

BT WRAP LAUNCHES MARKET LEADING TAX AND TRADING TOOLS

4 July 2011

For immediate release:

BT Wrap has launched major new tax and trading tools, many of which are market leading in the Australian market.

The changes include powerful new tax tools that could mean a better after-tax investment return for clients on particular transactions and new trading enhancements that reduce the time spent on portfolio management, client reviews and rebalances.

Head of BT Wrap, Chris Freeman, said the changes were part of an ongoing drive to increase the efficiency for advisers and deliver even better value to BT Wrap investors.

“These features are game changing. Not only will they make it easier for advisers to trade equities and managed funds, but they’ll also enable them to proactively manage tax outcomes of certain sales when trading. These enhancements have the potential to directly improve clients’ after-tax investment returns and in challenging markets like these, we all know that’s becoming increasingly important.”

BT Wrap will now offer “Minimum Gain” (Min Gain) as the new default sale allocation method for investment and accumulation accounts, meaning the parcel that will be sold first is the one that results in the lowest estimated taxable gain.

In addition, BT Wrap will provide access to additional information on the trading screen. Advisers will now benefit from access to the estimated taxable gain or loss of the proposed trade to help make smart trading decisions and they’ll be prompted with warnings if a proposed trade may lose specific tax concessions. New daily financial year-to-date reporting for estimated realised and estimated unrealised capital gains will also be introduced to facilitate more meaningful dialogue between advisers and accountants to better manage clients’ CGT outcomes.

Mr Freeman said early feedback from advisers has been overwhelmingly positive.

“We have been working closely with advisers on these changes and the feedback we have already had is that this will dramatically improve advisers’ ability to offer better service to clients, and to do so more efficiently,” Mr Freeman said.

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Media release

Details of the changes

- **New default sale allocation method.** The new default sale allocation method for investment and accumulation accounts is Min Gain. This increases the potential for clients to obtain a better after-tax investment return on particular transactions. It replaces the traditional 'First In First Out' (FIFO) method. Min Gain automatically sells the parcel that results in the lowest estimated taxable gain. For pension accounts the default sale allocation method is 'Maximum Gain' (Max Gain) – seeking a tax result which is generally appropriate for that environment. The appropriate default sale allocation method depends on a client's particular circumstances - advisers can change from the default allocation to ensure the appropriate method is selected.
- **Automatic calculations** display the estimated taxable gain or loss for each sell order on the trading screen– giving advisers better tax insight to help make the right trading decisions.
- **Automatic warnings** at the point of trade where the trade could trigger the loss of specific tax concessions. A sophisticated warning system will alert advisers to the potential loss.
- **Financial year-to-date Capital Gains Tax reporting** on both estimated realised and estimated unrealised gains or losses. The reporting will display the sale (or simulated sale) as it applies to each tax parcel allocated to the sale and, for each tax parcel sold, will provide a separate CGT calculation. In addition, the report will help advisers manage their clients' tax more effectively on a daily basis, without waiting for the end of the financial year.
- **Single-trading screen.** Advisers can now place up to 50 listed security and managed fund trades on a single screen. The single-screen trading feature – which brings market and company information, tax simulations, up-to-date cash balances and the trading engine together – makes the process simpler and trading smarter. Previously buy and sell trading was performed across up to five screens.

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