



# Macquarie Consolidator Series – enabling the genius of your advice

Macquarie Wrap

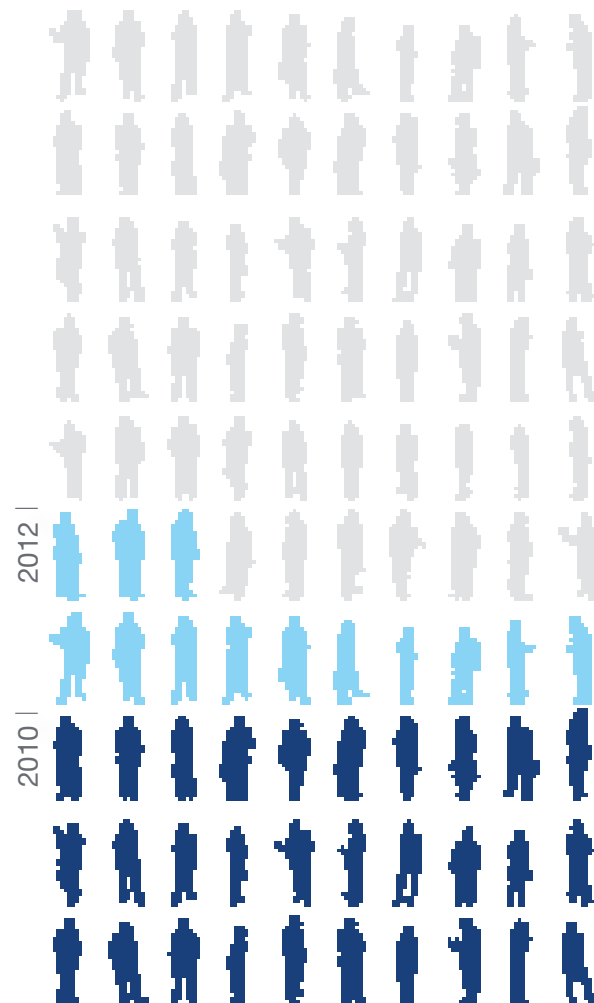




# Introducing Macquarie Wrap Consolidator Series

At Macquarie, we are committed to helping you help your clients – no matter how complex their needs. We also understand the importance for your practice to be able to adapt to changing investor expectations. We strive to deliver responsive investment and administration solutions to help you navigate the future – whatever it holds. That's why we developed the Macquarie Wrap Consolidator Series.





Adviser and client behaviours are shifting; clients are increasingly expecting their advisers to include direct shares and other listed investments in their portfolios and advisers are recalibrating advice models to meet this demand.

Approximately **30 out of every 100** advisers already include listed securities in their advice model and this is expected to increase to **43 out of every 100** advisers during the next three years.<sup>1</sup>

By 2013, listed securities are also expected to represent more than \$3 out of every \$10 of funds under advice for those advisers who include these securities in their advice model.

<sup>1</sup> Investment Trends *Planner Direct Equities Report* June 2010

Our Consolidator Series of Investment, Superannuation and Pension accounts (Consolidator Series) – the latest addition to Macquarie Wrap – is designed to align the interests of you and your client. It offers competitive administration fees levied on the basis of the total value of your client's account, irrespective of the number of holdings within the portfolio.

It is built on Macquarie's proven administration platform technology, service model and broad choice of investments.

Our Consolidator Series includes a range of accounts:

- **Macquarie Investment Consolidator**
- **Macquarie Super Consolidator**
- **Macquarie Pension Consolidator.**

Whatever your client's lifecycle stage, the Macquarie Consolidator Series offers solutions designed to support your practice and your clients.



# Why Consolidator Series?

Macquarie Consolidator has been designed to help deliver value and client choice for your practice

## Competitive administration fees

The challenging market conditions experienced during the past few years has placed the spotlight on the value of advice like never before. Clients are seeking value, not only from their advisers, but from the solutions that advisers deploy behind the scenes to deliver portfolio management and administration. Regulators are also taking a keen interest in fees and charges associated with the provision of advice and administration.

The Consolidator Series responds to these demands for greater value by offering a very competitive fee structure. Administration fees start at 0.49 per cent for Investment Consolidator accounts with balances of up to \$200,000 and are subject to a fee cap with no incremental administration fee payable on balances greater than \$2.5 million. The maximum administration fee payable is capped at around \$3,290 (or \$2,961 if the account forms part of a family group). No additional custody fees apply.

