

## Separately Managed Accounts Adviser User Guide 2

### Account Operation

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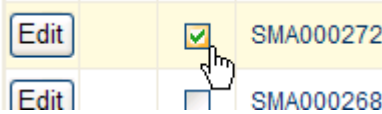


### Before you begin:

- Ensure that you have read the Product Disclosure Statement [PDS]
- Ensure that you have registered and have a User ID and Password. If not, call the Adviser Services Centre on 1300 366 101
- Download internet security setting instructions from the System website:  
[www.praemium.biz/Download/Windows\\_XP\\_SP2.pdf](http://www.praemium.biz/Download/Windows_XP_SP2.pdf)

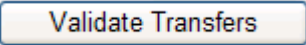
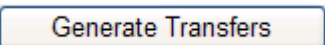
## 1. Transferring assets into the SMA

Existing holdings of CHESS eligible Australian equities may be transferred into your client's Account. Unless otherwise instructed, equities transferred into the Service will be sold if they do not form part of a selected Model Portfolio.

**Note:** See the 'How to Invest' section of the Product Disclosure Statement [PDS] for more information about investing assets in the Service.

Step	Action
1	<p>On the <b>Portfolio List [Main]</b> screen, select the client account (portfolio) whose assets are to be invested by putting a tick in the tickbox.</p>  <p><b>Note:</b> click  from anywhere to reach the Portfolio List screen.</p>
2	<p>From the SMA menu, select <b>Contributions</b> then <b>Transfer Assets into the SMA</b>.</p>  <p><i>The Transfer Assets into the SMA screen appears.</i></p> <p>The Transferor's Name field will pre-fill with the CHESS Registered Name that was entered when the client account was set up</p>
3	<p>Examine the Holding Statements for the shares you will be transferring in and take the following action:</p> <p>If the name on the holding statements is different to the name in the <b>Transferor's Name</b> field, override the pre-filled name with that on the statement.</p> <p>If there is more than one variation of the name on the holding statements (for example a husband and wife transferring into a joint account) you will need to enter this screen once per name.</p> <p>If the shares are sponsored by more than one broker, you will also need to enter this screen once per sponsor.</p>
4	<p>Select the <b>Sponsoring Participant</b>, either Issuer Sponsored, or the specific sponsor as appropriate.</p> <p>If the client has an existing PAS account that holds the tax lot history for the shares you'll be transferring in, select that account from the <b>Portfolio to Transfer Stock From</b> dropdown list.</p> <p><b>Note:</b> Only those accounts with the same investment account type will appear in the dropdown list.</p> <p>You can transfer in the tax lot history on fewer but NOT more shares than the amount held by the PAS account. If you wish to transfer-in other holdings, you must enter these as a separate transfer in request.</p> <p>The second part of step 4 will automatically populate the Tax Lot History for the shares transferred in. For other methods of populating Tax Lot History, see 1c, 1d &amp; 1e.</p>

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5	<p><b>If the shares are not held in CHESS</b>, enter the ASX security code and the quantity the client wishes to transfer in to the account.</p> <p>Now enter the HIN from the holding statement.</p> <p><b>If the shares are Issuer Sponsored</b>, enter the ASX security code, the quantity the client wishes to transfer in. Now enter the SRN for the holding.</p>
6	<p>Click </p> <p>When the transfers have been validated, the button face changes to <b>Generate Transfers</b>.</p>
7	<p>Click </p> <p><i>The System downloads the Transfer Form(s).</i></p>
8	<p>Save the Transfer Form(s) to the appropriate location on your computer or network and print them out.</p>
9	<p>Read through the Transfer Forms with your client and have them sign them as <b>seller</b>.</p> <p>You can now return to the <b>Portfolio List</b> screen.</p>

### 1a. Where to send the transfer forms

Send your completed and signed Transfer Forms to the address listed in the Application Process section of the Product Disclosure Statement (PDS) for the service.

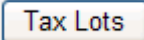
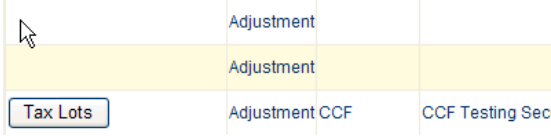
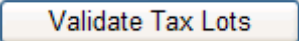
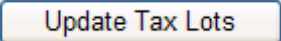
### 1b. Populating tax lot history manually

Capital Gains Tax (CGT) lots for any shares you transfer into a portfolio must be entered into the system to ensure CGT reports and unrealised profits shown are correct.

