



**CARE**portfolio

**CAREportfolio**  
**INVEST** SECOND  
SUPPLEMENTARY  
INVESTOR DIRECTED  
PORTFOLIO SERVICE  
(IDPS) GUIDE

[hub24.com.au/careportfolio](http://hub24.com.au/careportfolio)

## YOUR INVESTMENT ACCOUNT

This Supplementary IDPS Guide dated 7 September 2016 (referred to as the 'Second Supplementary IDPS Guide') supplements the CAREportfolio INVEST IDPS Guide dated 8 May 2015 (referred to as 'the Original IDPS Guide') and the Supplementary IDPS Guide (referred to as the 'First Supplementary IDPS Guide') dated 1 December 2015.

This Second Supplementary IDPS Guide is issued by HUB24 Custodial Services Ltd (HUB24, the Operator, we, us or our) ABN 94 073 633 664, AFSL 239 122 and should be read together with the Original IDPS Guide and the First Supplementary IDPS Guide.

7 SEPTEMBER 2016

## About this Second Supplementary IDPS Guide

This Second Supplementary IDPS Guide provides important information affecting new and existing investors. If you've received this Second Supplementary IDPS Guide electronically we will provide a paper copy free upon request. You can obtain a copy of this Second Supplementary IDPS Guide (including the Original IDPS Guide and any other Supplementary IDPS Guide(s)) from your adviser, on InvestorHUB or by calling our Client Services Team on 1300 854 994.

## Updates to the IDPS Contract (terms and conditions) section

### a. Update to the term 'Investment portfolio'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the definition of the term 'Investment portfolio' and replace with the following:

**Investment portfolio** The accessible investments held by us, or by a Custodian, on your behalf in relation to your account.

### b. Disclosure included in relation to clause 3.1 b.

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section insert the following at the beginning of clause 3.1 b:

subject to clause 22.1(f)

### c. Update to clauses 3.1 d and 3.1 e.

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the reference to ', and' from clause 3.1 d and insert the following at the end of clause 3.1 e:

; and

### d. Update to clause heading '4. Investment strategy'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the heading of section 4 'Investment strategy' and replace with the following:

Investment strategy implementation

### e. Update to clause within section '5. Investment services'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete clause 5.6 a. and replace with the following:

- a. The registered owner of the financial products you hold through the Service is either the Operator or a Custodian (as applicable). The Operator, as the primary custodian of the Service, holds the financial products on trust for you and, in turn, may appoint one or more Custodians who hold such financial products for the Operator.

### f. Update to references to 'custodian' and 'sub custodian'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete all references to 'custodian' and 'sub custodian' unless otherwise stated in this Second Supplementary IDPS Guide and replace with:

Custodian

### g. Update to disclosure in clause '7.1 a. iii. Applicable disclosure documents have been provided to you'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the following text under clause 7.1 a. iii.:

or the sub custodians

### h. Update to disclosure in clause '7.2 b. Disclosure documents are compliant'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the following text under clause 7.2 b.:

or the sub custodian (as relevant)

### i. Update to disclosure in clause '7.3 Use of disclosure documents has been authorised by the product issuer'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the following text under clause 7.3:

or the sub custodian (as relevant)

j. Update to clause within section  
'10. Custody'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section insert the following after clause 10 c.:

- d. We, and any Custodian we appoint, are prohibited from taking or granting a charge, mortgage, lien or other encumbrance over, or in relation to, custodial property held pursuant to this agreement, other than:
  - i. for expenses and outlays made within the terms of this agreement, not including any unpaid fees of the Operator or Custodian (as applicable); or
  - ii. in accordance with your written instructions.
- e. We will provide you with written notice of the identity of, and contact details of, any Custodian appointed by us to hold custodial property held pursuant to this agreement. Except in exceptional circumstances, such notice will be provided before the Custodian commences holding any custodial property on your behalf.

k. Update within clause '12. Account'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section insert the following after clause 12 c.:

- d. Records of:
  - i. the assets held through the Service on your behalf
  - ii. any transactions relating to your account, including by whom and when they were authorised,will be kept and maintained by the Operator on the platform. Such information will be accessible by you or your adviser through the platform.
- e. The Operator will apply verification procedures and reconcile the assets held on your behalf through the Service on an appropriately frequent basis.

l. Update within clause '18.1 Direct market trading (DMT)'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the following reference in clause 18.1 b. where it first appears:

or sub custodian

m. Insert new clause within section '20.  
Investment reports and communications'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section insert the following after clause '20.5 Your obligation to provide information':

20.6 Manner in which custodial property is held

We will acknowledge, on request from you or your adviser, the manner in which custodial property is held through the Service.

n. Update to clause heading '22.1 Liability of indemnity'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' delete the heading of clause '22.1 Liability of indemnity' and replace with the following:

22.1 Liability

o. Update within clause '22.1 Liability'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section replace the first paragraph of clause 22.1 with the following:

To the extent legally permitted (including the Class Order) and subject to the specific provisions of this agreement (including clause 22.3), we are not liable to you, your adviser or any other person for loss caused by:

p. Update within clause '22.1 Liability'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' delete clauses 22.1 f. and 22.1 g. and replace with the following:

- f. the insolvency of a Custodian or any other service provider we appoint
- g. any act or omission of an Operator of a securities title, transfer or holding system, or
- h. any other matter.

q. Insert new clause within section '22.  
Liability and indemnity'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section insert the following after clause '22.2 Indemnity':

22.3 Our responsibility

Notwithstanding any other provision of this agreement (including clause 22.1), we are liable to you if you suffer a loss that is caused by:

- a. a breach of the terms of this agreement relating to the holding of custodial property by us; or
- b. a breach by a Custodian of the terms of any custody agreement between us and a Custodian relating to the holding of custodial property; or

- c. a failure by either us or a Custodian to observe reasonable standards generally applied by providers of custodial or depository services for holding custodial property,

except in circumstances where the loss is caused by the insolvency of a Custodian and we have not failed to take reasonable care in engaging and monitoring compliance by that Custodian.

- a. made to ASIC
- b. permitted by law; or
- c. otherwise authorised by you.

#### r. Update to clause within section '23. Terms and termination'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the paragraph after clause 23.2 e. and replace with the following:

On termination of this agreement, you shall pay us all accrued fees, costs and expenses, and we will, subject to any provision to the contrary in this agreement or the IDPS Guide and any lien held by us or a Custodian in relation to the assets promptly deliver to you all final accounts and reports in relation to your account and transfer to you all property and rights in relation to your account within a reasonable time (generally within 30 business days). During that time we may deal with your account to settle or offset existing obligations. You acknowledge that there may be delays in transferring or disposing of your assets. Termination does not affect any transaction properly commenced prior to termination, nor any other claim that either party may have against the other.

#### s. Update to clause within section '24. Miscellaneous'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the text in clause '24.7 Survival' and replace with the following:

Clause 21 (Fees and expenses), clause 22 (Liability and indemnity), clause 24 (Miscellaneous), clause 24.11 (Confidentiality) and any other provision of this agreement intended to survive termination of this agreement will continue to apply following termination of this agreement.

#### t. Insert new clause within section '24. Miscellaneous'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section insert the following after clause '24.9 Force majeure':

##### 24.11 Confidentiality

The Operator will keep any information of a confidential nature relating to your interest in the Service in confidence, other than where disclosure of such information is:





**CARE**portfolio

**CAREportfolio INVEST**  
SUPPLEMENTARY  
INVESTOR DIRECTED  
PORTFOLIO SERVICE  
(IDPS) GUIDE

[hub24.com.au/careportfolio](http://hub24.com.au/careportfolio)

## YOUR INVESTMENT ACCOUNT

This Supplementary IDPS Guide dated 1 December 2015 (referred to as 'this Supplementary IDPS Guide') supplements the CAREportfolio INVEST IDPS Guide dated 8 May 2015 (referred to as 'the Original IDPS Guide').

This Supplementary IDPS Guide is issued by HUB24 Custodial Services Ltd (HUB24, the Operator, we, us or our) ABN 94 073 633 664, AFSL 239 122 and should be read together with the Original IDPS Guide.

1 DECEMBER 2015

## About this Supplementary IDPS Guide

This Supplementary IDPS Guide provides important information affecting new and existing investors. If you have received this Supplementary IDPS Guide electronically we will provide a paper copy free upon request. You can obtain a copy of this Supplementary IDPS Guide (and the Original IDPS Guide) from your adviser, on InvestorHUB or by calling our Client Services Team on 1300 854 994.

## 1. Updated disclosure in Section 4 – Risks

### a. New disclosure included in relation to 'Country risk'

Within the Original IDPS Guide in '**Section 4 – Risks**' the following section is to be inserted after the first paragraph under the heading 'Risks associated with investments'.

#### Country risk

Country risk is a general term that refers to the collection of risks associated with investing in a foreign country. It includes specific types of risk such as, but not limited to:

- Political – the risk of political instability in a country
- Foreign exchange – refer to the 'Foreign exchange risk' section below for more information
- Sovereign – the risk of a foreign government intervention resulting in losses, and
- Transfer – the risk of a foreign government or regulator restricting transfer of assets

Other more general consequences that you may need to consider when investing outside your country may include such things as differing legal environments (offering less protection to investors), differing standards of information provided to you in terms of quality and timeliness, time differences which could lead to delays in the transmission of information which in turn could restrict your and/or your adviser's ability to react to events.

### b. Delete the disclosure within the 'Indemnification of custodian' section

Within the Original IDPS Guide in '**Section 4 – Risks**' delete the sub-heading and section 'Indemnification of custodian'.

## 2. Amendments and new disclosure in Section 5 – Your investment choices

### a. Update to the disclosure within the 'Directly through ASX listed securities' section

Within the Original IDPS Guide in '**Section 5 – Your investment choices**' delete the heading titled 'Directly through ASX listed securities' and replace with the following.

Australian listed securities

### b. Disclosure included in relation to 'International listed securities'

Within the Original IDPS Guide in '**Section 5 – Your investment choices**' after the section 'Australian listed securities' as above, insert the following.

#### International listed securities

The Service offers you the opportunity to invest directly in international listed securities markets, including US, Asian and European stock exchanges.

Trading in international securities is only available to Australian residents for tax purposes. Furthermore, if you become a non-resident for tax purposes, you will need to inform your adviser as any international securities held in your account will need to be sold or transferred out of the Service.

Through your adviser you can trade international securities (minimum trade amounts may apply) by using our aggregated trading service.

Refer to Section 6: Efficient trading choices.

Income received from international listed securities is automatically converted to Australian dollars and paid to your cash account, unless there is a dividend reinvestment plan on offer and you choose to participate. Participation in any dividend reinvestment plan is at the discretion of the Operator. Information on your International listed securities can be accessed through InvestorHUB.

### 3. Updates to disclosure in Section 6 – Efficient trading choices

#### a. Update to the disclosure within the 'Aggregated trading' section

Within the Original IDPS Guide in '**Section 6 – Efficient trading choices**' refer to the 'Aggregated trading' section and add the following sentence and footnote after the last paragraph.

All trades in international listed securities<sup>1</sup> will be settled in Australian dollars.

<sup>1</sup> Aggregated trading of International listed securities by your adviser is expected to be available to you during the first half of 2016. Once this feature is available you will be notified via InvestorHUB.

#### b. Update to the disclosure within the 'Trading restrictions' section

Within the Original IDPS Guide in '**Section 6 – Efficient trading choices**' refer to the 'Trade restrictions' section then delete the third bullet point and replace with the following.

- a minimum trade size is needed. The Operator has the discretion to delay or cancel trades that do not meet the minimum requirements as determined by the Operator

### 4. Changes to disclosure in Section 8 – Operating your account

#### a. Update to the disclosure within the 'Appointing an adviser' section

Within the Original IDPS Guide in '**Section 8 – Operating your account**' refer to the 'Appointing an adviser' section then delete the third paragraph and replace with the following.

We will act on all instructions from you through your adviser. Your adviser can instruct us on anything in relation to your account, except to appoint another person to be your adviser, make changes to your fees payable (other than nomination of indexation of ongoing advice fees), alter payments or distributions and your nominated bank account details.

#### b. Update to the disclosure within the 'Withdrawals' section

Within the Original IDPS Guide in '**Section 8 – Operating your account**' refer to the 'Withdrawals' section then delete the paragraph after the third bullet point and replace with the following.

Funds will be paid by electronic transfer to your nominated Australian bank account. We may also contact you to confirm your withdrawal instructions.

#### c. Update to the disclosure within the 'Interest accruals' section

Within the Original IDPS Guide in '**Section 8 – Operating your account**' refer to the 'Interest accruals' section then delete the second paragraph and replace with the following.

The rate of interest paid by the Operator on your cash account will be between 0.25% and 0.75% less than the RBA Cash Rate.

#### d. Disclosure included in relation to the 'Ad hoc Investment Plan'

Within the Original IDPS Guide in '**Section 8 – Operating your account**' after the section 'Automatic investment plan (regular investment)' insert the following.

##### Ad Hoc Investment Plan

For any additional deposits into your cash account, you can establish an Ad Hoc Investment Plan. This feature allows you to establish an investment plan which will invest any additional (ad hoc) deposits made into your cash account.

#### e. Disclosure included in relation to the 'Automatic Cash Top Up Feature'

Within the Original IDPS Guide in '**Section 8 – Operating your account**' after the section 'Automatic investment drawdown (regular selldown)' insert the following.

##### Automatic Cash Top Up Feature

To help you manage your minimum cash account balance requirements you can opt in for the Automatic Cash Top Up feature. This feature ensures that your cash account balance automatically tops up (generally around the 25th of each month) in the event that it falls below the required minimum. You will also have the option to ensure that any regular payments (such as regular payment plans) are also taken into account when topping up the cash account balance.

#### f. New disclosure in relation to 'Exchange Rates'

Within the Original IDPS Guide in '**Section 8 – Operating your account**' after the section 'Corporate actions' insert the following.

##### Exchange Rates

Generally, transactions in international listed securities, including buy, sell, corporate action and income transactions, will be converted into Australian dollars using the actual foreign currency exchange rates advised by the sub-custodian. For more information on exchange rates, and how they are applied when transacting in international listed securities, please refer to the International Listed Securities Guide on our website.

Your international listed securities will be valued in Australian dollars based on foreign exchange rates obtained from our sub-custodian.

g. Disclosure included in relation to 'Publishing and notification of disclosure documents'

Within the Original IDPS Guide in '**Section 8 – Operating your account**' after the table in the section 'How we keep you informed' insert the following.

**Publishing and notification of disclosure documents**

We may make disclosure documents available to you electronically, and we will notify you when they are available. These disclosure documents may include financial services guides, important update notices, on-going disclosure of material changes and periodic statements.

**5. New disclosure in Section 9 – Tax**

a. Update to '9. Tax' introductory disclosure

Within the Original IDPS Guide in '**Section 9 – Tax**' before the section 'Capital gains tax (CGT)' insert the following.

**Tax rules in other countries may be significantly different from those in Australia. If you are investing in a foreign jurisdiction through this service we recommend you consult your tax adviser about the impact this may have on your personal situation.**

b. Update to the disclosure within the 'Withholding tax' section

Within the Original IDPS Guide in '**Section 9 – Tax**' refer to the 'Withholding tax' section and after the fifth paragraph insert the following.

Investments in countries other than the US may also require the completion and submission of similar forms. If you invest in international securities through the service you may be required to fill in and submit any relevant form, or to provide some type of certification, in order to be entitled to reduced withholding tax rates that may apply under the terms of any tax treaty between the Australian government and that of the country (or countries) in which you are investing. If any of this applies to you, we will notify your adviser.

c. New disclosure in relation to 'Exchange Rates Gains/Losses'

Within the Original IDPS Guide in '**Section 9 – Tax**' after the section 'Withholding tax' insert the following.

