

Automatic cash management user guide

Macquarie Wrap

What is automatic cash management?

Automatic cash management helps you manage your clients' cash balance online, through the Macquarie Wrap website. It enables you to select and automatically maintain a minimum and/or maximum cash balance for any of your clients' accounts that hold managed investments.

What are the benefits?

Automatic cash management supports business efficiency. You can automatically:

- manage your clients' minimum cash balance, ensuring sufficient cash is available for payments, such as pension payment or your service fee
- manage your clients' maximum cash balance, ensuring excess cash is invested on a regular basis
- manage your clients' cash asset allocation
- elect to manage pension clients based on their pension payment amounts, and automatic cash management will change dynamically as the pension changes.

Features at a glance

- There are three plan types available:
 - 1. standalone minimum plan
 - 2. standalone maximum plan, or
 - 3. combination plan (maximum and minimum).
- Automatic cash management plans are not available for listed securities.
- No transaction fees.
- Invest or redeem across a maximum of 20 managed investments, and elect to draw down on these investments in priority order or by nominated percentages.
- Alternatively, select *model portfolio* as the investment, with the choice of a 'smart application/redemption' or 'standard application/redemption' option to optimise investment transactions.
- Nominate either a dollar or percentage target/trigger.
- Link cash targets and triggers with the number of future pension payments.
- Set a maximum investment limit for each monthly automatic cash investment.
- Runs on the morning of the 20th of each month or shortly thereafter.
- The minimum order per investment is \$50. Note: when a plan triggers multiple orders that are valued both above and below \$50, the orders above \$50 will still be processed.

How does automatic cash management work?

Your client's available cash balance* is calculated on the morning of the 20th of each month. When determining if the triggers have been breached, automatic cash management makes the following adjustments to the cash balance:

- · Minimum plan: increases the cash balance for any sells currently on market
- Maximum plan: reduces the cash balance for any authorised buys yet to be processed.

How can you access automatic cash management?

To access automatic cash management, follow the below steps:

• Select Administration in the top menu. From the Administration menu select the relevant product, for example Maintain a pension account for a pension account. Select the account for which you wish to create or modify and then select enter or maintain automatic cash management from the list.

MACQUARE	Mac	quarie Wr	ар		and the second s		
FORWARD thinking	Home 🗸	Clients and accounts	Transacting \sim	Work in progress	Reporting \vee	Administration	Reso
Please s maintain a su account		count, and choose an ord unt		by account name or	number		9
account type			Macquar	ie Pension Manager			
order type			enter or enter or amend enter or	maintain asset alloc maintain automatic r maintain dollar cost annual pension detai maintain drp electior maintain automatic o maintain term depos	ebalancing averaging ils 1		

• or selecting *Options* in the accounts landing page within the *Model portfolios* Information screen. Please refer to the *Accessing automatic cash management through model portfolios* section below. If you are not registered for model portfolios, please speak to your Business Development Manager for further information.

MACCOLANSE Investo thinking Accou						Logo	Tues 10 Jaw 2013 ut from nomina
Accou	nt Preferences						
Advisers	Al						
Account name							
Account number							
		Reset Sear	ch				Expe
ACCOUNT NAME	ACCOUNT NUMBER	ADVISER CODE	ACCOUNT TYPE	PORTFOLIO VALUE	MODEL PORTFOLIO	LAST REBALANCE	OPTIONS
SAMPLE ACCOUNT	800000000	ADV001	SA	\$94,1	181,10	never	Option
SAMPLE ACCOUNT	800000000	ADV001	SA	\$20,0	84.33	Automatic cash	management
SAMPLE ACCOUNT	800000000	ADV001	AP	\$200,	65.90	Dever	Option
SAMPLE ACCOUNT	800000000	ADV001	SC	\$95,	90.61	never	Option
BAMPLE ACCOUNT	800000000	ADV001	sc	\$29.3	157.90	never	Option

If you have made a full redemption on a managed investment that is in one of your automatic cash management plans, please remove this managed investment from the plan.

Accessing automatic cash management

Accessing automatic cash management through Administration

A pop up window, pictured below, will appear when you select automatic cash management from the Administration screen. If the selected account already has an automatic cash management plan established, the screen will be pre populated.

Accessing automatic cash management through Model portfolios

Automatic cash management can be used to efficiently manage cash within accounts linked to a model portfolio. This will ensure that changes made to the model will automatically flow through to your automatic cash management plan without any additional work.

