



## Introducing the T. Rowe Price Australian Equity Model Portfolio (SMA)

Australian investors love to own shares in Australian companies. But if you're a financial adviser who manages and administers a significant amount of direct Australian equities for your clients, it can be time-consuming, as well as increase potential compliance risks to your business with all of the settlements, corporate actions, and Statements of Advice.

So is there another way you can deliver this service while freeing up valuable time to focus on other client needs and growing your business?

The T. Rowe Price Australian Equity Model Portfolio (SMA) is designed to help you deliver your clients a professionally managed portfolio of high-quality Australian equities, with all the benefits of direct share ownership, but without the administrative and compliance burdens of managing direct shares.

## Why it makes sense



### LESS ADMINISTRATION AND RISK

Remove the administrative burden of managing direct share portfolios for many clients. With an SMA, you won't need to monitor stocks or prepare a Statement of Advice when holdings change in the portfolio.



### PROFESSIONAL MANAGEMENT

Having a highly-experienced investment team manage the portfolio can lead to better investment outcomes for your clients and lower compliance risk for your business.



### MORE TIME

Without having to administer and manage direct share portfolios, you'll have more time and energy to focus on servicing your clients and scaling your business.

# Key client benefits of the T. Rowe Price Australian Equity SMA

Business benefits for you and significant benefits for your clients.



## Investment Expertise

Randal Jenneke, Portfolio Manager and Head of Australian Equities, leads a team of thirteen investment professionals who have significant experience and a track record of delivering returns for investors. They actively monitor markets, allocate assets, rebalance as needed, and explore long-term investment opportunities—so you don't have to.



## Global Research Platform

Collaboration with the T. Rowe Price global research platform of 220<sup>1</sup> equity investment professionals, provides insights and information to create a complete picture of Australian companies.



## Transparency


Your clients can see the individual securities held within their SMA portfolio through consolidated reports and statements.



## Potential Tax Efficiencies

Your clients are the beneficial owners of the underlying shares; dividends and franking credits are paid to each individual account.

## The T. Rowe Price Australian Equity SMA at a glance

Australian Equity SMA (Model Portfolio)	
<b>Investment Approach</b>	The aim of the portfolio is to deliver investors long term capital growth.
<b>Investment Strategy</b>	The portfolio is an active, concentrated Australian equity strategy which aims to maintain low turnover. The portfolio focuses on fundamental research, which is built from the bottom-up. We aim to own high quality companies with positive structural industry dynamics, strong competitive positions and which can sustainably grow at attractive rates of return.
<b>Suggested Timeframe</b>	Minimum of 5 years
<b>Benchmark</b>	S&P/ASX 200 Total Return Index
<b>Indicative Number of Securities</b>	25-30
<b>Investment Team</b>	Randal Jenneke, Head of Australian Equities, manages the portfolio and leads a highly experienced team of nine investment professionals.
<b>Lonsec Research Rating<sup>2</sup></b>	





## Key differences: SMAs, managed funds, direct equities

Feature	Separately Managed Accounts	Managed Funds	Direct Equities	Your Business Benefit When Using SMAs
<b>Beneficial Ownership</b>	A separate account is set up for each client who is the beneficial owner of the underlying securities.	Clients hold units in a pooled fund.	Your client is the beneficial owner of each security they hold.	A neat all-in-one professionally managed Australian Equities investment solution which reduces the time-consuming management of direct equities while decreasing the potential compliance risks.
<b>Transparency</b>	Clients can see the individual securities that are held within an SMA portfolio at any time.	Clients can generally view underlying investments on a quarterly basis.	Clients can see the individual securities they hold at any time.	A clear view of your client's portfolio holdings and transactions for better-equipped and transparent client conversations.
<b>Professional Management</b>	The model portfolio is managed by experienced investment professionals, including all corporate actions.	Like SMAs, experienced investment professionals manage the fund.	You are responsible for managing these investments, including all corporate actions.	Utilising an experienced local investment team and one of the world's largest investment research platforms to select high-quality Australian companies across sectors and industries.
<b>Taxation</b>	Each client will have an individual cost base for their listed securities, so there are no tax consequences as a result of transactions from other investors.	Capital gains tax liabilities are shared across all investors.	Capital gains tax is only applicable when the client sells direct ownership of the stock.	Clear and regular reporting of taxation liabilities to manage your client's taxation effectively without needing to worry about other investors.
<b>Fees</b>	Ongoing fees apply such as management, administration, and brokerage fees.	Ongoing fees may apply such as the management, administration, and performance fees.	Only brokerage costs apply.	A cost-effective solution with no hidden fees or additional transaction costs to explain to your clients.



<sup>1</sup> 11 sector portfolio managers, 115 research analysts, 61 associate research analysts, 10 quantitative analysts, and 24 specialty analysts as of 30 June 2021.

<sup>2</sup> The rating issued for T. Rowe Price Australian Equity SMA (**assigned September 2021**) are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2021 Lonsec. All rights reserved.

Unless otherwise stated, all information is as at 30 June 2021.

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