**Exchange Rates Gains/Losses**

Exchange rates used for the purpose of converting trades, income receipts and other transactions will be advised to us by our sub-custodians and/or brokers (as applicable) and transactions will be reported in the equivalent AUD amounts using these rates. The taxation treatment of any foreign exchange gains or losses that may arise as a result of this conversion will generally be folded into the taxation treatment of the transactions themselves. That is, for example, if a transaction gives rise to a capital gain assessable under the capital gains tax rules, any part of the gain that may be attributable to foreign exchange movements will be assessed as a capital gain and will not need to be reported separately. Similarly, foreign exchange gains or losses which result from conversion of ordinary income will be part of the ordinary income (if gains) or offset against it (if losses). When there are exceptions to these rules that may apply due to particular circumstances, we will inform your adviser.

**6. Amendments and changes to the disclosure in Section 10 – Fees and other costs**

a. Update to the 'Fees and other costs' table

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' insert the following in the 'Management costs' fee table under the column 'Amount' directly above 'Service fees' row heading:

**PLUS**

If you invest in international listed securities a fee of 0.15% of the value of the international listed securities that you hold in your account will apply



## b. Update to 'The fees you pay to your adviser' table

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' refer to the table under the sub-heading 'The fees you pay to your adviser', delete the second row and replace with the following.

<b>Ongoing advice fee<sup>6</sup></b>	<p>You may agree with your adviser to pay an ongoing percentage fee and/or a fixed dollar amount of up to 2.2% p.a. on your total account balance. Any further deductions you agree with your adviser above 2.2% p.a. will only be made with approval by the Operator.</p> <p>For fees specified as a fixed dollar amount you may agree with your adviser to automatically index this fee in line with the annual change in Consumer Price Index ('CPI') or a fixed percentage (up to 5% p.a.) on a specified month each year. We will accept your adviser's instructions in relation to indexation of ongoing advice fees on your behalf.</p>	<p>The ongoing advice fee is calculated daily on your total account balance and paid to your adviser from your cash account monthly in arrears.</p> <p>This fee will appear on your cash transaction report as 'Adviser Fee'.</p>
---------------------------------------	--	---

<sup>6</sup> If your account contains borrowed amounts, your adviser cannot receive ongoing advice fees, contribution fees or adviser brokerage fees that are asset-based (i.e. calculated as a percentage of your total account balance).

## c. Update to the 'Transaction fees' table

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' refer to the 'Transaction fees' table then delete the fee type name 'Listed securities transactions fees' and replace with the following.

### Australian listed securities transaction fees

## d. Disclosure included to the 'Transaction fees' table

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' refer to the 'Transaction fees' table and insert the following as a new row before the fee type 'Term deposit transaction fees'.

Type of fee or cost	Transaction method	Amount	How and when paid
International listed securities transaction fees <sup>3</sup>	Aggregated trading	For aggregated trades through approved international exchanges within a managed portfolio: Brokerage of 0.22% of the trade value. No minimum applies.	Brokerage is deducted from the cash within your managed portfolio at the time of settlement in addition to any other trade costs.
		For all other aggregated trades through approved international exchanges: Brokerage of 0.22% of trade value, subject to a minimum fee of \$33.	Brokerage is deducted from your cash account at the time of settlement in addition to any other trade costs.
	Trades within the automatic investment plan and/or automatic investment drawdown	Brokerage of 0.22% of the trade value through approved international exchanges. No minimum applies.	
	Corporate actions	Transaction fee of up to 0.22% of the transaction amount.	Transaction fees are deducted from your cash account at the time of settlement in addition to any other transaction costs.
	In specie transfers	Transaction fee of up to \$27.50 per security for in specie transfer in or out.	

<sup>3</sup> Transacting in international securities (including in specie transfers) may incur additional costs (for example, local stamp duties or commissions) which will be deducted from your account. Refer to 'International listed securities transaction costs' below for more information.

## e. Update to the disclosure within the 'Cash account remuneration' section

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' delete the sub-heading and section 'Cash account remuneration' and replace with the following.

### Cash account management fee

A cash account management fee applies to the cash holdings in your cash account (including any cash held in managed portfolios). As a general rule, the cash account management fee is the difference between the interest earned on cash holdings and the interest credited to your account. This fee may be either charged as a direct fee, deducted from the interest earned on the account before it is credited to you or paid to us by the account provider, at our discretion. Regardless of how it is paid, the declared rate of interest paid by the Operator on your cash account will be between 0.25% and 0.75% less than the RBA Cash Rate. The cash account management fee will be reduced to take into account any commissions received by us in respect of your holding in the cash account.

For more information about your cash account and the cash rate applicable refer to [www.hub24.com.au/Invest/CashRates](http://www.hub24.com.au/Invest/CashRates)

## f. Update to the disclosure within the 'Fund manager and investment manager service fees' section

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' delete the sub-heading and section 'Fund manager and investment manager service fees' and replace with the following.

### Fund manager service fees

Where permitted by law, the Operator may receive the following payments from responsible entities whose funds are available through the Service:

- Service fees of up to \$30,000 p.a. per responsible entity, plus
- Up to \$10,000 p.a. per managed fund available through the Service.

The amount of these payments may increase from time to time and may be subject to indexation.

These service fees relate to the services that the Operator provides to fund managers for the review, maintenance and administration of the managed fund investment options available through the Service.

These fund manager service fees are paid to us from the fund managers own resources and are not an additional cost to you.

### Managed portfolio service fees

Where permitted by law, the Operator may receive the following payments from the manager whose managed portfolios are available through the Service:

- Service fees of up to \$10,000 p.a. per managed portfolio, plus

- Up to 0.15% p.a. on the total amount of funds we have invested with each investment manager

The amount of these payments may increase from time to time and may be subject to indexation.

These service fees relate to the services that the Operator provides to investment managers for the establishment, ongoing monitoring, management and compliance of the managed portfolio investment options available through the Service.

These investment manager service fees are paid to us from the investment managers own resources and are not an additional cost to you.

## g. New disclosure in relation to 'International listed securities transaction costs'

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' the following section is to be inserted after the section headed 'Insurance remuneration'.

### International listed securities transaction costs

Brokerage will be incurred on buying and selling international listed securities. In addition, trading on certain international exchanges may incur additional costs (for example local stamp duties, taxes, fees or commissions) which will be deducted from your account at the time of trade settlement.

International listed security trades, income receipts, corporate actions or any other transactions that require a conversion from one currency to another may incur a foreign currency conversion fee of up to 0.77% of the value of the transaction.

Additional brokerage, transaction and currency conversion fees may apply to trades in international listed securities outside of the approved investment list or the list of approved international exchanges. It is at the Operator's discretion to allow additional international trades and listed securities outside of the approved exchanges and international listed securities.

International listed securities transaction costs are included in the International Listed Securities Guide on our website as updated from time to time.

## h. Update to the disclosure within the 'Transaction fees' section

Within the Original IDPS Guide in '**Section 10 – Fees and other costs**' under the sub-heading 'Transaction fees', delete the fourth paragraph and replace with the following.

The transaction fee for in specie transfers will apply when Australian listed securities or managed funds are transferred in specie into or out of the Service. The fee is deducted from your cash account at or around the time the in specie transfer occurs. In specie transfers for International listed securities are on request and at the Operators discretion. All costs for in specie transfers of international

listed securities will be passed on to you. Certificated stock transfers will not be accepted.

## 7. Amendments and new disclosure in Section 11 – General information

### a. Update to the disclosure within the 'Custody and how your assets are held in trust' section

Within the Original IDPS Guide in '**Section 11 – General information**' delete the sub-heading and section 'Custody and how your assets are held in trust' and replace with the following.

#### Custody and how your assets are held on trust

Custody involves holding assets on trust – on your behalf – for safekeeping.

We currently outsource custodial functions to third party sub-custodians.

The sub-custodian holds the assets solely for HUB24 Custodial Services Ltd, as the Operator and primary custodian of the Service, and is not obliged to recognise any right or interest of any other person in relation to the assets. This means that there is no direct relationship between you and the sub-custodian, and that the sub-custodian does not provide any services directly to you.

Legal title to the assets will generally be held on trust, except where the assets are located in a place outside of Australia and either the law in that place does not recognise trusts or it is not reasonable for the assets to be held on trust in accordance with the law in that place. In all cases, the Operator must ensure that it is satisfied that the assets are held in a manner that, having regard to the relevant laws, provides reasonably effective protection in case of insolvency of the person holding the property. The Operator holds its beneficial interest in these assets on trust for you.

We and the sub-custodians are obliged to use your assets only for the purposes permitted under the terms of the Service.

The sub-custodian will generally be entitled to be indemnified out of the assets of your account for expenses legitimately incurred by the sub-custodian in the exercise of its custodial functions. The sub-custodian may also hold a lien<sup>1</sup> over assets in your account in respect of such expenses (but not unpaid sub-custodial fees). This may delay the return of your account's assets or, in limited circumstances, could mean that a portion of your accounts assets may be sold by the sub-custodian to enable it to recover expenses legitimately incurred by it.

The Operator also maintains a register of the underlying holdings for each investor in the Service. Your Australian, International and cash holdings are held on your behalf by us as your custodian, or by any sub-custodian we may appoint, while you retain beneficial ownership. The Service will reconcile its records with the sub-custodian's records on a daily basis.

<sup>1</sup> A right to retain possession of assets pending payment of a debt, or discharge of some other obligations by the owner of the assets.

We reserve the right to change the sub-custodians or custodial structure of the Service from time to time without notice, including by appointing or removing custodians or sub-custodians to hold your assets. In the event of any such change, you will remain the beneficial owner of the assets.

### b. Delete the disclosure within the 'Consents' section

Within the Original IDPS Guide in '**Section 11 – General information**' delete the sub-heading and section 'Consents'.

### c. Update to the disclosure within the 'Privacy' section

Within the Original IDPS Guide in '**Section 11 – General information**' delete the section under the sub-heading 'Privacy' and replace with the following.

Your personal information is important to us.

We collect your personal information for the primary purpose of establishing and administering your investments with us, communicating with you and giving you access to customer areas of our websites. We also collect some personal information to meet our obligations, under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) and the Corporations Act.

We may use and disclose your personal information to administer your investment, conduct product and other research, and discuss issues with you. We collect this information through our interactions with you, as well as in some instances from your financial adviser or other authorised representative, your organisation, public sources and information brokers such as electronic identity services. We also may verify information collected.

We cannot process your application without your personal information. It is important that you advise us as soon as possible of any changes. If you give us personal information about any other individuals (e.g. directors or trust beneficiaries) you must ensure that they are aware of this privacy section.

Our Privacy Policy contains information on how your personal information is collected and handled, the people with whom we may exchange your information and where they are located, and your right to request access, correct the information we hold and how to make a complaint about a breach of the Australian Privacy Principles. Our Privacy Policy is available upon request or from our website at [www.hub24.com.au/privacy](http://www.hub24.com.au/privacy).

We may disclose your information to our related bodies corporate and to our service providers who assist us with, among other things, but not limited to, custody, data storage and archiving, auditing, accounting, customer contact, legal, business consulting, banking, information technology services, data analysis, information broking, or research.

Your personal information may be disclosed to Australian and overseas regulatory authorities on reasonable request by those authorities. We may also disclose your information

to external parties on your behalf, such as your financial adviser unless you have instructed otherwise. Your information may be shared with overseas parties through our electronic identity service.

We take reasonable steps to ensure that any recipients of your personal information do not breach the privacy obligations relating to your personal information.

We may use your information to tell you by telephone, electronic messages (like email), online and other means, about other services or products offered by us or them. We may do this on an ongoing basis, but you may opt out at any time.

If you wish to opt out, update or request access to your information, obtain a copy of our Privacy Policy or raise any queries or concerns regarding privacy, you may contact our Privacy Officer by contacting our Client Services Centre on **1300 854 994** or by **email [privacy@hub24.com.au](mailto:privacy@hub24.com.au)**.

#### d. Update to the disclosure within the 'Anti-money laundering/counter-terrorism financing' section

Within the Original IDPS Guide in '**Section 11 – General information**' under the sub-heading 'Anti-money laundering/counter-terrorism financing' after the fifth paragraph insert the following.

By completing the Application Form you agree that:

- you are not making an application for investment in the Service under an assumed name;
- any money used by you to invest in the Service is not derived from and/or is related to any proceeds that will be used for any criminal activities;
- you will provide us with additional information we reasonably require for the purpose of the AML/CTF Act; and
- we may obtain information about you or any beneficial owner of an investment from third parties if we believe this is necessary to comply with the AML/CTF Act. Where documentation provided is not in English, an English translation must be provided by an accredited translator (who is accredited by the National Accreditation Authority for Translators and Interpreters Ltd at the level of Professional Translator or above).

#### e. Disclosure included in relation to 'Investor identification requirements'

Within the Original IDPS Guide in '**Section 11 – General information**' the following section is to be inserted after the section headed 'Anti-money laundering/counter-terrorism financing'

##### Investor identification requirements

###### Proof of identity

When lodging an application form, you or your adviser must complete the Investor Identification Form to complete your identity verification in accordance with AML/CTF Act and *Foreign Account Tax Compliance Act* (FATCA) requirements. These forms can be obtained from your adviser through AdviserHUB.

###### Investors that apply through/with a financial adviser

We intend to rely on financial advisers to verify the identity of their clients in accordance with the AML/CTF Act. The Application form requires your financial adviser to confirm that they have verified your identity and agree that we may access any document that has been used by them to verify your identity.

Unless requested, we do not require original documents or certified copies used by the financial adviser to verify your identity. In all cases, even if we receive identity documentation, we will still (as permitted under the AML/CTF Act) be relying on the financial adviser to verify your identity.

###### Nominated representatives

We are also required to verify the identity of legal representatives and agents appointed by you to act on your behalf. We will not act on the instructions of a nominated legal representative or agent until such time as we verify the identity of that representative or agent. Nominated legal representatives include, but are not limited to, executors of estates, attorneys (appointed under power of attorney) and nominated representatives.

#### f. Update to the disclosure within the 'Wholesale clients' section

Within the Original IDPS Guide in '**Section 11 – General information**' delete the sub-heading and section 'Wholesale clients' and replace with the following.

##### Sophisticated/Wholesale clients

We may (but are not obliged to) accept certain sophisticated/wholesale clients directly who do not have an adviser. In this case, this IDPS Guide and the IDPS Contract's provisions (such as adviser-related information) will not apply to you. Refer to the Operator and the IDPS Contract for further details.

To comply with the requirements of the AML/CTF Act, if you directly apply to invest in the Service (that is, not through a financial adviser) you must complete the Investor Identification Form and submit it together with the Application Form and your certified identification.



## 8. Updates to the IDPS Contract (terms and conditions) section

### a. Update to the term 'Custodian' in the IDPS Contract

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete the definition of the term 'Custodian' and replace with the following.

**Custodian** Any organisation appointed from time to time by us to hold assets on your behalf.

### b. Disclosure included in relation to clause '3.1 Our obligations'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' insert the following after clause 3.1 e.

- f maintain business continuity arrangements that are reasonable for a business of the nature, scale and complexity of our business.

### c. Update to clause within section '10. Custody'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete clause 10 b. and replace with the following.

- b. You acknowledge that your monies and the monies of other clients of ours may be combined and deposited by us in a bank account held on trust or clients' segregated account.

### d. New clause within section '15. Other acknowledgements'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' insert the following after clause 15 a.

- b. we may make disclosures available to you digitally and will notify you when the disclosures are available. You may opt out to this method of delivery; however this may impact the provision of our service to you.

### e. Update to clause within section '23.2 a. Termination'

Within the Original IDPS Guide in the '**IDPS Contract (terms and conditions)**' section delete clause 23.2 a. and replace with the following.

