

# Burrell SMA

## A better way to invest

The Burrell SMA product provides you with a professionally managed investment portfolio just like a managed fund, but unlike a managed fund, you are the beneficial owner of all underlying securities in your portfolio. You can also review the performance of each security via your online account, 24 hours a day 7 days a week.

### What is a Separately Managed Account (SMA)?

The Burrell Separately Managed Account (SMA) is an investment platform that gives you a professionally managed portfolio of shares and other listed securities.

Your portfolio can be held either inside or outside of your superannuation. Because of the way the SMA is structured you do not have the extensive administration burden associated with direct investing. You also have much more portfolio transparency than if you were to invest via managed funds.

### How does it work?

Burrell has designed a number of model portfolios to suit an investor's risk profile. The models provide flexible access to a diversified mix of investment assets, and can also be used as part of an investment solution to facilitate diversification to existing investment portfolios at low cost.

In addition, a number of other models from expert investment managers are available, enabling you and your adviser to design an investment portfolio to suit your specific requirements.

Once invested, you will be able to see the shares and other securities that you hold, and to access via the internet up-to-date reports on your portfolio. You will be able to view your portfolio performance and valuations, review your dividends and associated franking credits, and see all investment trades and any fees and costs. This information is available to you 24 hours a day 7 days a week for your convenience.

### Things you should know

#### Who manages my investments?

Your investments will be managed by Burrell as a professional investment manager with independent research from a team of analysts to monitor and research investment markets. Together they will filter the available information to select the investments that best meet the objectives of the model portfolio as described in the Product Disclosure Statement.

#### Where does an SMA invest your funds?

The Burrell SMA has models that may invest in the following classes of assets:

- Australian shares
- Ethical investments
- Listed property
- International shares
- Fixed income
- Hybrid securities
- Cash

#### Who actually owns the investments?

You (or the trustee of your superannuation fund) are the beneficial owner of the underlying securities/investments. This means that you receive the dividends and any franking credits from the underlying securities that make up your portfolio.

#### How are my returns paid?

Your dividends and other returns will be paid into your account. When your adviser helps you set up your account you can choose to take the dividends as cash or to reinvest them into your portfolio. If you elect to reinvest, additional shares will be purchased on your behalf and added to your portfolio.

# More reasons it matters to you...

## Safe custody.

The safe custody of your investments is essential for your peace of mind. We partner with some of the world's most prestigious and reputable financial institutions to provide the security our clients expect.

## Your portfolio.

You have 'beneficial ownership' of your investments, which means that the underlying shares in your portfolio are held by a regulated trustee on your behalf. This is in contrast to managed funds, where you are issued 'units' in a fund but have no direct link to the underlying shares.

You have access to view your portfolio 24/7. Monitor performance, valuations and much more.

## No inherited liability.

Managed funds pool their assets in a unitised trust and as trades occur in the fund it builds up gains or losses during the year. In such a structure you may be responsible for an "embedded capital gain", which is a tax liability you inherit based on previous trades by the fund manager even if your units have not increased in value.

In the SMA structure the assets are owned by you so you do not inherit any gains from trades that benefited other investors.

## More tax effective.

The Burrell SMA optimises your tax outcomes by allowing you and your adviser to minimise or maximise capital gains, manually select share parcels, switch between methods and use a "what if" tool to assess the CGT impact of any proposed transactions to determine the best outcome for you.

## Lower trading costs.

When investor portfolios are to be updated, all trades in a security are first netted across all investor holdings sharing in that change. A single net trade is then sent to market and brokerage costs are shared across all participating investors. Trades are executed at wholesale rates, giving you extremely low brokerage costs.

## Less paperwork.

Investing directly in the share market is a lot of work. Contract notes, tax paperwork, corporate actions instructions and share price monitoring are just the beginning. With the Burrell SMA all you have to do is select the right model portfolios and we take care of the rest. We even prepare accountant-ready reports for your tax returns.

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