**Note:** After you have followed this procedure the information will appear on your CGT reports and on the Transaction History screen if you tick the **Show Tax Lots** checkbox.

Step	Action																																				
1	<p>Obtain a breakdown of the CGT lots that represent the amount you transferred into the account.</p> <p><b>Note:</b> This should be open lots only, not the underlying purchases, sales, and corporate actions that generated them. See the example Tax Lot Calculation on page 4.</p>																																				
2	<p>From the <b>Trading Activity</b> menu, select <b>Transaction History</b>.</p> <div data-bbox="261 1731 1342 1861" style="border: 1px solid gray; padding: 5px; margin: 10px 0;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;">Main</td> <td style="padding: 2px 5px;">Logout</td> <td style="padding: 2px 5px;">Back</td> <td style="padding: 2px 5px;">Maintenance</td> <td style="padding: 2px 5px;">SMA</td> <td style="padding: 2px 5px;">Portfolio Details</td> <td style="padding: 2px 5px;">Trading Activity</td> <td style="padding: 2px 5px;">Print Reports</td> <td style="padding: 2px 5px;">System Management</td> </tr> <tr> <td colspan="7"></td> <td style="padding: 2px 5px;">Cash Book</td> <td></td> </tr> <tr> <td colspan="7"></td> <td style="padding: 2px 5px;">Cash Book Summary</td> <td></td> </tr> <tr> <td colspan="7"></td> <td style="padding: 2px 5px; background-color: #e0e0e0;">Transaction History</td> <td style="padding: 2px 5px;">Income &amp; Expenses</td> </tr> </table> </div> <p><i>The Transaction History screen appears.</i></p>	Main	Logout	Back	Maintenance	SMA	Portfolio Details	Trading Activity	Print Reports	System Management								Cash Book									Cash Book Summary									Transaction History	Income & Expenses
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3	<p>Tick the Show Tax Parcel Adjustments box.</p> <p>Click the  button next to the transfer for which you are populating the history.</p> 
4	<p>Enter the Date, Quantity, and the cost base for each Tax Lot representing the transfer</p>
5	<p>Click </p> <p>This will check that the tax lots entered add to the quantity transferred in. If they total the quantity transferred in, the button face changes to <b>Update Tax Lots</b>.</p>
6	<p>Click </p> <p><i>A message appears to confirm that Tax Lots have been updated. The system returns you to the <b>Transaction History</b> screen.</i></p>

### Example: Tax Lot Calculation

Example: Investor transfers in 16,500 XYZ

Investor purchased 10,000 XYZ on 1/2/2000 for \$50,000

Also purchased 5,000 XYZ on 1/10/2000 for \$30,000

XYZ has a bonus issue 1:10 on 1/3/2001 and the investor receives 1,500 for no cost


Tax Lot information is as follows

Date: 1/2/2000	11,000	\$50,000
Date: 1/10/2000	5,500	\$30,000

ie, for tax purposes the bonus shares are deemed to have the original purchase date of the underlying shares and are pro-rated between the tax lots.

### 1c. Obtaining a copy of the tax lot upload spreadsheet

An alternative method for populating tax lot history


Step	Action
1	<p>Obtain a breakdown of the CGT lots that represent the amount you transferred into the account.</p> <p> <b>Note:</b> This should be open lots only, <b>not</b> the underlying purchases, sales, and corporate actions that generated them. See the example Tax Lot Calculation above.</p> <p>If you do not have one, obtain the Tax Lots Upload spreadsheet as follows:</p>
2	<p>Log into Præmium.</p>
3	<p>From the SMA menu, select Contributions then <b>Upload Tax Parcels</b>.</p> <p><b>The Upload SMA Tax Lots Data screen appears.</b></p>

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- |   |   |
|---|---|
| 4 | In part 1 on the Upload SMA Tax Lots Data screen, click the <b>click here</b> link and the system will email you a copy of the spreadsheet. |
|---|---|


### 1d. Uploading tax lots from a spreadsheet

Step	Action
1	Follow the instructions on the Upload SMA Tax Lots Data screen and the spreadsheet to create a Tax Lots XML file.
2	Log into Præmium
3	From the SMA menu, select <b>Contributions</b> then <b>Upload Tax Parcels</b> . <i>The Upload SMA Tax Lots Data screen appears.</i>
4	Click <b>Browse</b> <i>A Choose file message box appears.</i>
5	Navigate to the Tax Lots XML file created earlier and click <b>Open</b> . <i>This inserts the file into the Browse field.</i>
6	Click <b>Upload</b> . <i>This will populate the tax lot history into the system.</i>

 **Note:** If there are errors in the spreadsheet, an error message box will appear asking you to correct the errors. For further information, refer to the instructions on the Tax Lot History screen.