- a. you become insolvent (including if you are unable to pay your debts when due or do anything that suggests you cannot do so)



**CARE**portfolio

**CAREportfolio INVEST**  
INVESTOR DIRECTED  
PORTFOLIO SERVICE  
(IDPS) GUIDE

[hub24.com.au/careportfolio](http://hub24.com.au/careportfolio)

## YOUR INVESTMENT ACCOUNT

CAREportfolio Invest is a next-generation portfolio administration service that helps you and your adviser manage your investments simply and efficiently. CAREportfolio Invest's comprehensive portfolio solution helps you tailor your investment strategy from a broad range of investment options.

# About this IDPS Guide

**This Investor Directed Portfolio Service Guide (IDPS Guide, Guide) dated 8 May 2015 for CAREportfolio Invest is issued by HUB24 Custodial Services Ltd (HUB24, the Operator, we, us or our) ABN 94 073 633 664, AFSL 239 122. You should read all of the following:**



IDPS GUIDE (including IDPS Application Form and Contract)



MANAGED PORTFOLIO DISCLOSURE DOCUMENT (for each managed portfolio selected for your investment strategy, which form part of this IDPS Guide. Image shows an example only.)



FINANCIAL SERVICES GUIDE

This IDPS Guide gives you information about CAREportfolio Invest (the Service) operated by HUB24 on behalf of GPS Wealth Ltd (the licensee) ABN 17 005 482 726 AFSL 254 544, and is designed to help you decide whether to use our services. It's important you read the entire IDPS Guide in conjunction with the HUB24 Financial Services Guide (FSG) so you can understand how the Service works. It's important that you also read and understand the IDPS Application Form and Contract, and the relevant disclosure documents for any managed portfolios or underlying accessible investments that you've selected.

This IDPS Guide describes the main features, benefits, costs and risks of investing through the Service.

The information contained in this IDPS Guide is general information only and does not take into account your individual objectives, financial situation, needs or circumstances.

The Operator is not authorised to provide personal financial advice and you must consult a financial adviser before investing through the Service. It's also a requirement of the Service that your financial adviser performs the role of adviser as described in this IDPS Guide.

The suitability of the Service to your needs, and the suitability of a particular investment within the Service, depends on your individual circumstances and objectives. You should discuss these in detail with your adviser before investing through the Service. We will only accept investors to the Service through a financial adviser, except in the case of certain sophisticated wholesale clients (as defined by the *Corporations Act 2001* (Cth) (the Corporations Act)) and as accepted by us in our absolute discretion.

This document does not constitute an offer to sell or a solicitation of an offer to buy interests or securities in any jurisdiction. The Service is only available to Australian tax residents in Australia who receive this IDPS Guide, whether in paper or electronic form, unless otherwise approved by us. Investors who receive this IDPS Guide in electronic form are entitled to obtain a paper copy of this IDPS Guide (including the application form) free of charge by contacting us. We reserve the right to not accept an application to become an investor of the Service at our discretion.

The distribution of this IDPS Guide in jurisdictions outside Australia may be restricted by law and persons in possession of this IDPS Guide should inform themselves about and observe any such restrictions. Failure to comply with those restrictions may violate those laws.

We reserve the right to close an account and will notify the account holder prior to doing so in circumstances including, but not limited to, your account being held in breach of prohibitions contained in this document or the IDPS Contract, or where your account might be in a violation (including by the Operator or its related bodies corporate) of an applicable law or regulatory requirement.

# Contents

<b>About this IDPS Guide</b>	<b>ii</b>	<b>10. Fees and other costs</b>	<b>24</b>
<b>1. CAREportfolio Invest at a glance</b>	<b>1</b>	Fees and other costs	25
<b>2. About CAREportfolio Invest</b>	<b>2</b>	Additional explanation of fees and costs	28
<b>3. Benefits of CAREportfolio Invest</b>	<b>3</b>	A further explanation of fees	31
Choice	3	Example of annual fees and costs for a balanced investment option	33
Managed portfolios	3	Examples of total fees you may be charged	34
Investment menu	3	<b>11. General information</b>	<b>38</b>
Technology that makes your life easier	4	Custody and how your assets are held in trust	38
Tax optimisation tools	4	Your rights in the Service vs direct investments	39
Online access to your account	4	Foreign Account Tax Compliance Act (FATCA)	41
<b>4. Risks</b>	<b>5</b>	Complaints	42
Risks associated with the Service	5	How to contact us	42
Risks associated with investments	5	<b>12. Application form</b>	<b>43</b>
Managing risks	7	<b>CAREportfolio Invest application form</b>	<b>44</b>
<b>5. Your investment choices</b>	<b>8</b>	Checklist	44
Setting your investment goals	8	Important information	44
Designing your investment strategy	8	Proof of identity	44
How you can invest	9	How to contribute to your account	44
<b>6. Efficient trading choices</b>	<b>11</b>	Your bank details	44
Aggregated trading	11	Where should this form be returned to?	44
Direct market trading	11	How to contact us	45
External broker trading	11	How to complete Sections 2 and 3 of this form	45
Trade authority	12	<b>Application form and IDPS Contract</b>	<b>47</b>
Trade restrictions	12	Adviser Checklist	61
<b>7. Other services</b>	<b>13</b>	Important notes	61
<b>8. Operating your account</b>	<b>14</b>	<b>IDPS Contract (terms and conditions)</b>	<b>62</b>
Initial steps	14		
Cash account	14		
Appointing an adviser	14		
How to open an account	14		
How your account operates	15		
Contributions	16		
Withdrawals	17		
Cash	17		
Interest accruals	17		
Investment transactions	18		
Automatic investment plan (regular investment)	18		
Automatic investment drawdown (regular selldown)	18		
Corporate actions	19		
Trade notifications	19		
How we keep you informed	20		
<b>9. Tax</b>	<b>22</b>		
Capital gains tax (CGT)	22		
CGT parcel allocation	22		
Tax on income	23		
Withholding tax	23		
Fee deductibility	23		
GST and other government charges	23		

## Changes to this IDPS Guide

Information in this IDPS Guide may change from time to time. If a change occurs that is not materially adverse to investors, we may update this IDPS Guide by publishing the updated information on the website shown on the front cover of this document. Otherwise, we will issue a supplementary or revised IDPS Guide. You can obtain updated information, or any supplementary or revised IDPS Guide, by asking your adviser or visiting our website. You should regularly check our website to ensure that you have the most up to date information. You may request a printed copy of any updated information free of charge by requesting this from your adviser or by contacting the Operator.



This page is left blank intentionally.

---

# 1. CAREportfolio Invest at a glance

<b>Who can invest?</b>	<p>Australian tax residents investing as:</p> <ul style="list-style-type: none"> <li>• individuals over the age of 18 years</li> <li>• partnerships</li> <li>• associations</li> <li>• companies</li> <li>• trustees of trusts</li> <li>• trustees of self-managed super funds.</li> </ul> <p>We may only accept your application with a valid Tax File Number (TFN) (or ABN for a corporate entity).</p>	
<b>Minimum initial deposit</b>	\$50,000	
<b>Minimum cash balance</b>	0.75% of your account balance must be held at all times. This may be a lower amount at our discretion or a higher amount if requested by your adviser.	
<b>Additional contributions</b>	\$100 minimum.	
<b>Withdrawals</b>	\$100 minimum.	
<b>Regular savings and payment plans</b>	\$100 per month minimum.	
<b>Methods of contribution</b>	Cheque, direct debit, BPAY, electronic funds transfer (EFT), in specie transfer.	
<b>Methods of withdrawal</b>	Electronic funds transfer, in specie transfer.	
<b>In specie transfers</b>	Listed securities or managed funds may be transferred into and out of the Service.	
<b>Interest rate on cash balance in your account</b>	Competitive interest rate calculated daily and paid monthly on a positive balance in your cash account.	
<b>Asset classes</b>	<ul style="list-style-type: none"> <li>• cash and fixed interest</li> <li>• property and infrastructure</li> <li>• Australian equities</li> </ul>	<ul style="list-style-type: none"> <li>• international equities</li> <li>• alternative investments</li> <li>• diversified investments</li> </ul>
<b>Investment choices</b>	<ul style="list-style-type: none"> <li>• managed portfolios</li> <li>• managed funds</li> <li>• cash</li> <li>• fixed interest securities including term deposits</li> </ul>	<ul style="list-style-type: none"> <li>• Australian Securities Exchange (ASX)-listed securities including direct shares, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs) and hybrid securities</li> </ul>
<b>Share trading options</b>	<ul style="list-style-type: none"> <li>• aggregated trading using daily weighted average pricing</li> <li>• direct market trading, allowing you to buy or sell shares at a specified price, or trade at the current market price.</li> </ul>	<ul style="list-style-type: none"> <li>• external broker trading, allowing you to buy or sell shares with your choice of broker (subject to Operator approval).</li> </ul>
<b>Margin lending</b>	Access to a range of external margin lending providers.	
<b>Individual insurance options</b>	Access to a range of insurance providers to facilitate payment of your insurance premiums from your cash account. This may include cover for death, total and permanent disablement (TPD), income protection and trauma.	
<b>InvestorHUB and AdviserHUB</b>	<p>InvestorHUB provides secure online access to your account information and reporting. You can view your investments at any time and access a range of reports, including performance, valuation, tax and transaction reports. You can also access details of your account through our iPhone application.</p> <p>AdviserHUB provides your adviser secure online access to your account information and an efficient tool to communicate with us in relation to your investments.</p>	
<b>CGT parcel allocation methods</b>	Choose from three different capital gains tax (CGT) parcel allocation methods, according to your preference. These include a minimise gain, maximise gain or first in first out approach. Refer to Section 9: Tax – CGT parcel allocation.	
<b>Fees</b>	Refer to Section 10: Fees and other costs.	
<b>Consolidated reporting</b>	<p>You and your adviser will receive consolidated quarterly reports and an annual investor statement summarising your account activities, as well as a consolidated annual tax statement. You can access these reports through InvestorHUB or by contacting your adviser.</p> <p>For more information refer to Section 8: Operating your account – How we keep you informed.</p>	

## 2. About CAREportfolio Invest

The Service allows you to tailor an investment strategy from a broad range of available investment options. You and your adviser can consider your goals and build solutions that will meet your retirement, savings and protection needs. The Operator of the Service manages all your investments, executes your instructions and provides consolidated tax and performance reporting from a single account. You can access information on your account in the Service at any time using InvestorHUB.

Your adviser will provide you with all the information and relevant disclosure documents you require in order for you to invest through the Service.

### Making investing easy



# 3. Benefits of CAREportfolio Invest

## Choice

The Service is a great way for you to build your investments and savings. You can choose from a large range of investment options, including:

- managed portfolios
- managed funds
- ASX-listed securities including direct shares, exchange-traded funds (ETFs), listed investment companies (LICs) and hybrid securities
- fixed interest securities including term deposits.

Through these investment options you can invest in a range of asset classes including diversified, cash, fixed interest, property and infrastructure, Australian equity, international equity and alternative investments.

As an investor in the Service you also get access to a range of additional services provided by third parties, such as margin lending and insurance.

## Managed portfolios

The Service offers you access to managed portfolios which provide an easy, cost-effective and tax-efficient way to implement your investment strategy. A large range of professional investment managers can be selected to manage these directed portfolio holdings on your behalf. The key benefits of managed portfolios are flexibility, transparency, tax management and efficiency.

With your adviser you can build a well-diversified portfolio from a range of asset types. Your adviser can move money easily and efficiently from one managed portfolio to another within your account (a switch). In the event that such a switch generates buy-and-sell trades for the same security, a portion of the sell trades may be offset by buy trades (or vice versa) within your account, saving you broking fees and minimising potential capital gains.

You can obtain a copy of the relevant managed portfolio disclosure documents from our website.

## Investment menu

The investment menu is available from our website and lists all investment options available at that point in time. Available investments will change from time to time. You can request a paper copy of the investment menu free of charge from your adviser or by contacting us.

The Service provides a wide variety of investment products so you and your adviser can achieve the level of diversification appropriate for you. These investment products range from simple (e.g. listed ordinary shares, term deposits and unit trusts) to complex portfolios selected on the basis of investors' risk profiles, asset class or manager capability.

Before being considered for inclusion in the Service, all investments are subject to an initial examination to determine their nature, likely market behaviour and any other relevant characteristics. Factors considered include whether:

- the investment is offered through a stock exchange or by direct application
- the investment is subject to any restrictions in relation to redemptions and applications (e.g. limited redemption windows, minimum investment periods)

- the investment is widely used and recommended by investors and their advisers
- in the case of a managed portfolio, the manager of the managed portfolio is likely to have the required expertise to design and maintain the portfolio in line with its stated objectives, strategies and other investment parameters, and the investment strategy used by the manager is adequate to achieve the defined objectives
- the features of the investment can be supported by the Service.

We regularly monitor the investment performance and other relevant developments of products offered through the Service and, if necessary, may recommend removing or stopping new investments into specific products.

The Operator does not make recommendations on investment products. You should discuss with your adviser whether a particular investment within the Service is suitable for your needs.



## 3. Benefits of CAREportfolio Invest

### Technology that makes your life easier

Our award-winning technology helps you and your adviser track and manage all your investments easily. It allows you to select from a large range of investments either directly or controlled by Australia's leading professional managers.

From one account, with just a few clicks, you and your adviser can:

- buy or sell managed funds, managed portfolios, direct shares or other assets
- set up regular savings, withdrawals and investment plans
- manage and switch your investments easily

Our state-of-the-art technology can be accessed 24/7 wherever you are through the internet or our easy-to-use iPhone app.

### Tax optimisation tools

Through the Service, you can benefit from tax optimisation in several ways.

The Service will net off listed security trades within your account to save on overall CGT and brokerage costs. Your adviser can estimate the CGT impact of proposed transactions before implementing them. This will help you optimise the tax outcomes of your investment strategy. You can choose from three methods to calculate capital gains to suit your circumstances. These include a minimise gain, maximise gain or a 'first in first out' approach. Your adviser can modify your selection every year if your circumstances change.

### Online access to your account

You can monitor your investment portfolio continuously through a large range of online reports, including valuations, performance reporting, transaction reports and income reports.

You can also easily access important information online including:

- a summary of your asset allocation
- recent cash account balance
- trade notifications.

In addition, your adviser has the flexibility to specify a large range of additional reports that you can view on InvestorHUB.

The Service provides you with consolidated quarterly reports and an annual investor statement summarising your account activities. You'll also receive a consolidated annual tax statement containing all income and capital gains information relating to your account. This simplifies the process of completing your annual tax return.

You can choose from a large range of investment options and other services.

## 4. Risks

Before you consider investing through the Service, it's important you understand the risks that can affect your investment. Broadly, these are:

- risks associated with using the Service
- risks associated with the financial products and services you access through the Service.

Investment risks may vary significantly from those set out below and will depend on the actual investments you access through the Service.

### Risks associated with the Service

The following summary is a guide only and is not an exhaustive list of all the risks of investing through the Service.

#### Legal and regulatory risk

Changes to taxation or other laws may impact the tax-effectiveness of your investment and/or the returns generated by your investment through the Service.

#### Third party risk

Service providers or certain persons appointed by the Operator (custodians and professional managers) may default on their obligations, which could potentially result in losses to the value of your investment. We will seek counterparties and service providers that have a low risk of defaulting, however these risks cannot be eliminated entirely.

#### Operational risk

The operation of the Service has a reliance on the technology of many service providers. A failure in their systems or processes may have an impact on your account, such as a delay in investment transactions.

#### Advice risk

This is the risk that your adviser may recommend a strategy or investment that's not appropriate for you or they provide delayed or inaccurate instructions to us.

