. A managed account may hold managed funds, ETF's, shares and cash that you will beneficially own and receive the full benefits of all dividends and franking credits.

The managed account manager develops a portfolio which reflects their approach to investing. The underlying fund managers are carefully selected to best meet the managed account's investment objectives and to achieve optimal outcomes for investors. The managed account manager may trade the portfolio, by buying and selling the underlying assets, and are required to act in the best interest of clients under fiduciary duty.

Type of Managed Accounts

There are variety of structures of managed accounts, offering different levels of simplicity, customization and control.



Benefits of Managed Accounts



Transparency

You are able to view the holdings of the underlying investments, transaction history, and have access to the income or expenses and assess the unrealised/ realised gains.



Beneficial Ownership

You directly hold the underlying assets in the managed accounts and retain beneficial ownership. Thus, you will receive the benefits of direct ownership such as franking credits from the dividend payments, and you are able to move your investments in and out of the managed account structure..



Individual Tax Outcomes

A managed account enables you or your adviser to choose the right accounting method to treat your investments. Depending on your tax circumstances, you are able to nominate the methodology from a range of options to assist with your tax position.



Professional Portfolio Management

A managed account leverages the depth and breadth of knowledge of a well-resourced portfolio management team, whose job it is to actively look after your investment, which gives you comfort that your investments are regularly monitored.

The underlying investments are carefully selected and actively monitored to ensure that they are delivering the best possible outcomes for you in varying market conditions. Exposure to an underlying fund manager in a managed account can be increased, reduced or removed completely depending on how an individual fund manager is performing, and how complementary it is with the other managers in the portfolio.

Having a dedicated managed account team to monitor the investments and to make changes as required means you don't need to spend time keeping track of the performance affecting individual investments or make changes yourself.



Discretionary Trading

A managed account enables the managed account manager to have control over the investment portfolio so they can buy and sell the underlying investments on your behalf. The managed account manager will research, select, manage and blend multiple individual managers to ensure they are achieving the desired investment.

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