

# Master Trust vs Wrap – Superannuation

It can be confusing to understand the concepts of Master Trusts and Wraps in the superannuation context. Below is a general description of these concepts.

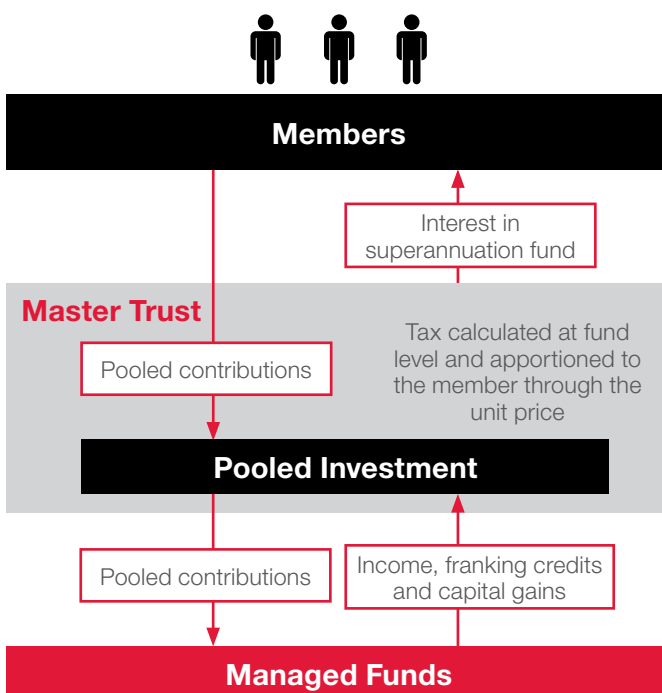
Master Trusts and Wraps are both superannuation funds and must comply with the same rules and obligations. The key difference between the two is in their structure and, in particular, in the case of a Wrap, the broader availability of the investments and the use of a cash account as the central financing facility.



## How they work

### Master Trust

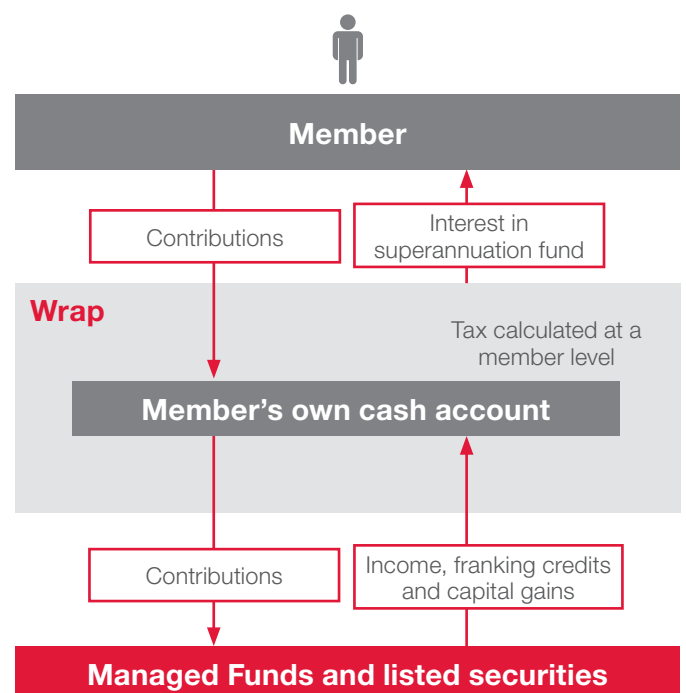
A **Master Trust** is a superannuation fund in which a large number of members deposit their money. The trustee of the Master Trust pools the money together and purchases interests in the underlying investments, typically managed funds. The value of the investments of each member incorporates the fees, franking credits and some taxes from the underlying investments.



### Wrap

A **Wrap** is a superannuation fund offering members access to a large number of investments including managed funds and listed securities. All transactions are made through a cash account, providing the member with full transparency.

Individual member's tax credits and liabilities are unbundled from the value of their investments and members may benefit directly from the franking credits credited directly to the cash account.



## What are the key features of Master Trusts and Wraps?

	Master Trusts	Wraps
<b>Distinct features</b>	Offers a consolidated range of investments	Offers a wider range of investments and listed securities
	The trustee of the Master Trust generally holds underlying assets in its own name.	The operator of the Wrap holds the underlying assets in its own name.
	Value of a member's investment may be decided by trustee of the Master Trust.	Value of a member's investment may be determined directly by the underlying assets.
	All fees, tax credits and tax payable is calculated into the value of a member's investment.	All fees, tax credits and tax payable are disclosed separately which provides more transparency.
	Income from underlying assets are paid to Master Trust, and then distributed to all members.	Income from underlying assets are paid directly to the relevant cash account of the member who has invested into the asset.
	Franking credits (when applicable) absorbed by Master Trust and used to determine unit price.	Franking credits (when applicable) credited directly to the member through the cash account.
<b>Who does it suit?</b>	Members with more simple investments needs	Members with more complex investments needs
	Clients who do not want overly complex reporting.	Clients who wish to invest into direct shares.  Clients who wish to benefit from franking credits being credited directly to their account.  Clients who would like greater transparency of their investment transactions.

For more information on Wealthtrac Wrap please contact Matthew Johnson on 02 9006 1290 or [mjohnson@wealthtrac.com.au](mailto:mjohnson@wealthtrac.com.au)

This document is issued by Oasis Fund Management Limited, ABN 38 106 045 050, as trustee of the Oasis Superannuation Master Trust, ABN 81 154 851 339, and operator of the Oasis Investor Directed Portfolio Service.

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