#### Indemnification of custodian

The securities in your account are held in the name of the custodian. This means in circumstances where the

custodian is to be indemnified for losses suffered on your assets, the custodian may be entitled to be indemnified out of the assets of your account. The custodian may also hold a lien<sup>1</sup> over assets in your account in respect of all sums payable and due to the custodian. This may delay the return of your account's assets.

### Risks associated with investments

This summary sets out general risks associated with investments accessed through the Service. You should consult the disclosure document for the specific investment for risks related to those investments.

#### Diversification risk

Lack of diversification across asset classes over your entire portfolio of investments may cause your portfolio's return to fluctuate more than expected. For example, if you invest entirely in shares rather than spreading your investment funds across other asset classes (such as property, cash and fixed interest), share market movements could significantly affect your investment.

#### Investment option risk

The investment options you select may change or cease to be offered through the Service, which may affect the investment composition in your account and your investment strategy.

#### Market risk

Movements in a market sector due to, for example, interest rate movements or economic factors may have a negative impact on your investment and/or on the returns your investment generates. Market values can change rapidly and it's possible to lose some or all of your initial investment.

#### Foreign exchange risk

If parts of your investment are priced in a foreign currency, international factors such as exchange rate fluctuations and movements in international stock markets may affect the value of your investment. These investments may also not be hedged (protected) effectively, or at all, against exchange rate fluctuations.

<sup>1</sup> Retain possession of your assets.

## 4. Risks

### Sector risk

There are risks associated with a particular industry's specific products or services due to, for example, changes in consumer demand or commodity prices. For instance, if one of your investment choices invests heavily in a sector such as energy, the value of your investment might change with the price of oil.

### Liquidity risk

In difficult market conditions, some normally liquid assets may become illiquid. This could restrict the ability to sell them and to make withdrawal payments or process investment switches in a timely manner. For example, we might not be able to sell shares that are rarely traded on the ASX, or that are restricted or suspended from trading. Another example might be a property trust where the underlying property (e.g. a shopping centre) takes a long time to be sold. Term deposits are generally an illiquid investment as they may not be redeemable before their maturity date, as early redemption usually results in reduced returns or a penalty.

### Manager risk

Underlying investment managers for managed funds or managed portfolios may not anticipate market movements or execute investment strategies effectively. Changes in staff may also have an impact on the performance of a managed fund or managed portfolio.

### Specific asset risk

There are risks associated with specific assets, for example certain managed funds may use leverage (borrowing to invest), undertake short selling (selling shares they don't actually own) or invest in sophisticated financial products such as derivatives, futures, foreign exchange contracts and options. Use of these methods could cause large losses in proportion to the money invested in them. Before selecting these types of assets as part of your investment strategy, you must read the relevant product disclosure statement or disclosure document.

### Interest rate risk

Changes in interest rates may affect the value of interest bearing securities and shares in some companies.

### Inflation risk

Your investments may not keep pace with inflation, so over time your money may have less purchasing power.

### Credit risk

Your capital and/or the interest earned on that capital may not be paid due to the underlying bank or deposit-taking institution defaulting.

### Derivatives and sophisticated investment products risk

The use of sophisticated financial products such as derivatives has the potential to cause losses that are large in relation to the amount invested. Some managed funds use derivatives and this may imply some embedded leverage that could, under some circumstances, magnify losses. The cost of using this type of financial product may also reduce returns.

### Insurance risk

Before applying for insurance cover under an insurance policy, you should carefully read the product disclosure document applicable to the individual insurance policy. The product disclosure document sets out important information about the insured benefits provided, the terms and conditions of those benefits, and the exclusions and restrictions on the payment of those benefits. We do not guarantee the suitability or performance of any available individual insurance policy or insurer.

### Margin lending risk

Investment losses will be magnified by the use of borrowing (i.e. margin loans), resulting in greater potential losses to investors. Margin loans will also be subject to borrowing costs (which may reduce returns) and to margin calls by margin lenders.

If the value of your investments continues to fall and you are unable to meet margin calls, this could result in significant losses. The margin lender may also sell the assets in the geared account to repay any margin calls and/or the margin loan, potentially resulting in losses through the forced sale of part or all of the investments in the geared account.

A margin lending facility may also be subject to additional risks not set out in this IDPS Guide. You should discuss this in detail with your adviser before considering taking a margin loan. You may also be subject to the margin lender's solvency and stability. For example, in recent years, providers of funds to certain margin lenders have repossessed or sold the client assets of defaulting margin lenders to recoup repayments.

## Managing risks

Here are some ways to help manage risks:

- Your adviser can help you formulate an investment strategy that best suits your individual needs and objectives, and select your investments from a wide range of options. It's important you discuss your specific risks with your adviser and read the information about risk in the relevant disclosure documents for the products or investment options available through the Service.
- Read all the information in this IDPS Guide, including the underlying investment disclosure documents.
- Review your investment strategy at least once a year and whenever your circumstances change (e.g. if you change jobs, buy a house or have a child).
- Diversify your investment strategy. Diversification involves spreading your investments over a number of asset classes. The more you diversify, the less impact any one particular asset class can have on your overall investment strategy.
- Consider the risks set out in this section. This is a high-level summary of some of the general risks involved in investing through the Service.

Please note that you can't expect to eliminate investment risks altogether – you can only reduce, control and monitor them.

Your adviser can help you formulate an investment strategy that best suits your individual needs and objectives, and select your investments from a wide range of options.



# 5. Your investment choices

## Setting your investment goals

The Service provides you with a range of investment options from multiple asset classes so you can work out an investment strategy with your adviser that addresses your personal needs and goals.

This IDPS Guide outlines some basic principles of investing that you should discuss with your adviser. It's important that you discuss how much risk you are prepared to accept and your investment objectives with your adviser, together with the timeframe you have to construct an investment strategy.

Your adviser can then help you build an investment strategy that suits your individual circumstances. This will enable you to achieve the right balance between risk and return, taking into account factors such as your investment goals, investment timeframe and how comfortable you are with changes in the value of your investment.

All investments come with some level of risk, although the degree of risk may vary depending on the asset class or nature of an investment. Generally, low levels of uncertainty (low risk investments) are associated with low potential

returns, whereas high levels of uncertainty (high risk investments) are associated with high potential returns.

Diversification – spreading your investments over a number of asset classes – can assist you in reducing the short-term variation of your returns. The more you diversify, the less impact any one particular asset class can have on your overall investment strategy. When one asset class goes down in value, another may go up. By not putting all your eggs in one basket, you reduce the impact of major changes in one particular part of the market.

## Designing your investment strategy

To design and build your investment strategy, you and your adviser can choose from the Service's extensive range of approved asset classes and investment choices. The Operator provides a range of investment choices and product features that enable you and your adviser to select options appropriate for you. However the Operator does not participate in setting your objectives or designing your investment strategy.

The table below shows the different asset classes you can invest in through the Service.

Asset class	Characteristics	How you can invest
<b>Cash and fixed interest</b>	There are different types of debt securities with different returns and volatility. Cash is usually the least volatile type. Debt securities are usually included in a portfolio for their defensive characteristics.	<ul style="list-style-type: none"><li>• Cash</li><li>• Directly through ASX-listed securities*</li><li>• Managed funds</li><li>• Managed portfolios</li><li>• Term deposits</li></ul>
<b>Property and infrastructure</b>	Listed property securities and/or direct property. This could include commercial, retail or industrial property.  Listed and/or direct infrastructure assets such as transport-related assets (toll roads, railways, ports and airports) and utilities (electricity, water and gas).  Property and infrastructure are usually included in a portfolio for their income and growth characteristics.	<ul style="list-style-type: none"><li>• Directly through ASX-listed securities*</li><li>• Managed funds</li><li>• Managed portfolios</li></ul>
<b>Australian equities</b>	Australian equities are investments in companies listed on the ASX. Australian equities are usually included in a portfolio for their growth and/or income characteristics.	<ul style="list-style-type: none"><li>• Directly through ASX-listed securities*</li><li>• Managed funds</li><li>• Managed portfolios</li></ul>
<b>International equities</b>	International equities are investments in companies listed on securities exchanges around the world. International equities are usually included in a portfolio for their growth and/or income characteristics.	<ul style="list-style-type: none"><li>• Directly through ASX-listed securities*</li><li>• Managed funds</li><li>• Managed portfolios</li></ul>
<b>Alternative investments</b>	Alternative investments provide access to investments such as hedge funds, private equity, gold or commodities.	<ul style="list-style-type: none"><li>• Directly through ASX-listed securities*</li><li>• Managed funds</li><li>• Managed portfolios</li></ul>
<b>Diversified investments</b>	Diversified investments provide access to a range of asset classes and investment strategies and can contain any of the other asset classes mentioned above.	<ul style="list-style-type: none"><li>• Managed funds</li><li>• Managed portfolios</li></ul>

\* ASX-listed securities include direct shares, ETFs, LICs and hybrid securities.

## How you can invest

### Directly through ASX-listed securities

The Service offers you the opportunity to invest directly in listed securities including ASX shares, ETFs and similar listed instruments, LICs, listed income securities and hybrids (such as preference shares and convertible notes). An ETF is a financial product listed on a stock market that provides access to particular investments, such as Australian and international shares, commodities, listed property trusts or a combination of asset classes.

Hybrids are a group of securities that combine elements of broader groups (debt and equity).

Through your adviser you can trade ASX-listed securities by using:

- our aggregated trading service
- our direct market trading service
- your choice of broker.

Refer to Section 6: Efficient trading choices.

Income received from direct shares and ETFs is automatically paid to your cash account, unless there is a dividend reinvestment plan on offer and you choose to participate, in which case it is reinvested in the particular financial product that generates the income. Disclosure documents for financial products held through the Service are updated from time to time, so you may not have the most current version at the time your distributions are reinvested as additional holdings in the relevant securities. You can obtain the current disclosure documents on InvestorHUB or through your adviser. Information on your ASX-listed securities can be accessed through InvestorHUB.

### Fixed interest investments

You can invest in fixed interest investments such as term deposits (through a bank or financial institution) with a range of durations where the interest rate is fixed. Typically we will offer durations of three months, six months and one year. We may offer other term deposits with differing durations and features as they are made available by the term deposit providers. During the term, you can't access your funds (without loss of interest and/or charges) or add funds to the investment. Interest is calculated daily and is paid at maturity.

You will be able to access information on your fixed interest investments through InvestorHUB. InvestorHUB also provides instructions on what you need to do to invest in fixed interest investments.

## Managed portfolios

We appoint a range of professional investment managers with different investment portfolio strategies and objectives to advise us on a variety of managed portfolios. The managers design each portfolio based on a number of factors such as investment style, investment objectives and different risk profiles, and may use strategic and tactical asset allocation to achieve the investment objectives.

The Service offers access to an extensive range of these managed portfolios. Generally the types of managed portfolios offered are either:

- a single sector investment strategy, or
- a pre-set investment strategy, which blends all asset classes, multi-manager and investment options, based on how comfortable you are with investment risk.

Each managed portfolio has allocated specified weightings to asset classes and underlying investments. The manager is responsible for monitoring the portfolio's strategy and advises us if adjustments are required. As the value of certain underlying investments increases or decreases, this causes the weightings to change or diverge from those targeted by the manager. Adjustments to a managed portfolio can be known as:

- **rebalancing**, which involves comparing and rebalancing the market value weights of your underlying investments against the weights in the managed portfolio
- **reallocating**, which involves changing the exposure to different asset classes and investment choices across different sectors and industries within the managed portfolio, by adding or removing specified investment components.

We manage and implement each managed portfolio and any changes to the portfolio composition when the deviation in weightings falls outside the managed portfolio tolerance range. Rebalancing and reallocating of a managed portfolio may occur regularly depending on the managed portfolio selected. When such adjustment occurs, you may receive a trade notification. Refer to Section 8: Operating your account – Trade notifications for more information.

On the advice of the managers, we may elect to use income derived from underlying investments within managed portfolios to participate in any dividend reinvestment plan(s) or to buy additional quantities of those underlying investments.

If the manager does not participate in dividend reinvestment plan(s), any income generated will be:

- retained as cash within managed portfolios
- reinvested in other underlying investments as part of the manager's regular rebalance.

## 5. Your investment choices

If you wish to opt out of the managed portfolio, you'll need to speak with your adviser.

We may add or choose to terminate a managed portfolio, or the manager may alter the investment style or objective.

We'll notify you and your adviser of any material changes that you may need to consider.

A disclosure document for each managed portfolio is available on InvestorHUB or from your adviser. Some of the single-sector managed portfolios may have investment parameters that are inclusive of Exchange Traded Options (ETOs).

An ETO is a transaction between the parties to settle a contract by delivering underlying securities, or by paying in cash an amount dependent on the market price of the underlying securities – or by reference to an index – on the terms set out in or determined by the relevant rules of an exchange. If you select such a portfolio, the managed portfolio disclosure document describes how the managers use ETOs within the portfolio and the risk measures undertaken.\*

\*Within the managed portfolio disclosure documentation, there is an accompanying ETO PDS that addresses ETO management within the Service. In addition, you need to refer to the ASX booklets on ETOs at [www.asx.com.au](http://www.asx.com.au)

### Managed funds

A managed fund is an investment product where an investor contributes money to receive an interest or 'unit' in the managed fund, which is then pooled together with other investors' monies and managed by a fund manager.

We offer a large range of managed funds that are registered with ASIC. Units in the managed funds are held in trust for you in the name of a custodian, Ausmaq Limited (which acts as our agent), and you retain beneficial ownership of your investments. We are often able to obtain wholesale fund fee rates, which are generally lower than the fees available to retail investors. Some managed funds pass rebates back to us. Generally these rebates are returned in full to clients currently invested in such managed funds. Refer to Section 10: Fees and other costs for more details.

We allow you to transfer your investment in an existing managed fund or funds into the Service provided there is no change to beneficial ownership.

Minimum investment amounts may apply to some investment choices. Refer to the disclosure documents on InvestorHUB or from your adviser.

The current list of all investment choices is available on InvestorHUB.

You should obtain from InvestorHUB or your adviser the most recent disclosure documents for each investment you are considering. The disclosure documents for each investment are prepared by the relevant product issuer and contain detailed information about the product issuer, management and administration of the investment, and the fees and costs of investing in the product.

### Reviewing your investment choices

You should regularly review your investment strategy with your adviser and make sure your investment choices are appropriate for your personal circumstances. We do not provide personal financial product advice as part of the Service. The Operator provides investment choices without taking into account your individual circumstances.

The availability of investment choices through the Service is not an endorsement by the Operator or its affiliates and it does not mean they are suitable for you.

### Additional documentation you'll need

Your adviser will also provide you with a Statement of Advice (SOA) and other disclosure documents relevant to your investment options. This could include:

- a managed portfolio disclosure document and the accompanying disclosure documents for each of the underlying investments within the selected managed portfolio
- PDSs for each managed fund
- fact sheet for ETFs and/or LICs
- general information on direct shares
- an information guide on term deposits.

All these documents are available on InvestorHUB or from your adviser.

## 6. Efficient trading choices

Our flexible trading options give your adviser greater flexibility and control over when and how you trade. You may elect to receive a trade summary confirming details of all trades for any day on which trades are executed. All trades placed can be monitored on InvestorHUB.

### Aggregated trading

Under aggregated trading, your adviser can place a trade for ASX-listed securities through AdviserHUB using our default broker. This trade will be combined with other trades we receive on that day.

Multiple orders for a particular security are aggregated and netted, with the total order spread out on the market during a specified time period once a day. The benefit of this type of trading is that we can generally achieve an average price over the specified time period weighted by the volume (number of shares) traded. This is called a weighted average price, which smooths out any price volatility from the time the trade is placed on market. This could however result in a higher purchase or lower sale price compared to if you had executed the trade at an optimal market time.

