

Managed Discretionary Accounts (MDA)

What is an MDA?

An MDA is a facility where a client can make contributions, and the client's portfolio assets are managed on an individual basis by an MDA provider, at the MDA provider's discretion (subject to any limitation agreed with the client). Xplore Wealth, as the MDA provider, can appoint third party Investment Managers to research, manage and execute Investment Options on behalf of the client.

Why an MDA?

The MDA provider gives the Investment Manager the authority to manage a client's investments in accordance with pre-determined investment objectives and agreed Investment guidelines (referred to as Investment Options) without obtaining instructions for each transaction.

Which assets are available?

Through the Xplore Wealth MDA service advisers can access a broad range of asset types including listed domestic and international equities, domestic managed funds and domestic fixed interest, listed and unlisted Bonds, Term Deposits and ETFs.

What are the benefits for the investor?

While the benefits of the MDA will vary from client to client, generally the client benefits from access to:

- the Investment Manager's expertise in investment selection,
- the Investment Manager's ability to respond quickly to market developments (in line with the agreed Investment Program) without referring to the client,
- less onerous investment process through reduced documentation and administrative interaction,

- Beneficial ownership of securities within their portfolio, and
- Fairer allocation of personal tax consequences as a result of investing compared to a unitised investment, and
- Access to detailed online reporting and year-end tax reporting.

This enhances the client experience and enables the adviser to develop a deeper understanding of their client's situation, investment goals and objectives.

What are the benefits for the adviser?

- The MDA can enable the advisory practice to realise increased efficiencies and scalability.
- Reduced administrative effort for advisers and administration staff, freeing up time to focus on developing deeper client relationships and delivering strategic advice.
- A regulatory compliant investment framework that enables the investment manager to execute investment changes across multiple model portfolios and investors in a timely manner.

Is advice required?

An adviser must give retail clients personal advice and an Investment Program that outlines whether the Managed Account Contract and the Investment Option are suitable for the client considering their personal objectives, needs and circumstances at least once every 13 months. It must set out the basis for the advice and warnings outlined by ASIC¹.

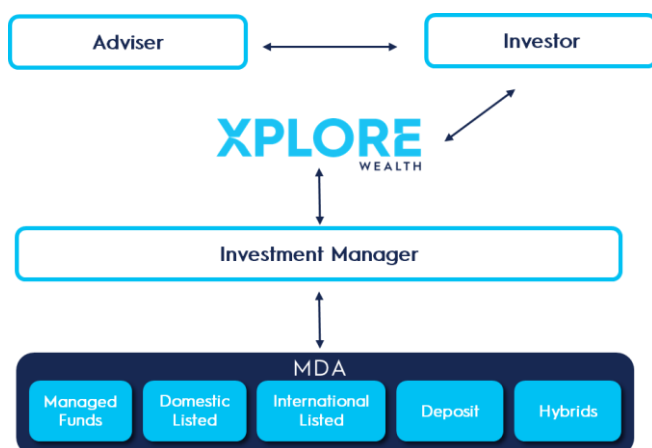
¹ ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968

Which parties are involved?

- **MDA provider** (Xplore Wealth, via its wholly owned subsidiary Investment Administration Services Pty Ltd ABN 86 109 199 108 AFS Licence 284316) -trades in financial products and operates an incidental custodian service (with a globally recognised sub-custodian appointed to hold client assets).
- **External MDA adviser** - provides personal advice on MDAs to investors
- **Investment Manager** - implements and manages each Investment Option

What documentation is required?

MDA Provider	<ul style="list-style-type: none"> ▪ Financial Services Guide (FSG) ▪ MDA Contract ▪ Investment Options Document
Adviser	<ul style="list-style-type: none"> ▪ Financial Services Guide (FSG) ▪ Statement of Advice (SOA) containing the Investment Program



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About Xplore Wealth

Xplore Wealth is one of Australia's longest serving independent Specialist Platform Providers (SPP) and investment administrators, with extensive expertise in managed accounts. Xplore Wealth's distinctive Investment Platform, broad Managed Account offer, and Superannuation Services supports some of Australia's leading financial advisory firms, full service stockbrokers and wealth managers.

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