## 2. Viewing account details

Step	Action
1	Log into the Service. <i>The Portfolio List screen appears.</i>
2	On the Portfolio List screen, select the account you wish to view from the list and click the <b>Edit</b> button next to it. <i>The Maintain an SMA Account screen appears with the account details.</i>
3	To view account customisations, from the SMA menu, select <b>Customisations</b> then any of <b>Security Substitutions</b> , <b>Minimum Trade Size</b> , or <b>Holding Locks</b> . <i>The customisation details appear.</i>


 **Note:** If the PDS you are using does not allow customisations, you will NOT have access to these menu options

## 3. Portfolio reporting – account level

### 3a. Viewing account valuation

Step	Action
1	Log into the Service.  The Portfolio List screen appears.
2	On the Portfolio List screen, select the account you wish to view from the list and tick the <b>Select</b> box next to it.
3	From the Portfolio Details menu, select <b>Portfolio Valuation – by Security</b> .  <i>The Portfolio Valuation – by Security screen appears.</i>
4	You can choose to have the valuation displayed at any previous date by entering that date in the <b>Recalculate to</b> field then clicking the mauve <b>Recalculate to</b> button. A message box appears telling you that the positions have been rebuilt.
5	Click <b>OK</b> .  <i>The screen reappears with positions rebuilt to that date.</i>
	<b>Note:</b> As the most recent price on the system is the previous business day's closing price, it is not relevant to recalculate the portfolio to today's date.  If the Model Manager has delayed visibility, you may not be able to view current details.

### 3b. Viewing transaction history

Step	Action
1	Log into the Service.  <i>The Portfolio List screen appears.</i>
2	On the Portfolio List screen, select the account you wish to view from the list and tick the <b>Select</b> box next to it.
3	From the Trading Activity menu, select <b>Transaction History</b> .  <i>The Transaction History screen appears.</i>
4	You can search for specific transactions. Click the <b>Search</b> button, enter your criteria then click <b>Submit</b> .
	<b>Note:</b> To find your initial purchase date, sort the data by date order. To run reports, the start date should be the day after the first date that purchases were made.

## 3c. Viewing performance

Step	Action								
1	Log into the Service. <i>The Portfolio List screen appears.</i>								
2	On the Portfolio List screen, tick the <b>Select</b> box next to the account you wish to view.								
3	From the Portfolio Details menu, select <b>Portfolio Performance</b> . <i>The Portfolio Performance screen appears.</i>								
4	Enter the following details in the following fields:								
	<table border="1"> <thead> <tr> <th>In this field...</th> <th>do this...</th> </tr> </thead> <tbody> <tr> <td><b>For Period:</b></td> <td>Enter the relevant 'From Date'</td> </tr> <tr> <td><b>To:</b></td> <td>Enter the 'To Date'</td> </tr> <tr> <td><b>Net Performance:</b></td> <td>Select a comparative index from the dropdown list</td> </tr> </tbody> </table>	In this field...	do this...	<b>For Period:</b>	Enter the relevant 'From Date'	<b>To:</b>	Enter the 'To Date'	<b>Net Performance:</b>	Select a comparative index from the dropdown list
In this field...	do this...								
<b>For Period:</b>	Enter the relevant 'From Date'								
<b>To:</b>	Enter the 'To Date'								
<b>Net Performance:</b>	Select a comparative index from the dropdown list								
5	Click <b>Recalculate</b> . <i>The screen reappears with updated performance figures.</i>								

## 4. Portfolio reporting – model level

### Viewing model subscriptions & weights

Step	Action
1	Log into the Service. <i>The Portfolio List screen appears.</i>
2	On the Portfolio List screen, tick the <b>Select</b> box next to the account you wish to view.
3	From the SMA menu, select <b>Link Portfolio to Models</b> . <i>The Link Portfolio to Models screen appears.</i>
4	This screen shows the Models selected and their weights. Next to each model are the View Model buttons. Clicking the Portfolio button brings up the current breakdown for the model and clicking the Performance button brings up the Portfolio Performance screen for the model.
5	To access another model [or perform any other function], click the <b>Main</b> button and repeat steps 2 & 3.