The other benefit of aggregated trading is that we combine all listed securities trades required for new investments, withdrawals and rebalancing of managed portfolios with the trades received from advisers. We then internally match or net off any buy-and-sell trades for your account where possible, reducing the number of buy-and-sell orders that need to be placed in the market on your behalf. This netting process can result in lower transaction costs for you (e.g. less brokerage costs) and may reduce realised capital gains.

When trades are netted across different accounts within the Service, the trades will incur brokerage. Aggregated trading is used for managed portfolio trades unless the manager opts to use an external broker.

### Direct market trading

The Service allows your adviser to trade your direct shares and ETFs in real time directly with the ASX through AdviserHUB using our default broker. Your adviser can place orders in two ways:

- **Limit** – this is an order to buy or sell direct shares at a specified price.
- **Market to limit** – this is an order to buy or sell shares at the current market price. After the first portion of the order is completed, the remainder of the order is immediately converted to a limit order at that executed price.

### External broker trading

The Service allows your adviser to buy or sell shares on your behalf by placing trades directly with your choice of external brokers, subject to Operator approval. Trades placed with an external broker are not placed through AdviserHUB, but through the broker, and orders are executed in accordance with the broker's market and trading requirements.

The Operator reserves the right to add or remove external brokers from the Service at its discretion and without notice to you. You can obtain information about available external brokers by requesting this from your adviser or by contacting us. This feature will be made available at the discretion of the Operator.

If you choose to transact through an external broker:

- you authorise the Operator to rely on instructions from any person that the Operator reasonably believes to be your broker, as if the Operator had received those instructions from you
- the broker is responsible for the service they provide you and our role is limited to the settlement of transactions placed by your broker.

## 6. Efficient trading choices

### Trade authority

We cannot generally deal with your investments without your prior instruction. When we receive a trade instruction for direct market trading, we assume you have authorised your adviser to instruct us and that your adviser has provided you with specific information on the direct shares or ETFs. It is your adviser's responsibility to ensure your trade instructions are correct. Generally, once a trade is placed it cannot be cancelled or amended.

We will operate in accordance with and subject to the ASX Operating Rules regarding transactions on the ASX. We are not liable for delays, market movements or buy-and-sell spreads. The length of time it takes for the trade to be completed will depend on market conditions.

### Trade restrictions

We may not be able to fully implement buy-and-sell instructions received for your account because:

- trading orders may not be able to be fully executed, or may need to be executed in small amounts on the market (for example, if there is very low demand for a direct share)
- a direct share becomes suspended or halted for trading by the ASX
- a minimum trade size is needed
- there's insufficient cash in your account to settle a buy trade, or insufficient shares held in your account to settle a sell trade
- in our discretion the trade would be manipulative or contrary to the rules, practices and procedures of the ASX, or would give rise to unorderly market behaviour.

We reserve the right to cancel trades pursuant to or as contemplated by the ASX Operating Rules, practices and procedures of the ASX and the relevant clearing house, without your consent or prior notice. The Service allows you and your adviser to choose how you trade ASX-listed securities. All ASX holdings are CHESS-sponsored in the name of our appointed custodian and traded under that name under the aggregated trading, direct market trading and external broker trading services.

## 7. Other services

You and your adviser can access insurance and margin lending services through the Service. You should ensure that these services suit your individual circumstances and objectives.

Service	Insurance	Margin Lending
<b>Providers</b>	You and your adviser can access a choice of approved insurance providers offering flexible insurance options <sup>1</sup> .	You and your adviser can access a choice of approved margin lending providers.
<b>How it works</b>	You can access a range of insurance options designed to protect you and/or your family by providing financial support during certain lifetime events. Insurance cover available includes death, Total and Permanent Disablement (TPD), income protection and trauma.	<p>You may choose to invest using margin lending facilities approved by your adviser. When you invest through a margin lender, you are directing the margin lender to arrange for your funds to be invested into the Service on your behalf. Your investments will be held in a geared account.</p> <p>A geared account is an account holding investments in the Service, which has been funded based on a margin loan agreement. This account may be in the name of your margin lender, depending on the margin loan agreement.</p> <p>The margin lender will be registered as the investor and acquires the investor rights. The margin lender can exercise or decline to exercise these rights on your behalf according to your margin loan agreement.</p>
<b>Application</b>	Read the insurance PDS and complete the application form with your adviser's guidance. Your adviser will need to notify the insurer through the application process that the insurance premiums are to be deducted from your cash account in the Service.	Read the margin loan facility and agreement. Your adviser will need to complete application forms for both the margin lender and the Service, and forward both to the margin lender.
<b>Payments and funding</b>	<p>Insurance premium payments will be deducted and paid directly from your cash account in the Service.</p> <p>You need to ensure there is sufficient cash available in your cash account to cover the insurance premiums for insurance policies as they fall due, otherwise your policy could lapse or be cancelled.</p> <p>You should read the insurance PDS for the product to obtain further information about the impact of non-payment or late payment of premiums. Refer to Section 8: Operating your account – Minimum cash balance.</p>	The investments held in the geared account will generally be used as security for the margin lending facility. We do not enter into a lending agreement with the margin lender as a means of providing this security. The margin lender's interest is generally limited to the geared account balance unless you agree otherwise. The margin lender is typically not entitled to any recourse against other assets in the Service or other accounts. There are significant risks associated with margin lending. Refer to Section 4: Risks – Margin lending risk for more details.
<b>Role of the provider</b>	The insurer will be responsible for all decisions relating to your insurance cover, including claims under your policy. Complaints related to your insurance policy should also be made to the insurer.	When you invest through a margin lender and wish to make withdrawals or transfer your investment, you will have to direct the margin lender to do so on your behalf. We will process withdrawal requests according to the margin lender's instructions. All correspondence and dealings in your investment will be through your margin lender. Refer to Section 4: Risks – Margin lending risk.

<sup>1</sup> An insurance administration fee will apply for the insurance services. Refer to Section 10: Fees and other costs.

**\* Note:** Nothing in this document is to be taken as a recommendation or endorsement of any margin lender or the use of margin loans, or insurance provider and/or insurance products. We accept no responsibility in relation to the margin loan, the margin lending agreement or the margin lender, the insurance provider and the insurance product. We are not responsible for any actions taken by the margin lender for the margin loans provided to investors in the Service and we are generally not in the position to (and, therefore, will not) monitor, verify or confirm that a margin lender complies with the relevant margin loan agreement.



## 8. Operating your account

### Initial steps

To open an account in the Service you must:

- contact your financial adviser to establish an investment strategy (and insurance strategy, if applicable) and select your investments.
- complete and sign the application form included in this IDPS Guide, and agree to the terms and conditions set out in the IDPS Contract section of this Guide.

The application form is also available online and can be accessed by your adviser.

**By signing the application form, you agree to the terms and conditions of the Service in the IDPS Contract section of this IDPS Guide.** This authorises us to manage your account(s) in accordance with your investment strategy instructions agreed between you and your adviser. At our discretion, we reserve the right to refuse any application in the Service.

If you wish to use margin lending facilities to make contributions to the Service, you must ask your adviser to contact your margin lender for the relevant forms. Please note that this does not mean we recommend or endorse any margin lender or the use of margin loans.

You can choose to have your premium payment for an approved insurance policy deducted directly from your cash account within the Service. Insurance cover may include death, TPD, income protection and trauma. Please refer to the relevant insurance Product Disclosure Statement for further information.

For further information on margin lending and insurance products, please refer to Section 7: Other services.

No cooling-off rights apply to your investments through the Service.

### Cash account

When you join the Service a cash account is automatically established for you. The cash account represents the cash holding in your account (excluding any cash held in managed portfolios) and is used to settle all transactions relating to the investments held within your account.

Your cash account can also be linked to an external bank account (your nominated bank account) for easy transfer of funds into and out of your account. Refer to the diagram on the following page.

### Appointing an adviser

You may appoint your financial adviser as the adviser on your account. You can do this by nominating the representative on your application form.

By appointing an adviser, you are authorising that person to instruct us on your account on your behalf.

We will act on all instructions from you through your adviser. Your adviser can instruct us on anything in relation to your account, except to appoint another person to be your adviser, make changes to your fees payable, alter payments or distributions and your nominated bank account details.

We reserve the right to not accept your application form unless you have nominated an adviser who is authorised to distribute this Service.

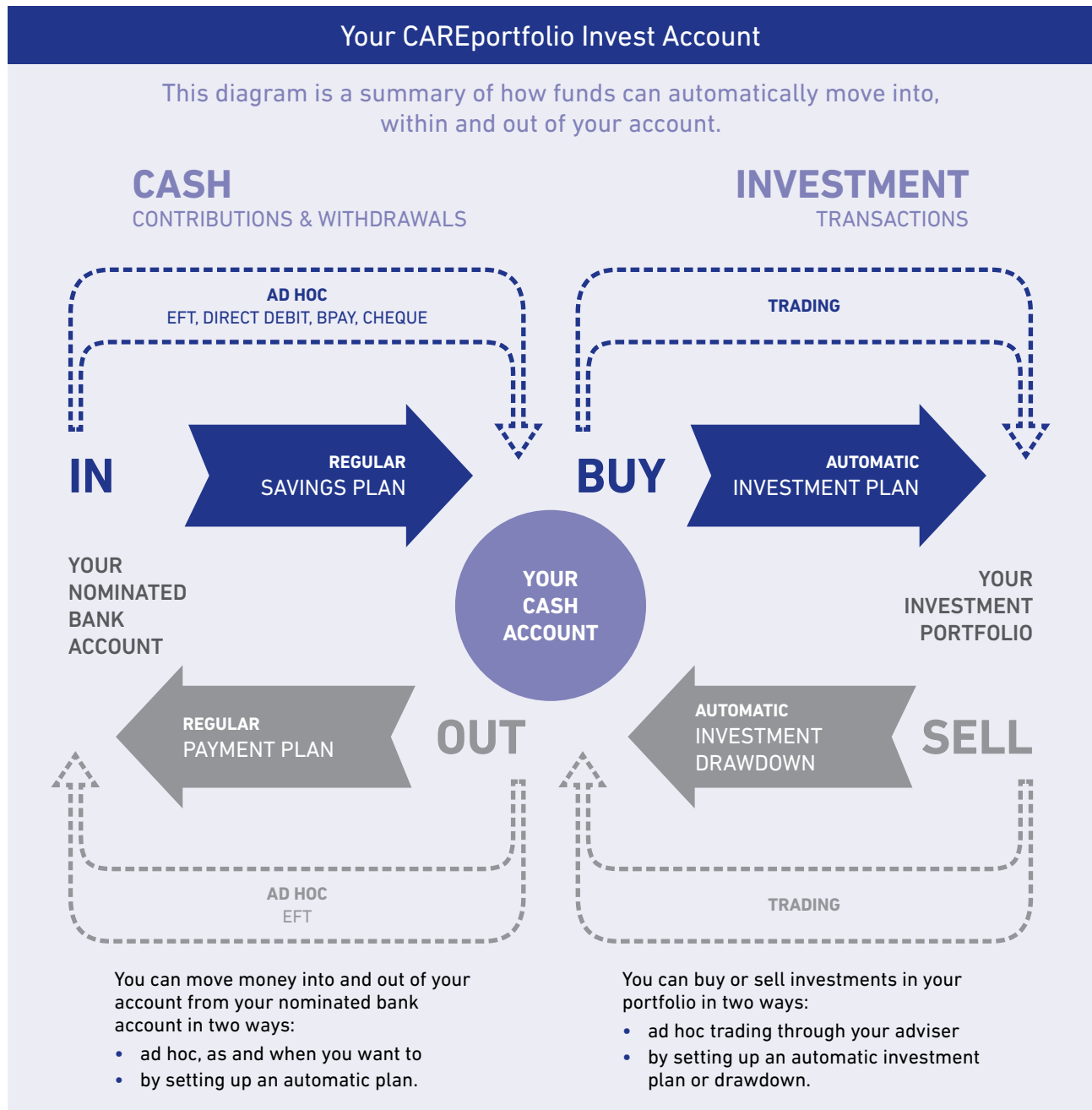
If you wish to change your appointed adviser on your account you must provide us with written notice. If you cease to have an authorised adviser you may not be able to retain your investment in the Service. We reserve the right to decline your request should you appoint another adviser who is not authorised to distribute this Service.

### How to open an account

To open your account you'll need to complete an application form and send it to us. Once you've deposited your funds into your account, your adviser will implement your investment strategy.

Once your account has been established, you'll receive a welcome email that provides you with EFT and BPAY details on how to make your initial contribution. Please ensure the correct transaction reference is used. Keep a record of the transaction and contact us if you do not see the funds deposited within three business days from depositing the funds into your account.

## How your account operates



## 8. Operating your account

### Contributions

Once you've opened your account, you can make one-off and regular contributions. You can view your transactions online through InvestorHUB and all contributions will be shown on your statements.

Payment type	How to invest
<b>BPAY</b>	Use the following details for BPAY transactions: Biller code: 17798 Your customer reference number (CRN) will be provided to you with your welcome email. The above BPAY biller code and your CRN must be used for any future contributions made via BPAY. You must include your CRN to ensure your payment is processed. Any BPAY deposits with invalid or incomplete information will not be processed.
<b>Electronic funds transfer (EFT)</b>	EFT details will be provided in the welcome email once your account is opened.
<b>Direct debit</b>	You will need to complete a direct deposit request to transfer funds from your bank account.
<b>Cheque</b>	Forward a cheque made payable to HUB24 Custodial Services Ltd <your account name>. Unidentified cheques (with no attached application form or customer reference number) cannot be applied to your account.
<b>In specie (asset) transfers</b>	<ol style="list-style-type: none"><li>1. Check with your adviser or contact us to find out whether the assets can be transferred to your account.</li><li>2. Complete and return the in specie transfer form. You can obtain this form from your adviser or from the Forms section of InvestorHUB.</li></ol> <p><b>Note:</b> Consult your adviser about the likely impact of the transfer, including any CGT liability. Please ensure cost base information and the CGT parcel history of securities are accurate. If there are inaccuracies and we are required to manually reconstruct the cost base history for CGT purposes, fees will be charged on an hourly basis. Refer to Transaction fees in Section 10: Fees and other costs.</p> <p>We may delay processing the in specie transfer if a corporate action is pending on the security. A corporate action is an action taken by a securities issuer to give an entitlement – such as bonus issues, rights issues, dividends and buy-backs – to security holders.</p>

### Establishing a regular savings plan (contributing to your account)

You can set up a regular savings plan with us that allows you to invest amounts starting at \$100 per month into your account.

Regular contributions will be deducted from your nominated bank account on or after the 20th day of each month. We must receive your direct debit authorisation, either with your application form or the additional contribution and regular savings form by the 15th day of the month, for your regular savings plan to start around the 20th day of that month.

If you want to make changes to your nominated bank account for direct debits, you need to send us a change of details form and a new direct debit request before the 15th of the month. If we don't receive the new details by this date, the change may not occur until the following month.

We may discontinue or suspend direct debits, at our discretion, under the direct debit system.

You must notify us in writing or by email if you wish to cancel a regular savings plan.

Please note that at the time of investing through your regular savings plan, you may not be viewing the most current version of the relevant disclosure documents for financial products held through the Service as these are updated from time to time. You can obtain the current disclosure documents at any time on InvestorHUB or through your adviser.

## Withdrawals

If you wish to withdraw from your account, the minimum withdrawal amount is \$100 per withdrawal from each account.

You can make withdrawals<sup>1</sup> by:

- requesting your adviser to instruct us directly
- establishing a regular payment plan (refer to the details below)
- submitting the withdrawal and regular payment plan form available on InvestorHUB or from your adviser.