For Super and Pension Consolidator, administration fees start at 0.59 per cent for accounts with balances of \$200,000 or less, with the maximum administration fee payable capped at around \$3,890 (or \$3,501 if the account forms part of a family group). No additional trustee fees apply.

70% of planners said that they prefer to make future direct share investments through platforms.<sup>2</sup>



<sup>2</sup> Investment Trends *Planner Direct Equities Report* June 2010

	Investment Consolidator		Super and Pension Consolidator	
	Administration fee (payable on incremental amounts)	Amount payable at tier maximum	Administration fee (payable on incremental amounts)	Amount payable at tier maximum
\$0-\$200,000	0.49 %	\$980	0.59 %	\$1,180
\$200,001 to \$500,000	0.32 %	\$1,940	0.37 %	\$2,290
\$500,001 to \$1 million	0.12 %	\$2,540	0.17 %	\$3,140
\$1 million to \$2.5 million	0.05 %	\$3,290	0.05 %	\$3,890
Greater than \$2.5 million	Nil	\$3,290 capped	Nil	\$3,890 capped

Please note: all fees are inclusive of GST less RITC; minimum fee of \$58 per month per account applies. For further information on the Consolidator Series fees, please refer to the 'Fees and other costs' section of the Investment Consolidator IDPS Guide or Super and Pension Consolidator Product Disclosure Statement (PDS).

The overall portfolio value pricing structure is designed to complement Macquarie Wrap's existing holding-based pricing structure and to encourage your clients to consolidate more of their managed investment and listed security holdings into their Macquarie Wrap Consolidator Series account.

In addition to the very competitive administration fees, we have abolished transaction fees for automated transactions as well as transfer-in fees. Clients with portfolios of listed securities that are currently held directly or with portfolios currently administered by another wrap account provider can transfer these holdings into their Consolidator account without incurring a transfer-in fee.

Our Consolidator Series also acknowledges the importance of family relationships to an adviser's practice by extending a 10 per cent administration fee discount applicable to all Consolidator Series accounts held within a family group. Please note that the minimum monthly administration fee of \$58 per account is not subject to the relationship discount and applies to all accounts.

## Full service platform

We also recognise that delivering value is not only about price. The Consolidator Series leverages the same proven platform technology, extensive experience in administration of shares and other listed securities, and personal service that underpin Macquarie Wrap's reputation for service excellence. It is these high standards that have made Macquarie Wrap one of the industry's leading wrap platforms by size.<sup>3</sup>

## Meeting changing client needs

There is no 'one size fits all' when it comes to your clients' needs and investments. While your clients are increasingly asking you to include shares and other listed investments in your advice model, managing direct equities can be time-consuming. Being able to accommodate the trend towards portfolios which incorporate a greater proportion of shares and other listed securities requires more than a pricing model that encourages your clients to hold these investments within their wrap accounts; it requires a proven administration solution to enable your practice to manage these investments efficiently. Our Consolidator Series offers both.

Our custodial model means that our nominated custodian<sup>4</sup> manages the paperwork received from share registries on your client's behalf. Macquarie Wrap's online Corporate Actions Calendar makes it easy for you to manage your client's corporate action elections. We can save you time when it comes to administering direct equities through comprehensive reporting and corporate actions management.

Our Consolidator Series also facilitates the transfer of your clients' direct holdings of shares and other listed securities, extending the benefits of consolidated portfolio and tax reporting offered through Macquarie Wrap to a greater proportion of your clients' investments.

<sup>3</sup> Plan for Life *Analysis of Platform and Wrap Managed Fund Market Wraps – Administrator View* September 2010

<sup>4</sup> Bond Street Custodians Limited (BSCL) has been appointed by Macquarie Investment Management Limited (MIML) as sub custodian to hold investments managed through Macquarie Wrap in custody on behalf of investors. BSCL is also a wholly owned subsidiary of the Macquarie Group.

## The centre of your investment portfolio

The central cash accounts featured in our Consolidator Series leverage the proven functionality that has made Macquarie a leader in providing cash management solutions that support investment administration.

### **Macquarie Consolidator Cash Account (IDPS)**

The Macquarie Consolidator Cash Account (Cash Account) is offered as the cash hub of the Macquarie Investment Consolidator. This is a variable rate deposit account provided by Macquarie Bank Limited.<sup>5</sup>

The Consolidator Cash Account offers an efficient way to manage cash flows associated with your client's portfolio of investments, based on an extensive range of features and backed by our commitment to excellent service.

