

Understanding investor directed portfolio service



Client Fact Sheet

July 2012

Investor Directed Portfolio Services (IDPS) are custodial, transactional and consolidated reporting services, which are often referred to as master funds, master trusts or wrap services.

An IDPS allows you to manage and retain control of your investment portfolio, plus have access to a range of different investments through one service provider, with the advantage of consolidated tax, transaction and performance reporting. Wrap services may also allow you to include other assets in your reports (like direct shares and superannuation) even though you have not purchased them through the service.

When all investments are made via an IDPS, since the IDPS consolidates all the information from the providers of the underlying investments and prepares a regular report for the investor.

How does it work?

A wrap service may be set up to include existing investments, to start a new investment portfolio, or to include a combination of existing and new investments. Depending on the product's deed or governing requirements, the investor's existing shares may also be transferred. A master fund or master trust is generally set up for new investments.

When you invest via an IDPS, a personal account will be established for you, which incorporates:

- any existing investments that you wish to transfer to the IDPS (wrap service only);
- new investment options you have selected from the range available within the IDPS, and
- your cash which is retained in the working IDPS cash account.

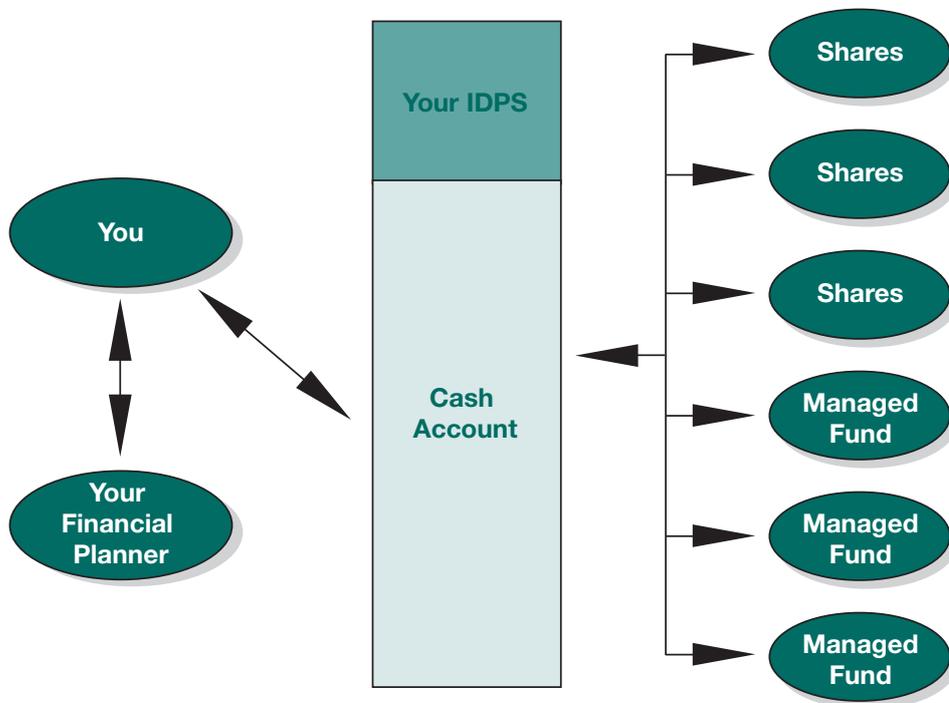
Generally the cash account handles the flows of money such as:

- distributions of income and capital gains from your managed funds
- dividends from your shares
- proceeds from the sale of investments
- purchases of new investments
- payment of any ongoing fees and
- any withdrawals you may make.

A percentage of your account as specified by the IDPS provider will always be retained as cash to ensure you can always pay fees as they fall due.

The flexibility of an IDPS varies from one product to another but some of the advantages include:

- access to a variety of fund managers and managed funds
- access to cost efficient wholesale funds which are only available because of the large pooled investment in an IDPS which an individual would not easily be able to access
- ease of switching between asset classes and fund managers when your financial needs and goals change
- consolidated reporting (including taxation) from a diversified portfolio
- generally up-to-date portfolio valuations and asset allocations when required
- a flexible structure that enables you to make regular contributions and also include borrowed money to fund your investment purchases
- additional features such as life insurance may be available.



Generally, you and your adviser can manage all your investments in a consolidated portfolio. An IDPS may therefore be suitable for investors looking for a convenient and effective way to manage a wide range of investments.

Need more information?

If there's anything else you need to know, please call your financial adviser, or our dedicated Customer Service team on 13 11 55 and ask for 'Super' between 8am and 6pm (Eastern Standard Time) Monday to Friday. We'll be happy to help.

Important note

This information is current as at July 2012 but may be subject to change.

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