Funds will be paid by electronic transfer to your nominated Australian bank account.

To make withdrawals, you must have sufficient cash in your cash account over and above the 0.75% minimum cash balance requirement. Generally, withdrawals will not be processed if there is not enough available cash in your cash account in order to cover the amount of the withdrawal while maintaining the minimum required cash balance in your cash account.

In certain circumstances outside our control, we may need to suspend withdrawals from your account and/or the Service – for example, if a particular investment is suspended from trading, or where we experience an unusually large amount of withdrawal requests. If this is the case, we'll inform you as soon as we can after we receive your request.

You can also withdraw assets from the Service by having your investments transferred out in specie. Fees will apply for each investment transferred out. Refer to Section 10: Fees and other costs.

We may delay processing an in specie transfer if a corporate action is pending on the security. A corporate action is an action taken by a securities issuer to give an entitlement – such as bonus issues, rights issues, dividends and buy-backs – to security holders. Please consult your adviser about the likely impact of any such transfer, including any CGT liability.

### Establishing a regular payment plan (regular withdrawal from your account)

You can set up a regular payment plan with us that automatically transfers a minimum of \$100 per month into your nominated bank account on the 10th day of each month (or, where the 10th day of the month is not a business day, on the next business day after the 10th).

<sup>1</sup> Withdrawals must be paid to a bank account in the same name as your account in the Service and not to a third party (unless otherwise approved by us).

We must receive your payment plan instruction, either with your application form or the withdrawal and regular payment plan form, by the 5th day of the month for your regular payment plan to start around the 10th day of that month. The name of your nominated bank account must be the same as the name of your account in the Service.

You can specify the amount you wish to receive as part of a regular payment plan by selecting one of the following three options:

1. **Regular Payment Amount** – this is a fixed amount paid monthly
2. **All Excess Available Cash** – this is all surplus cash in your cash account above the required minimum cash balance
3. **All Income** – this pays all the income received in your cash account from investments for the prior month.

You need to ensure you have sufficient cash in your cash account to meet any fixed regular payments (including any insurance premiums as they fall due) and any minimum cash balance requirement. Otherwise your adviser can instruct us to sell a portion of your investments to fund the withdrawal without your consent.

## Cash

### Minimum cash balance

Your cash account is used for all transactions. **You must hold sufficient funds to cover any regular payment plan and/or insurance premiums as they fall due as well as a minimum balance of 0.75% of the total amount of investments held in your account at all times.** We can change this minimum cash balance requirement at any time. You and your adviser are responsible for maintaining a minimum cash balance.

We keep you and your adviser informed of your cash account balance through InvestorHUB. If your cash account balance is low, you will see a red flag appear when you log into your account through InvestorHUB. If your cash account balance is below the minimum level, we reserve the right to sell your investments at any time to restore your cash account balance to at least 0.75% of the total amount of investments held in your account. We may do this without seeking prior instruction from you.

### Interest accruals

Interest accrued on your cash balance is calculated daily and accrues to the end of the month. Interest is calculated based on the settled cash account balance in your account and includes cash held in managed portfolios. The declared interest rate is displayed on AdviserHUB and InvestorHUB.

## 8. Operating your account

The declared rate is determined by the weighted average interest rate of cash invested in one or more cash providers.

In limited circumstances, your cash balance may be negative. This can occur, for example, if you (via your adviser) purchase investments using proceeds from the sale or redemption of an investment, where the sale or redemption of an investment has been made but the receipt of proceeds to your account has not been finalised. Interest will be charged to your cash account if your cash balance is negative at the same rate as would be credited to a positive balance. Applicable rates can be obtained from our website. Information about using proceeds from the sale of investments to purchase other investments can be obtained from your adviser.

### Investment transactions

#### Your investment instructions

Your investment instructions will be acted on once received from your adviser on your behalf.

Direct market trading allows your adviser to trade your direct shares and ETFs in real time directly with the ASX. For aggregated trading, instructions will generally be acted on within one or two business days of the instruction being received (for listed securities, managed funds and managed portfolios) and within a week for term deposits.

However, at times, execution may be delayed due to circumstances beyond the Operator's control (for example, suspension of trading for specific securities, 'freezing' on certain managed funds' redemptions, or a shortfall in the amount of cash available to cover the trade). In such cases, execution will proceed as normal once the cause of the delay has been addressed by the relevant parties.

The Operator will provide assistance for a prompt resolution whenever possible. Note also that we will have no obligation to act in accordance with the instructions if we consider them ambiguous, unclear or in conflict with any applicable law, regulations or local market practice. If we believe they are not directed by you, we'll notify you or your adviser. If there's been a change or event which we haven't yet informed you about but believe is an important consideration when making an investment within your account, we may be unable to immediately comply with any investment instructions we receive from you. If this happens, we'll forward you the relevant information and will only execute your instructions when we believe you've received all the necessary information.

In certain circumstances, your assets can be sold down without obtaining your instructions to maintain the minimum cash balance in your account. For example, when rebalancing or reallocating occurs, we may acquire or

dispose of assets in your account from time to time without any prior specific instructions. You may also authorise us to make any decisions relating to corporate actions without consulting you first. We generally do not seek your instructions in relation to corporate actions; however, we may, at our discretion, exercise certain corporate actions according to your instructions.

In situations where you can't contact your adviser and need to instruct us, you may give us written and signed instructions directly, provided you have received all the relevant disclosure documents for your investment choice and your instructions are consistent with the IDPS Contract. You can email or fax these instructions to us using the details specified in 'How to contact us' at the end of this section. Generally, all instructions should be given to us through your adviser.

### Automatic investment plan (regular investment)

Your adviser can use our automatic investment plan to trigger periodic reinvestment of excess cash in your cash account (on or around the 25th of the relevant month). Your adviser can set a maximum limit on this investment on AdviserHUB so regular investments of a fixed amount can be made rather than investing all surplus cash.

If your cash account goes above the minimum level indicated by your investment strategy, it will be held in your account until there's sufficient cash to purchase an investment, such as a parcel of shares.

This excess cash may come from additional contributions, regular savings, income and sales from your investments. Unless you've directed your adviser to instruct us on how excess cash is to be apportioned to your current investments, it will stay in your cash account and accrue interest.

Disclosure documents for financial products held through the Service are updated from time to time, so you may not have the most current version at the time you establish an automatic investment plan. You can obtain the current disclosure documents on InvestorHUB or through your adviser.

### Automatic investment drawdown (regular selldown)

The automatic investment drawdown allows your adviser to specify how regular investment drawdowns are to be made (e.g. to meet regular payment plan requirements).

Drawdown options are to:

- sell proportionately across all investments within your account
- select specific investments and sell down proportionately across these only
- select specific investments and a percentage to sell down.

Eligible investments for the drawdown facility generally include ASX-listed securities, managed portfolios and managed funds. Term deposits, securities undergoing an in specie transfer and any non-daily priced managed funds are excluded.

The drawdowns (sales of investments) are processed by us on or around the 3rd day of each month (or on or around the next business day after the 3rd) to allow settlement to occur before the regular payment plan is processed on the 10th of that month. It may be beneficial to set the drawdown amount at a higher amount than the regular payment plan requirements to allow for any transaction fees and any market movements on sale.

## Corporate actions

We have appointed custodians to hold the legal title to assets in your account on trust on your behalf. In the case of assets held as part of managed portfolios, these custodians have discretion to participate in corporate action events as instructed by us, based on advice from the relevant manager(s), or in the case of some index managed portfolios, as instructed by us based on the way the index manager has implemented the event in the index. Neither we nor the manager(s) take into account your individual objectives, financial situation, needs or circumstances when exercising these rights.

Where you have investments that are held outside managed portfolios or waiting to be transferred, we may inform your adviser if there's a corporate action such as rights entitlements and share purchase plans. You must direct your adviser to instruct us on the corporate action and we'll process this according to your instructions (where applicable).

Any benefits we receive on the investments we hold are apportioned to all investors in proportion to their investment holdings.

For certain corporate events (e.g. capital raising events such as rights issues and share placements) we will provide access to the relevant offer documents or will inform you where you can obtain these documents. The managers of your managed portfolios are able to participate in these events using the discretionary powers you have granted them. If you have any concerns you can contact your adviser for guidance or additional information.

The Operator has a voting policy. You can access this voting policy on our website, or by contacting us.

## Trade notifications

If any trading activity (such as a rebalance or reallocation) is to be performed on your investments, your adviser and/or the Operator may send you an email notifying you of a set of pending investment instructions. This is called a trade notification. Details of these investment instructions will be set out on InvestorHUB.

### Adviser trade notifications

You can ask your adviser to cancel these pending investment instructions within the agreed timeframe. If you don't respond or take any action in relation to the pending investment instructions, your adviser will proceed and submit the investment instructions.

If you can't contact your adviser to cancel the pending investment instructions, you can give us verbal and/or written instructions directly, as long as they are received within the agreed timeframe from the time and date of the trade notification.

Your adviser may rebalance or reallocate your account regularly and you may receive a trade notification from your adviser each time a rebalance or reallocation occurs.

**Note:** This trade notification feature may or may not be used by your adviser and depends on your investment strategy. The trade notification feature was developed to provide transparency and the right to veto any pending investment instructions within the agreed timeframe with your adviser.

You and your adviser can agree to the implementation of this feature. If you agree to use this feature, your adviser will generally document in your SOA the agreed timeframe for you to act to cancel a pending instruction. Please speak to your adviser for more information.

### Managed portfolio trade notifications

The manager of a managed portfolio may provide advice to us to rebalance or reallocate your managed portfolio regularly. You may receive a trade notification from us each time a rebalance or reallocation is about to occur.

If you don't want to participate in the rebalance or reallocation, you must communicate this instruction to your adviser within the agreed timeframe. We will interpret this instruction as requiring withdrawal from that managed portfolio. Unless you discuss a suitable alternative managed portfolio with your adviser, and that alternative instruction is provided to us within the agreed timeframe, any consequent investment sales may trigger a CGT liability. You should communicate your



## 8. Operating your account

concerns as soon as possible so your adviser can suggest appropriate alternatives that may reduce your tax liability.

In situations where you cannot contact your adviser, please call us directly. If you don't respond or take any action in relation to the pending investment instructions, we will proceed to submit the investment instructions.

**Note:** This trade notification feature may or may not be used in relation to all managed portfolios. You will agree to the implementation of this feature before you invest in a managed portfolio.

### Providing data electronically to a third party

You can authorise the Operator to provide current and historical account and transactional data for your account by electronic file to a third party, such as a self-managed super fund administrator. This streamlines the provision of data by eliminating the need to re-enter data into another system. Data may be provided to a software vendor which then provides it to the nominated third party.

## How we keep you informed

### InvestorHUB

InvestorHUB is easy to use and gives you access to valuable resources and information about your investments. The table below summarises how you can monitor your account using InvestorHUB. If you can't access InvestorHUB, please contact your adviser.

Communications	Purpose
<b>Welcome email</b>	Contains your account number, unique CRN and details how to log in and make contributions to your account.
<b>Daily valuation, cash account balance, transaction reports*, investment performance, and income and dividends reports</b>	Ongoing reports that you can generate online at any time.
<b>Quarterly reports</b>	Provides a quarterly summary of your transactions and investment details.
<b>Annual tax statement</b>	Provides a summary of the annual tax position of your investments to assist you in completing your tax returns
<b>Annual investor statement</b>	Provides an annual summary of your transaction and investment details. This will be made available to you within three months of the financial year end and may be obtained on InvestorHUB or through your adviser via AdviserHUB.
<b>Annual audit report of investor statements</b>	Informs you of the audit of internal controls we have in place to ensure the accuracy of investor statements.
<b>Quarterly managed portfolio commentary from the managers</b>	Provides you with investment and market commentary on managed portfolios.

\* Restrictions may occur with some investments, in particular managed portfolios.

## Your InvestorHUB iPhone app

Our iPhone app lets you easily keep track and monitor your investments. You can access information such as:

- a snapshot of your account, including asset allocation
- a full list of current investments, including up-to-date valuations and performance graphs
- important notifications from us.



## How to contact us

If you need help regarding the Service, you should first speak to your adviser. You can also contact us by:

**Email** admin@hub24.com.au  
**Phone** 1300 854 994  
**Fax** 1300 781 689  
**Mail** GPO Box 529, Sydney NSW 2001

InvestorHUB is easy to use and gives you access to valuable resources and information about your investments.

# 9. Tax

The Australian taxation system is complex and different investors face different circumstances.

We do not give tax advice and we recommend that all investors seek professional taxation advice from a tax adviser appropriate to their own circumstances before investing in the Service.

The following information assumes:

- you're an Australian resident for taxation purposes – we do not currently accept non-residents to the Service unless otherwise approved by us
- you hold the investments on capital account (i.e. you're an investor rather than a trader). Accordingly, you may qualify (depending on the type of taxpayer you are) for a CGT discount on gains made on the disposals of assets held for more than 12 months
- you're not subject to the Taxation Of Financial Arrangements (TOFA) regime.

In addition, the tax treatment described in this section doesn't apply if you hold the assets on revenue account, as trading stock or as part of a profit-making undertaking or scheme. Approved non-resident investors investing in the Service must carefully consider Australian withholding and other taxes, duties and charges.

You remain the beneficial owner of the assets in your account. This means you're directly liable for tax payable in relation to those assets.

We will provide you with the relevant information in your annual tax statement to help your tax adviser determine your tax liability and complete your tax return.

You should be aware that all comments in the IDPS Guide about tax and on your annual tax statement are based on our understanding of taxation law at the date of preparing the IDPS Guide or tax statement. You should be aware that laws and interpretations of those laws may change at any time.

## Capital gains tax (CGT)

When a manager makes changes to their portfolio or fund, it may result in a CGT liability for you if capital gains are made when assets are sold.

Capital losses may be used to offset capital gains in the Service or outside the Service, or may be carried forward to future years if they can't be offset.

We prepare tax reports assuming you offset these capital losses against any gains within your account, but we do not take into consideration any prior year carry-forward capital losses or any gains outside your account.

A discount on capital gains on asset realisation may apply where assets are held for at least 12 months prior to being

sold. The discount depends on the nature of the legal entity that owns the investment as follows. Please note that rates are based on current legislation and may be subject to change:

- individuals – half or 50%
- companies – 0%
- self-managed super funds (SMSF) – one-third or 33.33%
- trusts – half or 50% (other than a complying superannuation entity or other qualifying trusts).

If you acquired an asset before 21 September 1999 and transferred it into the Service, then the indexation method may apply. Under this method, the cost base of your asset is increased by an indexation factor worked out using the Consumer Price Index (CPI). However, if you acquired an asset before 20 September 1985, gains or losses realised on the disposal of such assets may be disregarded for CGT calculations.

We allow for these complexities in the capital gains summary report, which forms part of the annual tax statement. We do, however, make a number of assumptions and simplifications when performing calculations to estimate your capital gains:

- When scrip-for-scrip rollover relief is available to investors in the case of a corporate event, we assume investors entitled to it opt for this relief.
- Investors hold their investments on capital account.
- Stapled securities are considered as a whole and cost bases and reduced cost bases for holdings in these securities are not decomposed into the corresponding amounts for the individual securities that make up the stapled product.

## CGT parcel allocation

Each investment may comprise a number of parcels of units. Each parcel will have a different date of purchase and cost base.

When an investment is partially sold, for example, some but not all shares are sold, you can choose which parcel to allocate the sales against. You must specify the choice for your account so that calculations can be made as part of the Service's normal operations. Generally, there should be no reason to change this method if your circumstances have not altered.

This choice is the CGT parcel allocation referred to in Section 1. The method is specified on your application form and defaults to the minimise gains method if no selection is made. This method works to minimise the realised gains position of your portfolio.