### 5. Switching model portfolio selection

You can switch between model portfolios or alter the combination of model portfolios on which a personal portfolio was constructed, at any time.

Step	Action
1	Log into the Service. <i>The Portfolio List screen appears.</i>
2	On the Portfolio List screen, tick the <b>Select</b> box next to the account you wish to amend.
3	From the SMA menu, select <b>Link Portfolio to Model</b> . <i>The Link Portfolio to Model screen appears.</i>
4	Click <b>Add/Edit</b> .
5	If you no longer want the account to be linked to a model, click the Clear button next to that model. Do this for ALL models that you no longer wish the account to be linked to. <i>The model/s will be removed from the screen.</i>
6	If you wish to add a model, in a blank Model ID field, select the chosen model portfolio's <b>Model ID</b> from the drop-down list.
7	Enter or amend the % <b>Weighting</b> of ALL the model portfolios listed on the screen - the % weightings must add up to 100%.
8	When finished, click <b>Save</b> .

### 6. Creating & printing reports

Reports can be created and printed directly for a single portfolio or packs can be created in a print file for multiple portfolios.



The most useful reports are: Portfolio Valuation by Security, Income, Realised CGT and Unrealised CGT. Please note that when running reports the start date should be the day following the initial purchase date of your securities. This is due to the fact that your securities are purchased throughout the day then added to your account at the end of that day. To determine your initial purchase date, please see the note at the bottom of procedure 3b Viewing Transaction History.

The initial purchase date of securities is generally the day after monies are drawn down but it can be later, for example if the following day/s were not ASX trading days.

#### 6a. Creating reports for a single portfolio

Step	Action
1	Log into the Service. <i>The Portfolio List screen appears.</i>

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2	<p>On the Portfolio List screen, click <b>Print Reports</b>.</p> <p><i>The Print Reports screen appears.</i></p>
3	<p>Select the <b>File Format</b> and <b>Format Style</b> from the drop-down lists. The usual file format is <b>Portable Document Format [pdf]</b>.</p>
4	<p>Tick the Select boxes next to the selected Report names.</p>
5	<p>Adjust the <b>From Date</b> and <b>To Date</b> values according to your requirements.</p>
	<p><b>Note:</b> For Taxation Reports the From Date and To Date will always default to the current financial year based on the date the Portfolio is recalculated to. See below.</p>
6	<p>You can choose to have the report displayed at any previous date by entering that date in the <b>Recalculate to</b> field at the top of the screen then clicking the mauve <b>Recalculate to</b> button.</p> <p><i>A message box appears telling you that the positions have been built.</i></p>
	<p><b>Note:</b> You cannot change the <b>Recalculate to</b> field while the System is rolling forward from 6-8pm daily.</p>
7	<p>Make your selections from the drop-down lists in the second last right-hand column.</p>
8	<p>Click <b>Show Report</b>.</p> <p><i>A file Download message box appears.</i></p>
9	<p>Click <b>Save</b>.</p> <p><i>A Save As message box appears.</i></p>
10	<p>Save the file on your system and print as required.</p>

### 6b. Creating reports for multiple portfolios

Step	Action						
1	<p>Log into the Service.</p> <p><i>The Portfolio List screen appears.</i></p>						
2	<p>From the <b>Portfolio Details</b> menu, select <b>Portfolio Selection for Reports</b>.</p> <p><i>The Portfolio Selection for Reports screen appears.</i></p>						
3	<p>Select the filter options in the fields as shown below [these are optional]:</p> <table border="1"> <thead> <tr> <th><i>In this field...</i></th> <th><i>do this...</i></th> </tr> </thead> <tbody> <tr> <td><b>As At Date:</b></td> <td>Enter date the account is recalculated to</td> </tr> <tr> <td><b>All other fields:</b></td> <td>Leave at default settings</td> </tr> </tbody> </table>	<i>In this field...</i>	<i>do this...</i>	<b>As At Date:</b>	Enter date the account is recalculated to	<b>All other fields:</b>	Leave at default settings
<i>In this field...</i>	<i>do this...</i>						
<b>As At Date:</b>	Enter date the account is recalculated to						
<b>All other fields:</b>	Leave at default settings						

