

# Macquarie's Wrap evolution

## Frequently asked questions

23 NOVEMBER 2019

At Macquarie, we're investing in a multi-year wealth platform evolution. As part of our evolution, we've launched two simpler, more powerful ways to help you manage your clients' money:

- A new Wrap investment menu option for clients with less complex needs.
- New pricing across our new Wrap suite: Macquarie Consolidator II and Macquarie Manager II.

We've pulled together some frequently asked questions about this next phase of our platform evolution.

### What are the changes?

We've launched new pricing across our new Wrap suite: Macquarie Consolidator II and Macquarie Manager II. We've also launched a new Wrap investment menu option for clients with less complex needs. Macquarie Consolidator II has two investment menus: Macquarie Consolidator II – Engage, for clients with less complex portfolios, and Macquarie Consolidator II – Elevate, for clients with evolving complexity and diversification needs.

You can learn more about the changes, and the features of each product on our Macquarie Wrap Evolution website, [www.macquarie.com/evolution](http://www.macquarie.com/evolution).

### Why has Macquarie made these changes?

Macquarie is investing in a multi-year wealth platform evolution – to refresh our adviser and client user experience and build a future-proof wealth platform designed to enable innovation and create exceptional experiences.

We've been talking to advisers as part of our adviser-led development program, taking guidance on what's important to you and your teams.

We launched the first part of our evolution – the client portal and mobile app – last year. Now we've launched the next phase of our evolution. Over the next 12 months you'll be seeing more examples of how our refreshed platform will come to life for you and your clients.

### When did the new products launch?

Macquarie Consolidator II and Macquarie Manager II launched on 23 November 2019. New offer documents are now available, on the Macquarie website.

### How can advisers access the new offer documents?

The new offer documents are available on our adviser portal, Adviser Online, on the Macquarie website, [macquarie.com](http://macquarie.com), and on our Evolution web page, [www.macquarie.com/evolution](http://www.macquarie.com/evolution).

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## Why does Macquarie Consolidator II have two investment menus?

**Macquarie Consolidator II** has two investment menus to provide choices to meet the evolving needs of your clients throughout their wealth journey.

**Macquarie Consolidator II – Engage** may suit clients at the beginning of their investment journey. It offers clients with less complex portfolios access to a limited menu of cash, term deposits, insurance and investment portfolios in a separately managed account (SMA). It has a flat annual account keeping fee.

**Macquarie Consolidator II – Elevate** offers a more comprehensive menu of cash, insurance and a full suite of investment options, and may be suitable for clients with evolving complexity and diversification needs. It features tiered, portfolio-based pricing with fee aggregation.

You can learn more on our Macquarie Wrap Evolution website, [www.macquarie.com/evolution](http://www.macquarie.com/evolution).

## Are Macquarie Consolidator II – Engage and Macquarie Consolidator II – Elevate in the same offer document?

Yes. Macquarie Consolidator II – Engage and Macquarie Consolidator II – Elevate are separate investment menu options within the Macquarie Consolidator II product. They have separate administration fee structures due to the difference in investment options available, but they are both part of the same offer document.

## What type of client is Macquarie Consolidator II – Engage suited to?

Macquarie Consolidator II – Engage may be suitable for a range of clients including those with less complex investment needs, those seeking a cost-effective solution, and those with lower account balances. Advisers should always take into account the client's objectives, financial situation or needs before deciding whether this product is right for them.

## What is currently on the Macquarie Consolidator II – Engage investment menu?

There are three risk profile-based Macquarie Investment Management Index SMAs referred to as Macquarie Access Multi Asset Portfolios. There are also three risk profile-based Macquarie Investment Management Active SMAs referred to as Macquarie Evolve Multi Asset Portfolios.

## Why have we chosen Macquarie Investment Management as the Investment Manager for the SMAs on Macquarie Consolidator II – Engage?

Macquarie Investment Management has a long track record managing asset allocation for a range of investments globally. The SMAs on the Macquarie Consolidator II investment menu leverage Macquarie's global asset allocation teams. Macquarie has also brought the True Index range of funds to the retail market via these SMAs. Macquarie's True Index funds manage over \$6 billion in wholesale investments today. Using the True Index funds, clients are able to achieve index returns without an MER/ICR, making these currently one of the lowest cost-to-client diversified offerings in the market today.

## What is currently on the Macquarie Consolidator II – Elevate and Macquarie Manager II investment menus?

The Macquarie Consolidator II – Elevate and Macquarie Manager II menus include a full suite of both non-Macquarie and Macquarie investment options, including access to over 160 SMA models from over 45 investment managers, access to over 600 managed funds and more.

## What is the difference between the Macquarie Consolidator II – Engage investment menu option and Macquarie Accumulator?