Other allowable methods are maximise realised gains, and first in first out. The maximise gains method works to maximise the realised gain position of your portfolio. The first in first out method applies sales initially to the oldest remaining parcels. Each of these methods may have differing CGT implications, depending on your individual circumstances, and you should seek specific advice in this regard.

## Tax on income

Dividends (including trust distributions) may be received to your account and income is generally assessable for tax purposes, even though it remains held within your account. Franking credits may be allocated to you in relation to this income.

Special treatment applies to Australian franking credits from New Zealand companies.

Foreign income may be subject to foreign taxes. You may be entitled to a tax credit in respect of this tax.

## Withholding tax

We may only accept your application with a valid Tax File Number (TFN) (or ABN for a corporate entity). It's not a legal requirement to provide your TFN or ABN in relation to your account. However, we may be required to deduct tax at the highest marginal tax rate plus Medicare levy from all income, including interest where you do not quote an ABN or TFN, or where you don't claim an appropriate exemption from quoting an ABN or TFN.

Tax may be also withheld on income from foreign sources and is calculated as a rate of withholding tax applied to that foreign income.

The rate of withholding tax depends on the source of income and the existence (or otherwise) of a tax treaty between Australia and the country in which the income is derived. Some countries impose specific obligations on taxpayers and any intermediaries before determining the rate of withholding tax that is to be applied to the income recipient.

For example, the standard withholding tax rate applicable to US sourced dividend income paid to non-US residents is

30%. Australian residents are entitled to a reduced rate of 15% under the terms of the US-Australia tax treaty but, in order to access this reduced rate, Australian residents are required to complete a form made available by the US Internal Revenue Service (IRS) known as the W-8BEN form (or the W-8BEN-E form for entities other than individuals).

Additional information pertaining to these forms can be found in InvestorHUB and in the IRS website ([www.irs.gov](http://www.irs.gov)) which also provide instructions as to how to fill them.

## Fee deductibility

Generally, most fees charged to your account are deductible for tax purposes – the annual tax statement assumes this but you should check your individual circumstances with your tax adviser.

A notable exception is the contribution fee; we assume that the contribution fee is not deductible. You should consult your adviser separately to see if you can claim any deduction regarding this fee.

Brokerage costs (and stamp duty, if applicable) are added to the cost base of the investments held in your account so that they form part of the capital cost of the investment. These costs are therefore taken into account in the calculation of capital gains/losses, rather than as separate deductible expenses.

## GST and other government charges

Goods and services tax (GST) is payable for most fees and expenses charged to you (currently at a rate of 10%). All references to fees in this IDPS Guide refer to the GST-inclusive value of the fee or expense.

All fees quoted in this IDPS Guide are in Australian dollars and are inclusive of GST. They reflect the actual amount payable by you.

If eligible, the Operator will claim the benefit of any Reduced Input Tax Credits (RITCs).

Where other government charges such as stamp duty apply, we'll charge these directly to your account.

We will provide you with the relevant information in your annual tax statement to help you complete your tax return.

## 10. Fees and other costs

This IDPS Guide shows fees and other costs that you may be charged. The total fees and charges you will pay include those related to the Service, any transaction and account fees incurred on your behalf, and the fees applying to any investments you choose. The fees on the investments you choose will generally be set out in the relevant disclosure documents.

Fees and costs may be deducted from your account from returns on your investments in the Service or directly from those investments.

The total costs you will be charged depends on your investment strategy and the fees you negotiate with your adviser.

It is important that you understand the fees of any accessible investments you may invest in and that those fees will be in addition to the fees charged for the Service, together with any transaction fees, advice fees and other costs that may be incurred in respect of your account in the Service. Information about taxes is set out in Section 9: Tax. You should read all the information about fees and costs as it's important to understand their impact on your investment.

Details on fees, costs and the disclosure documents relating to particular investment choices are set out on InvestorHUB. You can request a paper copy of this information free of charge by requesting this from your adviser or by contacting the Operator.

All fees are in Australian dollars and inclusive of GST, and reflect the actual amount payable by you. If eligible, the Operator will claim the benefit of any RITCs.

Fees may increase if the cost of providing the services increases. We'll give you 30 days advance notice of any fee increases.

**Note:** Refer to the SOA and/or FSG from your adviser for details of any fees payable to your adviser and/or licensee.

## Fees and other costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower administration fees. Ask the Operator or your financial adviser.

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes and insurance costs are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for particular investment options are set out in the Investment Menu and the disclosure document for each investment option.

### CAREportfolio Invest

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Service</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee<sup>1</sup></b> The fee on each amount contributed to your investment	You may agree with your adviser to pay an initial contribution fee, an ongoing contribution fee or a combination of the two. A contribution fee of up to 5.5% of your initial cash or in specie investment amount, and any subsequent investment, may be charged. The amount payable is as agreed between you and your adviser.	Contribution fees are deducted from your cash account when the investment is received, and paid to your adviser at the end of that month.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil <sup>2</sup>	Not applicable

<sup>1</sup> This fee includes an amount payable to an adviser. Refer to 'The fees you pay to your adviser' under the heading Additional explanation of fees and costs in this section for further information.

<sup>2</sup> Transaction fees may apply if selling your investments is required to close your account in the Service. Refer to 'Transaction fees' under the heading Additional explanation of fees and costs in this section for further information.



## 10. Fees and other costs

CAREportfolio Invest

Type of fee or cost	Amount	How and when paid
Management costs		
The fees and costs for managing your investment The amount you pay for specific investment options is shown in the relevant disclosure document for that investment option.	Management costs have the following four components:	
	1. Administration fee	
	A tiered percentage fee based on the total balance of your account as detailed in the table below.	
	Tier of account balance	Fee rate <sup>3</sup>
	First \$1,000,000	0.15% p.a.
	\$1,000,001–\$2,000,000	0.05% p.a.
	More than \$2,000,000	Nil
	Regardless of your total account balance, a maximum of \$2,000 p.a. applies to the tiered percentage fee	
	PLUS	
	An account keeping fee of \$600 p.a.	
	2. Investment management fee <sup>4</sup> – managed portfolios only	
	The percentage amount varies. Currently estimated to range from 0% to 2% p.a. (\$0 to \$200 p.a. per \$10,000) depending on the managed portfolio invested in.	
	Your consent may be required for the investment management fee, where a managed portfolio is managed by your adviser, your adviser's licensee or a related party.	
	Refer to the relevant managed portfolio disclosure document(s) for the applicable percentage and more detail on how to consent (if required).	
	The fee is calculated as a percentage of the managed portfolio calculated daily and deducted from your cash account monthly in arrears.	
	The fee will appear on your cash transaction report as 'Investment Management Fee'.	
	3. Investment performance fee <sup>4</sup> – managed portfolios only	
	The percentage amount varies. Currently estimated to range from 0% to 22% p.a. of outperformance (\$0 to \$22 p.a. per 1% outperformance per \$10,000 invested) depending on the managed portfolio invested in.	
	Refer to the relevant managed portfolio disclosure document(s) for the applicable performance fee percentage.	
	Performance fees are calculated as a percentage of the outperformance of the managed portfolio in relation to its benchmark (the relative index used to measure a manager's performance regarding a managed portfolio) and are deducted from your cash account monthly in arrears.	
The fee will appear on your cash transaction report as 'Investment Performance Fee'.		
	4. Licensee fee	
	A tiered percentage fee based on the total balance of your account as detailed in the table below, payable by us to the holder of the Australian Financial Services Licensee (licensee) that your adviser operates under:	
	Tier of account balance	Fee rate
	First \$1,000,000	0.08% p.a.
	More than \$1,000,000	Nil
	The licensee fee is calculated daily on your total account balance. This fee is deducted from your cash account monthly in arrears.	
	The fee will appear on your cash transaction report as 'Licensee Fee'.	
	The maximum licensee fee is \$800 p.a. per account.	

<sup>3</sup> Fees for account balances of \$4m or greater are individually negotiated based on the nature of your investments.

<sup>4</sup> For performance and management fees in relation to managed portfolios and/or managed funds, please refer to the relevant product disclosure document provided by your adviser.

**CAREportfolio Invest**

Type of fee or cost	Amount	How and when paid
<b>Service fees<sup>5</sup></b>		
<b>Switching fee<sup>6</sup></b> The fee for changing investment options	Up to \$22 for each managed fund or term deposit trade. (Nil for trades within the automatic investment plan and/or automatic investment drawdown)  Fees for changing investment options are explained in more detail in 'Transaction fees' under 'Additional explanation of fees and costs' in this section.	This fee is deducted from your cash account at the time of settlement in addition to any other trade costs.

<sup>5</sup> Other service fees apply. Please refer to Additional explanation of fees and costs in this section for further information.

<sup>6</sup> Brokerage also applies to transacting in listed securities. Please refer to 'Transaction fees' under the heading 'Additional explanation of fees and costs' in this section for further information.

## 10. Fees and other costs

### Additional explanation of fees and costs

#### The fees you pay to your adviser

Type of fee or cost	Amount	How and when paid
<b>Contribution fee (initial and ongoing)<sup>7</sup></b>	<p>You may agree with your adviser to pay an initial contribution fee, an ongoing contribution fee or a combination of the two.</p> <p>A contribution fee of up to 5.5% of your initial cash or in specie investment amount, and any subsequent investment, may be charged.</p> <p>The amount payable is as agreed between you and your adviser.</p>	<p>Contribution fees are deducted from your cash account when the investment is received, and paid to your adviser at the end of that month.</p>
<b>Ongoing advice fee<sup>7</sup></b>	<p>You may agree with your adviser to pay an ongoing percentage fee on your total account balance of up to 2.2% p.a. and/or a fixed dollar amount per annum. The amount payable is as agreed between you and your adviser.</p>	<p>The ongoing advice fee is calculated daily on your total account balance and paid to your adviser from your cash account monthly in arrears.</p> <p>This fee will appear on your cash transaction report as 'Adviser Fee'.</p>
<b>One-off advice fee</b>	<p>You may agree with your adviser to pay a one-off advice fee for advice and other services in relation to your account. This fee may be charged multiple times in a financial year. There is no maximum one-off advice fee, however, the Operator may refuse or delay any request for payment of any one-off advice fees from your cash account at our discretion.</p> <p>The amount payable is as agreed between you and your adviser.</p>	<p>The one-off advice fee is deducted from your cash account at the time the request is processed and paid to your adviser at the end of that month.</p> <p>This fee will appear on your cash transaction report as 'Adviser Fee'.</p>
<b>Adviser brokerage<sup>7</sup></b>	<p>Where allowed under the law, brokerage can be charged by your adviser when investing directly in ASX-listed securities. You may agree with your adviser to pay brokerage for listed securities of up to 2.2% of the value of any shares bought and sold.</p> <p>The amount payable is as agreed between you and your adviser.</p>	<p>Fees are deducted at the time of the transaction and paid to your adviser at the end of the month.</p>

<sup>7</sup> If your account contains borrowed amounts, your adviser cannot receive ongoing advice fees, contribution fees or adviser brokerage fees that are asset-based (i.e. calculated as a percentage of your total account balance).

## Transaction fees<sup>1</sup>

Type of fee or cost	Transaction method	Amount	How and when paid
<b>Managed fund transaction fees</b>	Trades within a managed portfolio	Transaction fee of 0.11% of the trade value subject to a maximum of \$22	For all transaction methods, transaction fees are deducted from your cash account at the time of settlement in addition to any other trade costs.
	Trades within the automatic investment plan and/or automatic investment drawdown	Nil	
	All other trades	Transaction fee of \$22 per managed fund trade (buy or sell)	
	In specie transfers	Transaction fee of up to \$38.50 per managed fund for in specie transfer in or out	
<b>Listed securities transaction fees</b>	Aggregated trading	For aggregated trades within a managed portfolio <sup>2</sup> : Brokerage of 0.11% of the trade value. No minimum applies.	Brokerage is deducted from your cash account at the time of settlement in addition to any other trade costs.
		For all other aggregated trades: Brokerage of 0.11% of trade value, subject to a minimum fee of \$11.	
	Direct market trading	Brokerage of 0.11% of trade value, subject to a minimum of \$22	
	External broker trading	Brokerage is made up of a brokerage fee agreed between you and your broker, plus an additional \$22 charged by the Operator.	Transaction fees are deducted from your cash account at the time of settlement in addition to any other transaction costs.
	Trades within the automatic investment plan and/or automatic investment drawdown	Brokerage of 0.11% of the trade value. No minimum applies.	
	Corporate actions	Transaction fee of up to 0.11% of the transaction amount.	
	In specie transfers	Transaction fee of up to \$27.50 per security for in specie transfer in or out.	
<b>Term deposit transaction fees</b>	All trades	Transaction fee of \$22 per term deposit trade (buy or maturity).	Transaction fees are deducted from your cash account at the time of settlement in addition to any other trade costs.
	Withdrawing a term deposit before maturity	A break fee of \$55 per term deposit will be charged when a term deposit is broken before maturity, on your instruction through your adviser. Additional fees or interest penalties may be charged by the underlying term deposit provider.	The break fee is deducted from your cash account at or around the time you break the term deposit.
<b>Exchange traded option transaction fees</b>	All trades	The approximate brokerage charge is 0.33% of the premium for all of the option contracts, subject to a minimum of \$33 per transaction.	Brokerage is deducted from your cash account at the time of settlement in addition to any other trade costs.

<sup>1</sup> Transaction fees are paid to the Operator, then as necessary to any underlying service provider.

<sup>2</sup> If a manager trades listed securities for a managed portfolio through an external broker, additional brokerage and transaction fees may be incurred. Refer to 'Brokerage for listed securities (shares and ETFs)' under the heading A further explanation of fees in this section.

## 10. Fees and other costs

### Other fees

Type	Fee amount	How and when paid
<b>Reconstruction fee</b>	If we are required to reconstruct a CGT parcel history for in specie investment transfers, a fee may be charged at \$110 per hour.	The fee is deducted from your cash account at the time a revision of the CGT parcel history is carried out.
<b>Dishonour fee</b>	A fee of \$55 may be charged if a payment is dishonoured.	Any fees relating to dishonoured payments will be deducted from your cash account at or around the time the dishonour occurs.
<b>Insurance administration fee</b>	\$60 p.a. for each policy that has premiums deducted from your cash account.	Deducted from your cash account at the time your premiums are deducted. This fee is apportioned across the premiums deducted in a year.

## A further explanation of fees

### Administration fee

The administration fee is to cover the costs of operating and maintaining the Service such as, but not limited to, annual audit, legal and compliance, and tax consulting fees, access to sophisticated technology for managing your account, online access to up-to-date account information and consolidated reporting.

### Adviser brokerage

Where allowed under the law, brokerage can be charged by your adviser when investing directly into ASX-listed securities. The charge varies and is agreed between you and your adviser.

### Alternative forms of remuneration

From time to time and subject to applicable law, there may be other direct or indirect benefits that the Operator may receive from providers of some of the financial products available through the Service. The Operator may also be entitled to remuneration from financial institutions (including banks, fund managers, investment managers and insurers) whose financial products are available through the Service. We record any alternative forms of remuneration we receive in a register and you may request details of these forms of remuneration.

### Brokerage for listed securities (shares and ETFs)

Brokerage costs are associated with buying and selling investments in your account and may include government taxes, stamp duty and other expenses.

A manager may trade some or all of the securities held within managed portfolios through an external broker. These trades may incur additional brokerage as agreed between the manager and the broker, plus an additional \$22 charged by the Operator.

### Brokerage for exchange traded options (ETOs)

Brokerage costs may include government taxes, stamp duty, and other charges or expenses. The costs apply only if you invest in a managed portfolio that invests in options. The fee is applied at the time the portfolio manager buys or sells equity options within the managed portfolios.