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4	<p>Click the <b>Search</b> button once all filters have been selected.</p> <p><i>All portfolios will be listed.</i></p>
5	<p>Tick the <b>Select</b> box next to the portfolios you want included in the reports. If all portfolios are required, click the <b>Select All</b> button. If selections need to be cleared, click the <b>Clear Selections</b> button. This data can be downloaded to Excel by clicking <b>Export to Excel</b>.</p>
6	<p>Once the portfolio selection has been completed, determine the order in which the packs will print by using the <b>Print Sequence</b>: list. When the sequence has been finalised, click the <b>Sort</b> button to rearrange portfolios in the correct order.</p>
7	<p>Now that you've selected the portfolios to be included in the reports, select the type of reports you wish to produce.</p>
8	<p>Click <b>Print Reports</b> on the menu bar.</p> <p><i>The Print Reports screen appears.</i></p>
9	<p>Select the <b>Format Style</b> from the drop-down list. The File Format must be pdf.</p>
10	<p>Tick the <b>Select</b> boxes next to the selected report names. The reports in each report pack will print in the order on the screen or will default to the user preference order if it has been set up.</p>
11	<p>Adjust the <b>From Date</b> and <b>To Date</b> values according to your requirements. If required, adjust the mauve <b>Recalculate to</b> date at the top of the screen which defines all other dates.</p>
12	<p>Make your selections from the drop-down lists in the second last right-hand column.</p>
13	<p>Click <b>Create Report Packs</b>.</p> <p><i>A message box appears.</i></p>
14	<p>Check the date and tick the <b>Email Completion Notice</b> box if notification is required that the report build has been completed.</p>
15	<p>Tick the <b>Create a zip file</b> tickbox if you would like to create a zip file. Pdf's for each portfolio will be split out individually underneath the zipped file.</p>
16	<p>Click <b>Build Reports</b> then close the message box.</p> <p><i>The report files will now be compiled.</i></p>
17	<p>To monitor progress of the report file being produced and all completed files, select <b>Download Report Packs</b> in the Portfolio Details menu.</p> <p><i>The Download Report Packs screen appears showing details for the current file being completed.</i></p>
18	<p>Click the <b>Refresh Stats</b> button to update progress details or <b>Cancel Reports</b> to cancel the file being created.</p> <p><i>Once the report build has finished, the screen will update with the file name and the status will be <b>Ready</b>. If you elected to be notified, you will be emailed.</i></p>
19	<p>To save this to your system, right click on the file name and save the file. The file can be opened and printed in Adobe Acrobat.</p>

### 7. Additional Contributions

To make an investment in the Service and open an Account, you must complete (online) the Application and Nominated Representative Forms that accompany the PDS. Investments may be made at any time by electronic cash transfer or by transferring eligible securities into the Service. Regular Contribution Plans or Your Own Savings Plans are options for making automatic regular contributions to your Account.

**Note:** See the **How to Invest** section of the PDS for more information about investing assets in the Service and **1a. Transferring Assets into the SMA** section of this guide.

Once you have opened an account, all other transactions can be done online.

#### 7a. Cash contributions via direct debit

Step	Action
1	Log into the Service. <i>The Portfolio List screen appears.</i>
2	From the <b>SMA</b> menu, select Contributions then <b>New Deposit via Direct Debit</b> . <i>The Deposit New Funds in the SMA via Direct Debit screen appears showing the client's nominated bank account and a list of any outstanding requests.</i> <i>Please note that the nominated bank account for Cash Contributions is the same account selected by your client for contributions under the 'Bank Account Usages' section in your client's online Application Form.</i>
3	Fill in the Debit Amount and click <b>Submit Request</b> .
4	The new request is added to the list of outstanding requests. The request submitted will be collected today or on the next working day.

#### 7b. Cash contributions using BPay

Call your participating financial institution to make a cash contribution from your nominated cheque, savings or cash management trust account.

You will need to know your **Biller Code** and **Reference**. If you created the Application Form online, these are noted on the form. If you sent in a paper-based Application Form, you can print out the details once the data has been entered into the System. Otherwise call the Adviser Services Centre on **1300 366 101**.


### 8. Withdrawals

#### Requesting withdrawals

Withdrawals can take the form of cash, stock or cash and stock.