Macquarie Consolidator II – Engage and Macquarie Accumulator are different products with different fees and investment options. Macquarie Accumulator's fees and range of investment options are not changing. Advisers should always take into account the client's objectives, financial situation or needs before deciding whether this product is right for them.

## Can a client move between Macquarie Consolidator II – Engage and Macquarie Consolidator II – Elevate without needing a new Statement of Advice (SOA)?

Advisers should always do their own due diligence before deciding whether a client requires a new SOA. Macquarie Consolidator II – Engage and Macquarie Consolidator II – Elevate are part of the same offer document, and clients can switch between Macquarie Consolidator II – Engage and Macquarie Consolidator II – Elevate easily, without needing to open a new account, if they continue to hold the same investments.



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## If I want to move a client, what happens to the assets they currently hold that are not available on the Macquarie Consolidator II – Engage menu?

Assets not available on the Macquarie Consolidator II – Engage investment menu will need to be sold down prior to initiating the switch from the existing product. Subject to all relevant assets being sold down, the switch request must be received at least three business days before the end of the month for it to be effected on the first day of the following month. Any assets that are sold must have settled before the switch request is effected.

## Are there any capital gains implications with moving from Macquarie Consolidator II – Engage to Macquarie Consolidator II – Elevate?

When a client moves from Macquarie Consolidator II – Engage to Macquarie Consolidator II – Elevate, their investments move with them without any capital gains tax implications, if they continue to hold the same investments.

## Does stamp duty or capital gains tax apply when an account is converted from Macquarie Manager to Macquarie Manager II or Macquarie Consolidator to Macquarie Consolidator II?

No. There is no change in ownership switching an account from old to new, i.e. the investments are not being realised for the calculation of capital gains.

## If a client has Macquarie Pension Manager and moves to Macquarie Pension Manager II – is this considered as a new pension for Centrelink purposes?

Pensions will not be commuted. This means there will be no deeming impact, no transfer balance cap issues and no pension payment changes.

## Where do advisers access the new investment menus?

Investment menus will be maintained in the same place as the current investment menus on our Adviser portal, and our public-facing website.

## What do advisers need to do in response to the launch of the new products?

Advisers will need to assess what is in the best interests of their clients as it relates to the new products. We've developed a range of tools to help advisers do this. Request a call via [www.macquarie.com/evolution](http://www.macquarie.com/evolution) to talk to us about the tools we can share with you.

## Do advisers or support staff need to re-register to access the product?

Any advisers or support staff currently registered to use Macquarie Wrap do not need to re-register. If you'd like to register to use Macquarie Wrap, request a call via [www.macquarie.com/evolution](http://www.macquarie.com/evolution) and we'll get in touch to help you register.

## Does Macquarie still offer the previous Macquarie Manager and Macquarie Consolidator product suites?

Macquarie Manager and Macquarie Consolidator are closed to new accounts only. Existing account holders can retain their accounts.

## Do all clients need to be switched over to the new products?

No. Existing clients with Macquarie Manager and Macquarie Consolidator accounts can continue operating as they always have done. Clients are able to switch to Macquarie Consolidator II or Macquarie Manager II if their adviser determines that the new product is a better fit for their clients' needs, financial goals and objectives.

## Is there a bulk transfer process to move all clients to the new products that advisers can access?

No, as client authority is required, accounts will need to be authorised to be transitioned one at a time on an advice basis. We have an online conversion tool to assist advisers with this process.

## How many accounts can be linked to an account group in Macquarie Consolidator II – Elevate for fee aggregation?

For the fee aggregation functionality relating to Macquarie Consolidator II – Elevate, no more than eight accounts from a household can be grouped using the online grouping tool.

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## What is the impact of grouping on the client's administration fees?

In Macquarie Consolidator II, fee aggregation enables grouped accounts to be treated as one for the tiered administration fees. The account keeping fee will apply individually to all accounts in the group. This functionality also enables fee aggregation for adviser service fees.

## Do clients get the administration fee benefits of grouping if they have one Macquarie Consolidator II account grouped with other Macquarie Manager II or Macquarie Accumulator accounts?

No, the client will not get the fee benefit. Accounts can still be grouped across these products, and advisers will achieve benefits in reporting.

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## Can we help further?

Request a call via [www.macquarie.com/evolution](http://www.macquarie.com/evolution) and one of our specialist phone-based support team will contact you to answer your questions directly.

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### Important information

The information in this document is current as at 23 November 2019.

The Macquarie Wrap Consolidator II and Macquarie Wrap Manager II products referred to in this information are issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 (MIML). The relevant Product Disclosure Statement is available on the Macquarie Wrap website and each investor should consider the Product Disclosure Statement in deciding whether to acquire, or continue to hold the relevant Macquarie Wrap Consolidator II and Macquarie Wrap Manager II products.

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