### **Macquarie Consolidator Cash Hub (Super and Pension Consolidator)**

The Macquarie Consolidator Cash Hub is the central cash account for all the regular transactions into and out of your clients' Super Consolidator or Pension Consolidator accounts. It is a variable rate wholesale deposit with Macquarie Bank Limited.<sup>5</sup>

Please note that the interest rate payable on the Consolidator Cash Account and Consolidator Cash Hub will generally be lower than that of the prevailing Macquarie Cash Management Account interest rate. Please see the relevant PDS for further information.

40% of planners hold back from greater direct equity use as it's too much work monitoring individual stocks.<sup>6</sup>

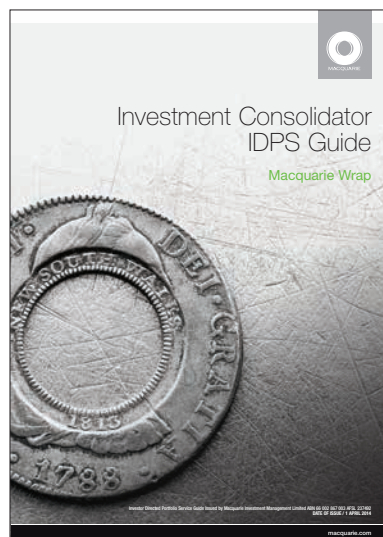


<sup>5</sup> Macquarie Bank Limited (MBL), ABN 46 008 583 542 AFSL 237 502

<sup>6</sup> Investment Trends *Planner Direct Equities Report* June 2010



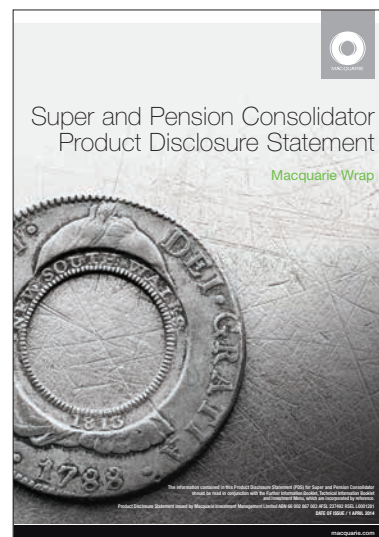
# Our Consolidator series



## For discretionary and SMSF investments

Macquarie Wrap Investment Consolidator builds on Macquarie Wrap's proven investment and administration solution, designed for the needs of sophisticated investors and self managed super funds (SMSFs). Choose from approximately 600 managed investments, all CHESS-settled ASX listed securities, term deposits, and a choice of margin lenders. The Consolidator Cash Account is the cash management account for Investment Consolidator, leveraging our existing market leading cash hub functionality.

For SMSFs, Macquarie Wrap Investment Consolidator allows you to easily build and manage a diversified portfolio from one central point, which can make it a cost effective way for trustees to manage their obligations.



## For superannuation and pension investments

Macquarie Wrap Super and Pension Consolidator provide a choice of approximately 600 managed investments, all CHESS-settled ASX listed securities and term deposits.

Your clients can transition easily from Super Consolidator to Pension Consolidator when the time comes and, if you recommend a Transition to Retirement strategy, you can use Macquarie Wrap's Pension Update facility to more easily consolidate superannuation contributions accumulated whilst transitioning to their pension account.

# Consolidator Series – key features and benefits

Key features	Investment	Super and Pension	Key benefits to your practice	
			Value	Meeting client expectations
Portfolio based pricing model	✗	✗	✗	✗
No incremental administration fee payable once account balance reaches \$2.5 million	✗	✗	✗	✗
Central cash account for all cash inflows and outflows associated with your investments	✗	✗		✗
Automatic cash management tools	✗	✗	✗	✗
Award winning adviser and client service	✗	✗	✗	✗
Macquarie Wrap Model Portfolios	✗	✗	✗	✗
Online corporate action elections	✗	✗		✗
Security specific tax elections	✗			✗
Individual member based tax calculations	✗	✗		✗
Online elections for Term Deposit maturities	✗	✗	✗	✗
Pension Update functionality (SIS <sup>7</sup> compliant solution that allows your clients to commute an existing pension and start a new pension, while retaining the same account details and transaction history)		✗	✗	✗
Third party access (specifically designed to enable brokers, accountants and SMSF administrators to access information to support efficient administration of accounts)	✗	✗		✗