	Accounts	uarie Wrap Models Work In Progress Instrucces	General Action of the Constant Action	Macquarie Wrap www.mining Koonte Most Mont Progress Acoust Mont Progress Acoust Progress Acoust Progress			
A	utomatic Cash Ma	anagement		Automatic Cash Management			
	Enter details Revi	iew and authorise > Confirmation			Portfolio value \$434,523.37		
Ac	count	Portfolio v	alue \$3,620,162.38	Account name	Available cash \$18,698.24		
Ac	count name	Available	ash \$220,757.71		Pension payments \$10,510.00 / Annually		
Ac	count type	Macquarie Pension Consolidator Pension p	nyments \$14,910.00 / Monthly 4	Account type Macquarie Pension Manager			
DS	an start date	09/01/2017		Plan start date ② 26/09/2016			
- 0 P1	enotes compulsory field. an end date *	© ; or ⊡untitumernotice	ے tert	Context sampularly fail Page and date Outil further notco Page system Autory Set Maximum plan - Buy investments with encess			
1	an types * aximum plan - Buy	Maaimum plan - Bey investments with excess cash Manimum plan - Sell down investments to top up cash		vea types III Manimum plan - Self down Investments to top up cash			
_	vestment selection *	Managed Investments	Graph	Investment selection Model Portfolio - Balanced - 2016			
_	ish trigger/target *	Dollars	30,000 1	Cash triggeritarget Percentage Portfolio Value	Graph Model Portfolio 3		
-	ish target *	Percentage Portfolio Value 9000 + 1 0 months pension payments 514,910.00 514,910.00	30.000 27,500 25,000 22,500	Cash target			
	ish trigger (to buy) *		20,000 Buy triggered	Cash trigger (to buy) 7.50% 0 months pension paymi 7.50% 0 months pension paymi 7.50% 0 0.00 or 0.00%	T Buy tiggered		
	vestment limit (optional cap i buys)	p 🕲 \$0.00	15,000 target cash level (after buy triggered)	Investment limit (optional cap @ \$10,000.00 on buys)	tarpet cash level (offer boy triggered)		
1	location method *	Proportional Percentages	3 10,000 7,500 5,000	Allocation method Smart applications (buy underweight)	Lapit can sever unit tay tragered		
M	maged investments Mage	ellan Global Fund - (MGE0001AU)	2,500				
M	ageilan Global Fund (MGE0	(Remove)	Note: any changes made to pension payments will affect the target and trigger points.		٥ ال		
M	inimum plan - Sell			Minimum plan - Sell			
Im	estment selection *	Managed investments	Graph	Investment selection Model Portfolio - Balanced - 2016	Graph Model Portfolio @		
_	sh triggeritarget *	Dollars Percentage Portfolio Value 50.00% + 0 months pension payments	70	Cash triggentarget Percentage Portfolio Value Cash target Image: Sologie	rents 7-		
	sh trigger (to sell) *	50.00% 4 0 100005 50.00% 50.00% 50.00% 50.00% 50.00% 4 10 months pension payments	00 50 50 50 50	Cash trigger (to sell) ② 2.50% + 0 months pension paym 2.50% \$0.00 or 0.00%	5 - taget cash level (after sell triggered)		
_	ocation method *	20.00% \$0.00 or 0.00%	00 Portrolio 010 Va	Allocation method Smart redemptions (sell overweight)			
Ma NA Pla		Percentages wm Asia Fund - (PLA0004AU) V 0 44U) 0.00%] (Remove)	Construction of the second sec		E Strand		
Pl	CAPITAL Enfanced Yield I	and (MC0103AU) 40.00% (KRIII00E) Total 100.00%					

1 Plan end date: Once established, the plan will run on or around the 20th of each month until the specified end date or the plan cancelled.

Plan types: Select either Maximum and/or Minimum plan.
 Maximum plan: will invest cash above the cash target once the cash trigger has been breached.
 Minimum plan: will sell down assets to top up cash to the cash target, once the cash trigger has been breached.

Note: there is a minimum difference between the cash target and the cash trigger of \$1,000 for Manager/ Consolidator and \$250 for Accumulator.

3 Investment limit: You can set an maximum investment limit on automatic cash management orders so that application orders which exceed the investment limit will not be automatically executed (ie orders will be generated with a pending status). Wrap will alert you to authorise or cancel the transactions.

Note: If you have not authorised the orders by the 28th of the month, the orders will automatically be cancelled.

Pension payments: For Pension accounts, you can specify a cash target and trigger using the pension payment details. For example: you can elect to have a cash target of \$0 + 6 months worth of pension payments, and a cash trigger of \$0 + 2 months pension payments.

Note: Any changes made to the pension payment amount (ether annually or ad hoc during the year) will flow through to automatic cash management.

Graph: The graph illustrates the cash trigger and cash target on the minimum and maximum plan. Green on the maximum plan represents the area in which a buy will be triggered. Red on the minimum plan represents the area in which a sell will be triggered.

