FACT SHEET

AZ SESTANTE
AZIMUT GROUP

UNDERSTANDING YOUR MANAGED ACCOUNT

WHAT IS A MANAGED ACCOUNT?

A managed account is a professionally managed model portfolio of investments. It provides investors many of the benefits of direct ownership, while having the advantages of a professional investment manager to actively review and rebalance the portfolio based on the strategy and investment decisions of the chosen portfolio manager.

A managed account may comprise of direct equities, exchange-traded funds (ETFs) and managed funds, generally combined in a diversified portfolio.

Two ways to access managed accounts are MDAs and SMAs.

AN MDA SERVICE

A Managed Discretionary Account (MDA) service allows you to own a model portfolio with a pre-determined investment objective through your adviser. With an MDA service agreement, your adviser does not need to obtain instructions from you for each transactional change provided that they keep within the investment objectives in the service agreement, which allows you to save time as you are delegating the management of your portfolio to your adviser.

The initial MDA contract is designed and set by you and your adviser together. Your adviser then has the authority to manage your funds as agreed in the MDA service agreement, while keeping you regularly updated and informed of your investment portfolio.

AN SMA PRODUCT

A Separately Managed Account (SMA) is a portfolio or model that is offered as a product with a product disclosure statement (PDS). The unique structure of an SMA provides more flexibility to customise portfolios tailored to investors' specific goals and objectives.

Under both an MDA and SMA, the discretion to make changes to a portfolio resides with the investment professional not the investor.

An MDA service is managed by your adviser in conjunction with an investment professional. An SMA product is managed solely by a professional portfolio manager.

5 BENEFITS OF YOUR MANAGED ACCOUNT

1. THE ABILITY TO BE RESPONSIVE TO MARKET CHANGES.

Managed accounts offer the advantage of dynamic asset allocation, allowing investment managers to move in and out of asset classes quickly to take advantage of emerging opportunities and manage risk. AZ Sestante uses the Black-Litterman Model in conjunction with fundamental research to provide timely asset allocation decisions.

2. PROFESSIONAL INVESTMENT MANAGERS MANAGING YOUR PORTFOLIO.

Each managed account product is managed and monitored by professional investment managers who are dedicated to achieving the investment objectives. AZ Sestante's investment team has access to a wide selection of investments through the local as well as international reach of our portfolio managers and research team.

3. TRANSPARENCY OF WHERE YOUR FUNDS ARE INVESTED.

You have direct access to the platform to check your balance and asset allocation at any time that suits you without needing to ask your adviser. In changing markets, you can track the performance of individual holdings.

4. THE INVESTOR MAINTAINS OWNERSHIP.

As the investor, you retain ownership of the underlying assets in the managed account which allows for tax efficiency where relevant.

5. COST EFFICIENCY.

Your investment manager takes advantage of aggregate purchasing power to ensure you are invested in the most cost efficient way.

SIMPLE COMPARISON

	Managed Account	Discretionary Model
Access to professional investment management and risk management	✓	✓
More responsive investment decision through dynamic asset allocation	✓	✓
Transparency to track your portfolios	✓	Sometimes
More quality time for you to discuss overall life goals with your adviser with the time saved from investment paperwork	✓	✗
Receive timely updates on any changes made to your portfolio. You and your adviser see any changes at the same time	✓	✗
Access to fee rebates for cost efficiency	✓	✗
Better overall experience discussing investments with your adviser	✓	✗
Your conversation is about what has been done in the portfolio rather than what is going to be done	✓	✗
More efficient governance and compliance models	✓	Sometimes

TO FIND OUT MORE, SPEAK TO YOUR ADVISER OR VISIT AZSESTANTE.COM

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AZS102 06/25