<sup>7</sup> Superannuation Industry (Supervision) Act 1993

## Consolidator Series and Macquarie Wrap Model Portfolios

Macquarie Wrap Model Portfolios offers even greater efficiencies in the administration of Consolidator Series accounts. Launched in November 2010, Macquarie Wrap Model Portfolios provides administration benefits associated with a model investment portfolio, while also enabling the flexibility and choice to customise the model investments according to each client's circumstances. Specific model investments can be included or excluded or can be quarantined from rebalances, offering individual client solutions to the efficient administration of accounts associated with model portfolios.

The Consolidator Series administration fee structure is complementary to model portfolios comprising a broad range of individual holdings – whether these are listed securities or managed investments – as no matter how many securities are included in the model, administration fees are based on the overall portfolio value. In addition, any transactions initiated through Macquarie Wrap Model Portfolios involving an investment already held within the client's account do not incur any transaction fees<sup>8</sup> – offering your clients even greater value.

## Next steps

Further information about the Consolidator Series, including detailed information regarding operation of clients' portfolios and the features described in this document, is available in the Product Disclosure Statement and 'Further information' booklets.

Contact a Macquarie Adviser Services Business Development Manager to learn more about how the Macquarie Consolidator Series can help streamline practice efficiency, while still delivering the choice and flexibility your clients expect.

<sup>8</sup> Note that brokerage fees will still apply

# Why Macquarie Wrap?

## Proven service delivery model

While many claim to offer market leading service, Macquarie Wrap is unique in the track record it has demonstrated during the past few years.

Macquarie Wrap is the only platform to have consistently ranked in the 'top two' for overall service from 2007 to 2010<sup>9</sup>. We have carried forward the same commitment to excellent client service to the Macquarie Consolidator Series.

## Respecting your client relationships

We only send communications directly to your clients where we are under an obligation to do so. Our approach is built around collaboration with advisers to help you help your clients to achieve their financial goals.

## Delivering the next generation of administration and investment solutions

We are committed to working with you to deliver the next generation of administration and investment solutions. Solutions that enable you to meet your clients' expectations. Solutions that will help you demonstrate the value of your advice to your clients. Solutions that will deliver even greater efficiencies to your practice. After all, our business is about supporting your business.

## A wide range of investment options

Macquarie Wrap's extensive investment menu includes approximately 600 managed investments, term deposits and all shares, exchange traded funds (ETFs), listed investment companies (LICs) and real estate investment trusts (REITs) listed on the ASX and settled through CHESS. You may also transfer your clients' existing holdings in these investments into their account.

For super and pension accounts, while the investment menu also offers similar breadth of choice, Macquarie Investment Management Limited as the trustee of the superannuation fund is responsible for setting the fund's broad investment strategy. Trustee limits designed to limit the exposure to specific investments form part of this investment strategy and may apply to some investments.

## Choice of broker

Macquarie Wrap offers you and your clients their choice of stockbroker when buying or selling listed securities. Online orders are executed through Macquarie Equities Limited<sup>10</sup>, or you can trade off-line through your client's preferred broker.

<sup>9</sup> Wealth Insights *Platform Service Level Report* 2007, 2008, 2009, 2010

<sup>10</sup> Macquarie Equities Limited ABN 41 002 574 923 ('MEL') participant of Australian Securities Exchange Group, AFSL. 237504

## No entry or exit fees

At Macquarie, we recognise that your clients should not be penalised when their needs change. That's why we do not charge entry fees or exit fees when clients open or close a Macquarie Wrap account.<sup>11</sup>

## Commuting and commencing pensions made easy

Pension Update allows your clients to commute an existing pension and start a new pension, while retaining the same account details and transaction history. Pension Update is also beneficial for clients who are drawing on a pension while contributing to superannuation. This means account details, transaction and performance history are retained, a new Pension Manager Application Form is not required and commuting and starting a new pension is easy, saving you and your staff time.

## Model Portfolios

Macquarie Wrap Model Portfolios was launched in November 2010 as proof of our commitment to offer advisers value-added solutions that enhance practice efficiency. Macquarie Wrap Model Portfolios provides efficient investment allocation, but not at the expense of choice and customisation according to each client's needs.