Step	Action
1	Log into the Service. <i>The Portfolio List screen appears.</i>
2	On the Portfolio List screen, tick the <b>Select</b> box next to the relevant account.

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3	From the SMA menu, select <b>Contributions</b> then <b>Withdraw Assets from the SMA</b> . <i>The Withdraw Assets from the SMA screen appears.</i>										
4	Click <b>No</b> to <b>Do you want to close this account?</b>										
5	In the <b>What type of Withdrawal are you making?</b> field, click the relevant radio button ie Cash, Stock (ie Transfer Out) or Stock and Cash.										
6	For cash being withdrawn, enter the amount in the <b>Partial Cash Amount</b> field.										
7	For stock being withdrawn, enter the quantity in the <b>Transfer Out</b> (in-specie) field next to the relevant stock and in the <b>Sponsoring Participant</b> field, select either <b>**Issuer Sponsored</b> or a CHES sponsor from the dropdown list.										
	<table border="1"> <thead> <tr> <th><i>In this field...</i></th> <th><i>do this...</i></th> </tr> </thead> <tbody> <tr> <td><b>Stock OR:</b></td> <td>Select the CHES sponsor you will be transferring the stock to in the Sponsoring Participant dropdown list.</td> </tr> <tr> <td><b>Stock and Cash:</b></td> <td>Enter the quantity of each stock to receive in-specie in the Transfer Out column</td> </tr> <tr> <td><b>A broker sponsor:</b></td> <td>Enter the investor's HIN in the HIN: field</td> </tr> <tr> <td><b>An issuer sponsor:</b></td> <td>Enter the SRN in the SRN field</td> </tr> </tbody> </table>	<i>In this field...</i>	<i>do this...</i>	<b>Stock OR:</b>	Select the CHES sponsor you will be transferring the stock to in the Sponsoring Participant dropdown list.	<b>Stock and Cash:</b>	Enter the quantity of each stock to receive in-specie in the Transfer Out column	<b>A broker sponsor:</b>	Enter the investor's HIN in the HIN: field	<b>An issuer sponsor:</b>	Enter the SRN in the SRN field
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<b>An issuer sponsor:</b>	Enter the SRN in the SRN field										
8	Click <b>Validate Withdrawal</b> .  For any stock transfers, a Transfer Form will print. This must be signed by the investor as the buyer and then sent to BlackRock.										
9	Click <b>Process Withdrawal</b> .  A message appears telling you that the withdrawal amount will be paid into the account on a specified date. Please note the withdrawal amount will be paid to the bank account nominated by your client for withdrawal under the 'Bank Account Usages' section in your client's online application form.										
10	Click <b>OK</b> .										
	 <p><b>Note:</b> If you've requested more cash to be withdrawn than the available cash balance, stock will be sold to make up the difference. Cash and stock to be transferred in-specie will be forwarded to the investor after settlement of the sale.</p> <p>Cash to be withdrawn will be moved from the Main Cash book into the Pending Withdrawals Cash Book until the date of the Withdrawal.</p> <p>If an investor wishes the withdrawal to be paid into a different account to the account selected under the 'Bank Account Usages' section in the client's online Application Form, he/she must send a signed form requesting this change. This request must be received and actioned before the withdrawal is processed for the proceeds to be paid into the new account. An Adviser does NOT have the authority to authorise this change of account details.</p>										

## 9. Account closure

Please note that if you close an account, it cannot be re-opened except by opening a new account and investing cash and/or stock. See SMA User Guide: Account Set-up. To close an account, you must request closure as follows:

