

Efficient Structures & Management of Tax in Investment Portfolios

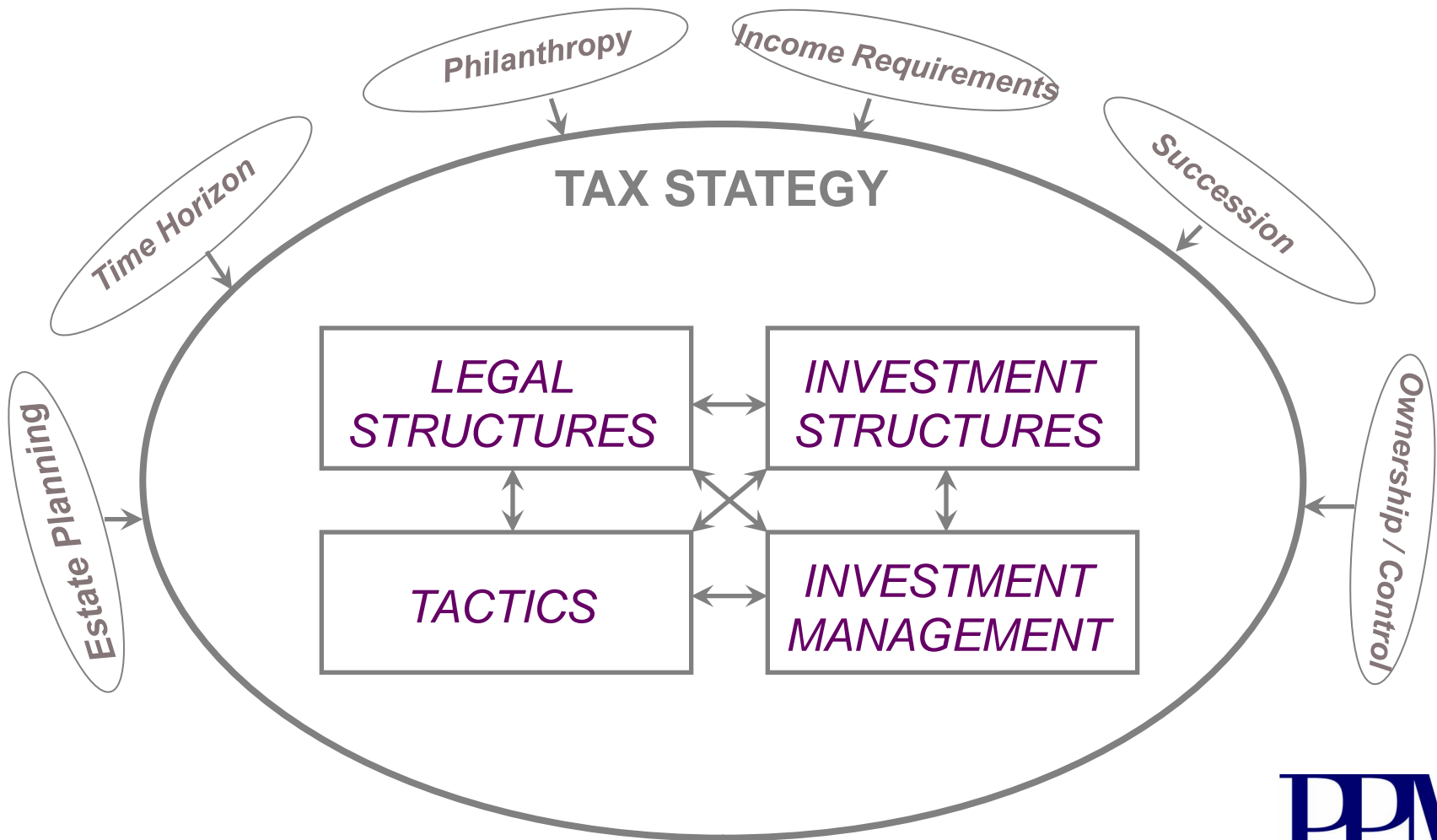
Discussion Panel

Kris Vogelsong

Family Wealth Investing Forum – May 2010



A comprehensive tax strategy



The importance of structures

- ❖ Different structures have very different tax implications
- ❖ Investment structures influence portfolio management practices
- ❖ Structure influences other factors, including governance, fees, and ability to exit scheme
- ❖ In a more fiduciary environment, structure is even more important

Investment structures summary

	Managed Funds	LICs	ETFs	SMAAs	IMAs
Tax Efficiency	Poor	Moderate	Good	Very Good	Excellent
Portability	None	None	None	Good	Excellent
Managed to particular tax outcome	No	Sometimes	No	No	Yes
Transparency	Limited	Moderate	Good	Excellent	Excellent
Direct Ownership	No	No	No	Yes	Yes
Embedded tax liability	Often	Often	Sometimes	No	No
Capital losses can be applied to:	Future gains within structure	Future gains within structure	Future gains within structure	Any current or future gains	Any current or future gains
Research Availability	Extensive	Good	Good	Moderate	None
Variety	Comprehensive	Good	Moderate	Moderate	Limited
Portfolio Construction	Manager's Prudence	Manager's Prudence	Manager's Prudence	Model Portfolio	Manager's Prudence
Tailored Management	No	No	No	No	Yes

Our discussion panel

- ❖ Raewyn Williams, Russell Investments
- ❖ Anthony Starkins, First Samuel
- ❖ Sheena Kay, KPMG
- ❖ Kris Vogelsong, Private Portfolio Managers

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