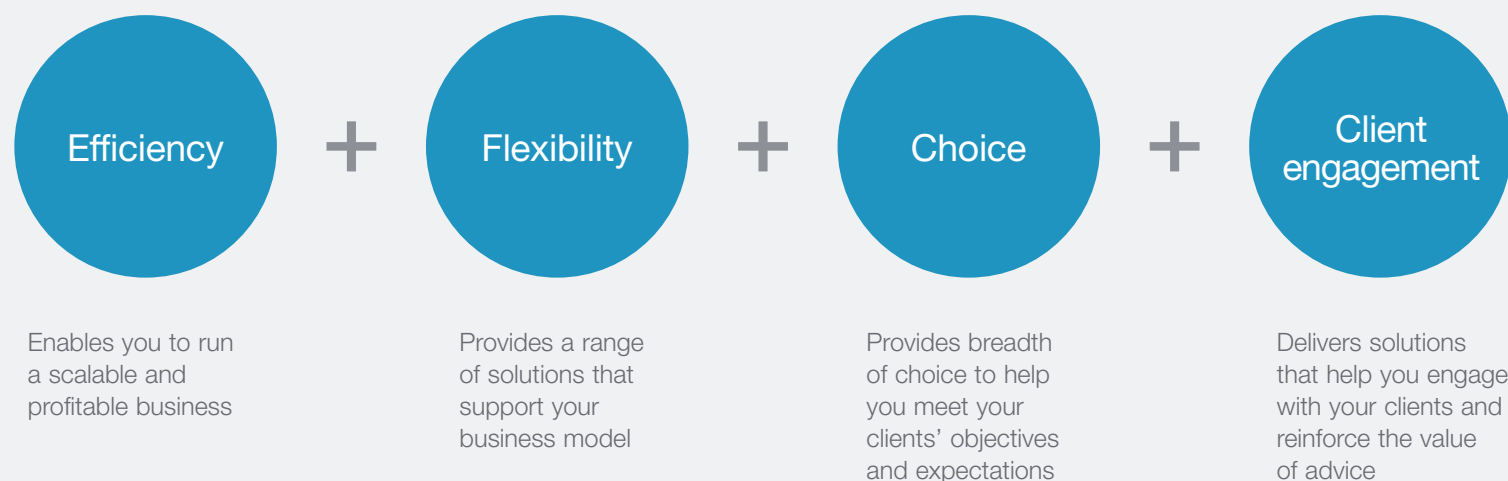
Macquarie Wrap Model Portfolios enable dealer groups, dealers and/or advisers to establish models, link and de-link clients to models in bulk, client level rebalancing and the ability to exclude specific model investments from client rebalances – combining efficiency, choice, flexibility and precision in the administration of client portfolios.

<sup>11</sup> At their discretion, Investment Managers may apply entry or exit fees when applying for, or redeeming specific investment options



# Macquarie Wrap – a proven administration solution

Since its inception in 1999, Macquarie Wrap has been at the forefront of offering solutions to help advisers help their clients by streamlining the administration of investment portfolios.



1999 Macquarie Wrap launched

2002 Wrap achieves \$5B FUA

2003 Awarded Leading Distributor of the Year<sup>1</sup>

2003 Awarded Best Master Trust / Wrap Provider<sup>2</sup>

2004 Awarded Best Master Trust / Wrap Provider<sup>3</sup>

2005 Wrap achieves \$15B FUA

# Macquarie Wrap's suite of solutions



2006 Wrap achieves \$20B FUA

2007 Awarded Platform of the Year<sup>4</sup>

2008 Awarded Best SMSF Platform<sup>5</sup>

2009 Awarded Platform of the Year<sup>6</sup>

2010 The only platform to achieve 'top 2' rating - 4 years running<sup>7</sup>

2010 Macquarie Wrap Model Portfolio Launched

2011 Macquarie Wrap Consolidator series launched

To learn more about Macquarie Wrap and the Consolidator Series, please talk to your Macquarie Business Development Manager or call 1800 025 063.

<sup>1</sup> Global Funds News May 2003

<sup>2</sup> Assirt/Wealth Insights Service Level Awards 2003

<sup>3</sup> Assirt Research Service Level Awards 2004

<sup>4</sup> Assirt/Wealth Insights Service Level Awards 2007

<sup>5</sup> Asset Magazine Asset Innovation Awards 2008

<sup>6</sup> Core Data Platform Research Report 2009

<sup>7</sup> Assirt/Wealth Insights Service Level Awards 2007, 2008, 2009, 2010

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