Step	Action										
1	Log into the Service. <i>The Portfolio List screen appears.</i>										
2	On the Portfolio List screen, tick the <b>Select</b> box next to the account to be closed.										
3	From the SMA menu, select Contributions then <b>Withdraw Assets from the SMA</b> . <i>The Withdraw Assets from the SMA screen appears.</i>										
4	Click <b>Yes</b> to <b>Do you want to close this account?</b>										
5	Next to <b>What type of Withdrawal are you making?</b> click the option you have chosen. If you do not make a selection, the system will default to a <b>Full Cash Withdrawal</b> . If this is your selected option, go directly to step 6.										
	<table border="1"> <thead> <tr> <th><i>If you have selected...</i></th> <th><i>do this...</i></th> </tr> </thead> <tbody> <tr> <td><b>Stock OR:</b></td> <td>Select the CHESSE sponsor you will be transferring the stock to in the Sponsoring Participant dropdown box.</td> </tr> <tr> <td><b>Stock and Cash:</b></td> <td>Enter the quantity of each stock to receive in-specie in the Transfer Out column.</td> </tr> <tr> <td><b>A broker sponsor:</b></td> <td>Enter the investor's HIN in the HIN: field.</td> </tr> <tr> <td><b>An issuer sponsor:</b></td> <td>Enter the SRN in the SRN field</td> </tr> </tbody> </table>	<i>If you have selected...</i>	<i>do this...</i>	<b>Stock OR:</b>	Select the CHESSE sponsor you will be transferring the stock to in the Sponsoring Participant dropdown box.	<b>Stock and Cash:</b>	Enter the quantity of each stock to receive in-specie in the Transfer Out column.	<b>A broker sponsor:</b>	Enter the investor's HIN in the HIN: field.	<b>An issuer sponsor:</b>	Enter the SRN in the SRN field
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<b>A broker sponsor:</b>	Enter the investor's HIN in the HIN: field.										
<b>An issuer sponsor:</b>	Enter the SRN in the SRN field										
6	Click <b>Validate Withdrawal</b> . <i>If there are any issues, a message appears instructing you to take action.</i>										
7	Follow the instruction and recommence the procedure when the issue has been resolved. <i>If there are no issues, the Validate Withdrawal button becomes a Process Withdrawal button.</i>										
8	Click <b>Process Withdrawal</b> . <i>A message appears telling you the amount of fees that will be deducted from the final payment.</i>										
9	Click <b>OK</b>										
	<p> <b>Note:</b> If you've chosen Cash, or Stock and Cash, the Model Weights change to 100% in the Cash Only model, which will cause all unlocked stock to be sold in the next rebalance after transfers have been completed.</p> <p>The order of the closure process for cash is:</p> <ul style="list-style-type: none"> <li>i] Ensure all holding locks have been removed.</li> <li>ii] All unlocked stock to be sold in the next rebalance.</li> </ul>										

iii] Proceeds are paid into the nominated bank account for withdrawals along with any remaining cash balance (net of fees) on the following day after settlement.

The order of the closure process for stock transfer and cash is:

i] Any transfers that have been requested are processed and finalised.

ii] Once transferred any remaining stock is sold.

iii] Proceeds are paid into the nominated bank account for withdrawals along with any remaining cash balance (net of fees) on the following day after settlement.

## 10. Definitions

### 10a. Margin lending:

**LVR** is the Loan to Value Ratio. For each stock there is an LVR set by the margin lender, which is the percentage of that stock's value that the lender is prepared to lend on, eg, if BHP had an LVR of 70% and you had \$100 worth of BHP, the lender would be prepared to lend you \$70. The figure at the top of the Portfolio Valuation is the overall LVR taking all of the stocks held into account.

**Free Limit** is the Geared Value (Value x LVR) less the loan balance. It is the amount that you have in excess of the loan before a margin call might occur, based on your account size at the moment.

**Estimated Borrowing Capacity** is the absolute maximum additional amount you would be able to borrow, all other things being equal. It is calculated by dividing the Free Limit by 1 minus the LVR. Eg if a Portfolio had a total account value of \$10,000, a loan balance of \$5,000 and an LVR of 0.75, its estimated borrowing capacity would be \$10,000. If the client borrowed a further \$10,000 the total account value would be \$20,000 and the loan would be \$15,000. The geared value would also be \$15,000 so the free limit would be 0.

### 10b. General:

The following columns appear on the Portfolio Valuation screen. Data is sourced from the Systems data supplier.

**Est Income** is an estimate (only) of the total income per share, equal to the sum of the dividends that each stock paid over the previous twelve months.

**Est yield** is the estimated dividend yield of a stock: Est Income / Value.

### 10c. Cash drag

The Service requires a minimum cash holding of 2% in order to ensure there is sufficient cash to pay fees and satisfy charges in connection with the settlement of trades that are carried out in respect of the Portfolio. This effectively means that when a Model Manager chooses stocks it is for 98% of the value of the Portfolio. If the cash holding, in a falling market rises above or, in a rising market drops below 2%, securities will automatically be purchased or sold to maintain this 2% amount. This is called the effect of Cash Drag.

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## SMA User Guide: Account Operation

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