Allocation method (if investment selection is Managed Investments):

For Maximum plan, the following options will be displayed:

- **percentages:** will buy assets as per the allocated percentage for each nominated investment.
- **proportional:** will buy assets in equal proportion across the nominated investments.

For Minimum plan, the following options will be displayed:

- **percentages:** will sell assets as per the allocated percentage for each nominated investment.
- priority: will sell asset in the order selected.

Allocation method (if investment selection is Model Portfolios): The allocation method displays dynamically depending on the investment selection selected.

For maximum plan, if the investment selection for a maximum plan is Model Portfolio, the following options will be displayed:

- Smart applications (will identify any underweight investments and top them up).
- Standard applications (will buy assets as per the model allocation). Where the model contains assets which are not eligible for automatic cash management, the remaining assets will be 'grossed up' to total 100 per cent.

For minimum plan, if the investment selection for a minimum plan is Model Portfolio, the following options will be displayed:

- Smart redemptions (will identify any overweight investments and sell them).
- Standard redemptions (will sell assets as per the model allocation). Where the model contains assets which are not eligible for automatic cash management, the remaining assets will be 'grossed up' to total 100 per cent.
- 8 Managed investments: You can search for a managed investment using part of the name. To view the full list of managed investments, click on the empty search field and the list of managed investments will be displayed on the dropdown list.

Note: if the dropdown list is blank, please ensure that:

- i. the client currently has holdings in the investmentii. the managed investment is daily priced and open for applications.
- Investment selection: Where the account is linked to a model portfolio:
 - you will be given the option to invest in the model portfolio or specify managed investments to buy (for maximum plan)/to sell (for minimum plan)
 - Model portfolio details (such as list of managed investments, listed securities and cash) will be displayed on the Model portfolios tab. A green tick on the status indicates the asset is an eligible managed investments for automatic cash management. Nondaily Managed Investments, Listed Securities and Cash in light grey are not eligible.

Notes: Managed investments must be daily priced to be used within automatic cash management. If the model contains assets which are not eligible for automatic cash management, the remaining assets will be 'grossed up' to total 100 per cent.

Authorisation

New plans and updates to existing plans will not be saved until the plan is authorised. Once you have entered the plan details, click next to review and authorise the plan. Automatic cash management plans must be authorised by a user with full transact authority.

Please ensure any new plans or updates are authorised by 5pm Sydney time on the 19th of the month (or if the 19th falls on a weekend/public holiday the preceding business day) otherwise the new/updated plan may run on the following month.

Navigation

Should you need to update another automatic cash management plan, please select *Cancel* in the bottom left-hand corner of the pop-up window. You will not be able to open another client account's Automatic Cash Management plan until this has been selected.

Cancellation

To cancel an automatic cash management plan, enter a date in the Plan end date. If the cancellation is to be immediate, please enter a date two days in advance of the current date.

If closing an account, please ensure the automatic cash management plan is cancelled before placing redemption orders otherwise new purchase orders may be generated requiring a further selldown order to be placed.

Alerts

We will send you an alert email if one or more of the following events occur:

- the fund in the plan is closed to applications
- the fund in the plan is closed for redemptions
- the pension amount is \$0
- a Model Portfolio rebalance is currently underway
- the orders generated exceed the maximum investment level.

The alert is for information purposes. If a fund has closed to applications or redemptions, the plan should be modified to remove this fund.

Alerts can be accessed through the home page of Macquarie Wrap.

Example of an alert email

From: Macquarie Wrap Sent: Thursday, 24 February 2011 6:13 PM To: John Smith Subject: Macquarie Wrap Alerts Automatic cash management Dear John Smith Automatic cash management has run for the month of <month year>. One or more of your clients have plans that were not able to be executed or have orders that have been created in a pending status as the value of the order has breached the limit set by you. Further details can be found via the 'alerts' page on the Macquarie Wrap site. To access this page, simply log on to the Macquarie Wrap site and click on 'alerts'. If you require any further information regarding this, please contact us.

Regards

Macquarie Wrap

If you have any questions regarding automatic cash management, please contact Adviser Services on **1800 025 063** or your **Training and Relationship Manager**.



To contact Macquarie Adviser Services call 1800 025 063, fax Gateway on 1800 025 175, email wrapsolutions@macquarie.com, write to Macquarie Wrap GPO Box 4045, Sydney NSW 2001 or visit the website at macquarie.com.au/wrapsolutions or ClientView at macquarie.com.au/clientview

ADVISER USE ONLY

This information is provided for the use of licensed financial advisers only. In no circumstances is it to be used by a potential client for the purposes of making a decision about a financial product or class of products. This document is current as at May 2015 and is issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 (MIML). MIML is not an authorised deposit taking institution for the purposes of the Banking Act (Cth) 1959, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MIML.