### Buy/sell margin

This margin, applicable to managed funds, represents an allowance for the transaction costs, such as brokerage and stamp duty, which are incurred by the fund manager when buying or selling the fund's underlying securities. To identify the buy/sell margin applicable to a managed fund, please refer to the current disclosure documents for that managed fund.

When carrying out a managed fund transaction, the Operator may offset your instructions to buy or sell assets:

- against your instructions to sell or buy those assets within a managed portfolio
- against other investors' instructions to sell or buy those assets,

so that only net transactions are acted on. This process is known as netting.

The Operator may retain any benefit that may be secured from the netting of managed fund transactions. These include the fees and charges that would have applied had the transaction been processed without netting.

### Cash account remuneration

The Operator may receive remuneration of up to 1.0% on amounts invested in the cash account within the Service from the Australian Authorised Deposit Taking Institution (ADI) with which those funds are invested. This is not an additional cost to you.

### Contribution fee (initial and ongoing)

For in specie investment amounts, the fee is based on the market value at settlement, and a combined fee is generally charged after all in specie assets have been transferred.

This fee can be negotiated with your adviser, who may agree to waive part of/or their entire fee relating to your account. This fee is paid to your adviser at your direction for services they provide to you.

### Dishonour fee

A fee may be charged for any dishonoured payments. Please note your financial institution may also charge you a dishonour fee.



## 10. Fees and other costs

### Fund manager and investment manager service fees

Where permitted by law, the Operator may receive the following payments from responsible entities, fund managers and investment managers whose funds are available through the Service:

- Service fees of up to \$30,000 p.a. per responsibility entity (or in some cases per fund manager) and investment manager, plus
- Up to \$10,000 per managed fund or managed portfolio available through the Service.

The amount of these payments may change and increase with CPI at 1 January each year.

These service fees relate to the services that we provide to fund managers and investment managers for the establishment, review, maintenance and administration of the managed fund or managed portfolio investment options available through the Service.

These fund manager and investment manager service fees are paid out of the responsible entities, fund managers and investment managers own resources and are not an additional cost to you.

### Insurance administration fee

An insurance administration fee applies for each policy that has premiums deducted from your cash account.

### Insurance remuneration

The Operator may receive remuneration of up to 5% of each premium payment made under your insurance policy. This is not an additional cost to you.

### Interest accruals

Interest payable is calculated daily and accrued to the end of the month. Interest is calculated based on the settled cash balance in the account and includes cash held in managed portfolios. The declared interest rate is displayed on AdviserHUB and InvestorHUB. The declared rate is linked to the daily weighted average rate of interest earned by the aggregate of all clients' investments in the Operator's selected cash vehicles.

### Investment management and performance fees

Investment management and performance fees may be charged in relation to the selected managed funds and managed portfolios forming part of your investment strategy. These fees will be paid to the relevant manager (refer to the relevant managed fund and managed portfolio disclosure documents). Performance fees relate to the managed portfolio's outperformance against relevant benchmarks. To find out the applicable fees, please refer to the relevant disclosure document for the managed portfolio and any other relevant disclosure documents provided by your adviser.

For performance and management fees related to managed funds, please refer to the relevant product disclosure documents provided by your adviser.

### One-off advice fee

You may agree with your adviser to pay a one-off advice fee for advice and other services provided to you, from time to time, in relation to your account. This fee is negotiable and is agreed between you and your adviser.

### Ongoing advice fee

You may agree with your adviser to pay an ongoing fee for ongoing advice provided to you which may include keeping your investment under review. This fee is negotiable and is agreed between you and your adviser.

### Licensee fee

This is a fee the licensee is paid to contribute to the reimbursement of its costs in establishing and maintaining the Service. The licensee may also provide compliance and training on this product to advisers.

The amount of the licensee fee is not negotiable. You can only participate in this product if you agree to pay the licensee fee. If you subsequently withdraw any consent that has been granted, you may be required to transfer your investment out of this product.

### Reconstruction fee

A fee may be charged if we are required to re-construct a CGT parcel history in respect of any in specie investment transfers.

## Transaction fees

The transaction fee for term deposits is deducted from your cash account at the time of settlement, in addition to the trade cost.

A term deposit break fee is charged if you withdraw a term deposit before maturity. This is in addition to any fees or interest penalties charged by the underlying term deposit provider.

The transaction fee for managed funds will apply when managed funds are bought and sold. This fee is deducted from your cash account at the time of settlement, in addition to the trade cost.

The transaction fee for in specie transfers will apply when listed securities or managed funds are transferred in specie

into or out of the Service. The fee is deducted from your cash account at or around the time the in specie transfer occurs.

The transaction fee for corporate actions will apply when you participate in corporate actions through the Service that require settlement from your cash account. Corporate actions include, but are not limited to, initial public offerings, rights issues, share purchase plans, exercising of options, buy backs and takeovers. The fee is deducted from your cash account at the time of settlement in addition to any other transaction costs.

## Variation of fees

The Operator may vary the fees specified. We will give you 30 days advance notice of any fee increases.

## Example of annual fees and costs for a balanced investment option<sup>1</sup>

This table gives an example of how the fees and costs for a balanced investment option invested in through the Service can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – the Balanced Investment Option <sup>1</sup>		Balance of \$50,000 <sup>2</sup> with a contribution of \$5,000 <sup>3</sup> during year
Contribution Fees	0–5.5%	For every additional \$5,000 you put in, you will be charged between \$0 and \$275.
PLUS Management Costs	Administration fee: 0.15% + \$600 PLUS Licensee fee: 0.08%	And, for every \$50,000 you have in the balanced investment option you will be charged \$115 each year plus \$600 regardless of your balance.
EQUALS Cost of balanced investment option		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from:  \$715 to \$990*  What it costs you will depend on the investment option you choose and the fees you negotiate.

\* Additional fees may apply, for example, adviser fees and transaction fees. Refer to Additional explanation of fees and costs in this section for further information.

<sup>1</sup> The balanced investment option chosen for this example is the Blackrock Wholesale Balanced Fund – APIR Code PWA0822AU. The Investment management fee for this option is not included in the fee example above and is in addition to the cost for the Service.

<sup>2</sup> The example assumes that the entire balance of \$50,000 is invested in the Blackrock Wholesale Balanced Fund – APIR Code PWA0822AU. However, investors must maintain a minimum cash balance in the Service, which is generally 0.75% of the total amount of your investments held in your account at all times. This example does not take this requirement into account.

<sup>3</sup> The \$5,000 contribution is assumed to take place at the end of the financial year for the purposes of this example.

## 10. Fees and other costs

### Examples of total fees you may be charged

The following examples illustrate how the total fees you pay can vary depending on the investment options you select. Each example assumes an average account balance of \$250,000<sup>1</sup> during the year and is based on the costs during the first year of investment:

#### Example 1 – Investment in ASX-listed securities

Assume you invest in two ASX-listed securities of \$125,000 each using our default broker:

Type of fee or cost	Calculation	Fee amount
<b>Administration fee</b>	Percentage based administration fee: (0.15% × \$250,000)  PLUS Account keeping fee: \$600	\$975
<b>Ongoing advice fee</b> (as negotiated and agreed with your adviser) – assumed 0.50%	(0.50% × \$250,000)	\$1,250
<b>Licensee fee</b>	(0.08% × \$250,000)	\$200
<b>Transaction fees</b> (via aggregated trading)	(0.11% × \$125,000) + (0.11% × \$125,000)	\$275
<b>Adviser brokerage</b> (as negotiated and agreed with your adviser) – assumed 0.05%	(0.05% × \$125,000) + (0.05% × \$125,000)	\$125
<b>Total fees and costs*</b>	\$975 + \$1,250 + \$200 + \$275 + \$125	\$2,825 = 1.13% of your account

<sup>1</sup> The examples assume that the entire balance of \$250,000 is invested into the relevant investment option(s). However, investors must maintain a minimum cash balance in the Service, which is generally 0.75% of the total amount of your investments held in your account at all times. The examples do not take this requirement into account.

## Example 2 – Investment in managed funds

Assume you invest in two managed funds of \$125,000 each:

Type of fee or cost	Calculation	Fee amount
<b>Administration fee</b>	Percentage-based administration fee: (0.15% × \$250,000) PLUS Account keeping fee: \$600	\$975
<b>Investment cost for each managed fund</b> – assumed 0.95%	(0.95% × \$125,000) + (0.95% × \$125,000)	\$2,375
<b>Ongoing advice fee</b> (as negotiated and agreed with your adviser) – assumed 0.50%	(0.50% × \$250,000)	\$1,250
<b>Licensee fee</b>	(0.08% × \$250,000)	\$200
<b>Transaction fees</b>	\$22 × 2	\$44
<b>Total fees and costs*</b>	\$975 + \$2,375 + \$1,250 + \$200 + \$44	\$4,844 = 1.94% of your account

## Example 3 – Investment in an index managed portfolio

Assume entire managed portfolio of \$250,000 is invested in ASX-listed securities using our default broker:

Type of fee or cost	Calculation	Fee amount
<b>Administration fee</b>	Percentage-based administration fee: (0.15% × \$250,000) PLUS Account keeping fee: \$600	\$975
<b>Investment management fee</b> – assumed 0.22%	(0.22% × \$250,000)	\$550
<b>Ongoing advice fee</b> (as negotiated and agreed with your adviser) – assumed 0.50%	(0.50% × \$250,000)	\$1,250
<b>Licensee fee</b>	(0.08% × \$250,000)	\$200
<b>Transaction fees</b>	(0.11% × \$250,000)	\$275
<b>Total fees and costs*</b>	\$975 + \$550 + \$1,250 + \$200 + \$275	\$3,250 = 1.30% of your account

## 10. Fees and other costs

### Example 4 – Investment in an active managed portfolio

Assume entire managed portfolio of \$250,000 is invested in ASX-listed securities using our default broker:

Type of fee or cost	Calculation	Fee amount
<b>Administration fee</b>	Percentage-based administration fee: (0.15% × \$250,000)  PLUS Account keeping fee: \$600	\$975
<b>Investment management fee</b> – assumed 0.75%	(0.75% × \$250,000)	\$1,875
<b>Investment performance fee</b> – assumed 10%	Assume managed portfolio earns 1% over the benchmark: (1% × \$250,000) × 10%	\$250
<b>Ongoing advice fee</b> (as negotiated and agreed with your adviser) – assumed 0.5%	(0.50% × \$250,000)	\$1,250
<b>Licensee fee</b>	(0.08% × \$250,000)	\$200
<b>Transaction fees</b>	(0.11% × \$250,000)	\$275
<b>Total fees and costs*</b>	\$975 + \$1,875 + \$250 + \$1,250 + \$200 + \$275	\$4,825 = 1.93% of your account

### Example 5 – Investment in term deposits

Assume you invest in one term deposit of \$250,000:

Type of fee or cost	Calculation	Fee amount
<b>Administration fee</b>	Percentage based administration fee: ( $0.15\% \times \$250,000$ ) PLUS Account keeping fee: \$600	\$975
<b>Ongoing advice fee</b> (as negotiated and agreed with your adviser) – assumed 0.5%	( $0.50\% \times \$250,000$ )	\$1,250
<b>Licensee fee</b>	( $0.08\% \times \$250,000$ )	\$200
<b>Transaction fees</b>	\$22	\$22
<b>Total fees and costs*</b>	$\$975 + \$1,250 + \$200 + \$22$	\$2,447 = 0.98% of your account

\* Includes ongoing advice fees, licensee fees, adviser brokerage (if applicable) and transaction fees. Note that these examples include any costs of investing in the relevant accessible investments you invest in. However, the examples do not take into account any contribution fees you may agree to pay your adviser, as these are assumed to be zero.

#### Additional notes in relation to the above fee examples

- These fee examples are intended as a guide of average fees only and are not indicative of the maximum fees you could pay. Your fees could be significantly higher than the amounts shown in the table, depending on the managed portfolios and accessible investments you select and the number of transactions you carry out.
- The ranges and average costs displayed are determined at the time this IDPS Guide was produced. Standard brokerage rates are used.
- Please refer to the disclosure documents, as the actual fees and charges experienced will depend on your investment strategy.



# 11. General information

## Custody and how your assets are held in trust

Custody involves holding assets in trust – on your behalf – for safe-keeping. This means you're the beneficial owner of these assets but not the legal owner.

We currently outsource custodial functions to third party custodians. These custodians are currently:

- HSBC Bank Australia Limited (ABN 48 006 434 162, AFSL 232595) (HSBC) of 580 George Street, Sydney NSW 2000
- Ausmaq Limited (ABN 53 062 527 575, AFSL 230684) of Level 4, 107 Pitt Street, Sydney NSW 2000. They hold the assets in your account as the legal owner.

This means:

- your assets are held in trust for you at all times
- we and the custodians are obliged to use your assets only for the purposes permitted under the terms of the Service
- we have added procedural safeguards for reconciling your accounts with the custodian daily.

In the case of the insolvency (or similar) of the Operator or a custodian, your assets should be returned to you and not be available to the Operator or the custodian's general creditors. This is subject to any lien, rights of set-off and any other priority rights to which the custodian may be entitled under any applicable law, custody or security arrangement.

We also maintain a register of the underlying holdings for each investor in the Service. Your ASX holdings are held on your behalf by us as your custodian, or by any custodian we may appoint, while you retain beneficial ownership. The Service will reconcile its records with the custodian's records on a daily basis.

We reserve the right to change the custodial structure of the Service from time to time, including by appointing or removing custodians or sub-custodians to hold your assets. In the event of any such change, you will remain the beneficial owner of the assets.

## Managers and managed portfolios

We are the Operator and manager of your investments held through the Service. We engage professional managers to advise us on the composition of the managed portfolios offered under the Service.

## Your investment discretion

You have the sole discretion to decide what (but not necessarily when) assets will be bought or sold in your account. We can also implement directions previously given by you, for example, to buy or sell particular investments under certain circumstances. This may be communicated to us by your adviser. For further information about your investment discretion, please see your adviser and the IDPS Application Form and Contract in this Guide.

## Changes to the regulatory structure of the Service

We reserve the right to change the regulatory structure of the Service from time to time, including by registering the Service as a managed investment scheme. We'll give you prior notice of any such change.

## Your rights in the Service vs direct investments

Although you're the beneficial owner of the assets, the legal interest is held by the custodians. The custodians receive all communications regarding your investments on your behalf, including notification of shareholder meetings, upcoming corporate events and dividend information.

If there's a corporate action, we may contact your adviser who can pass on your instructions to us. Generally, we'll exercise any rights in relation to those investments, including receiving shareholder benefits such as discount cards, attending meetings or voting. The following table outlines some of the differences when you invest through the Service as opposed to directly investing in securities on your own.

	The Service	Direct Investment
<b>Legal title</b>	The custodians will be the legal owner of the assets in your account and hold the assets on trust for you under its own name.	You will be the legal owner of the assets in your account and the assets are held and registered under your own name.
<b>Certain shareholder benefits</b>	You may not receive 100% of all shareholder benefits. This is because all securities are registered in the name of the custodian.	You receive 100% of all shareholder benefits. You are responsible for communicating with the share registry to receive this benefit.
<b>Voting at shareholder meetings</b>	As you are not the registered holder, you do not have voting rights (nor the right to proxy voting) at shareholder meetings. Refer to our voting policy on our website.	You can vote at shareholder meetings as you see fit.
<b>Managed funds</b>	You do not become the direct unit holder in the managed funds in your account. The registered unit holder will be the custodians. As such, we or the custodians may exercise the rights of a unit holder or decline to exercise them.  Generally, through the Service, you may access managed funds that you may not have been able to directly (for example, due to high contribution amounts). Wholesale fees can be significantly cheaper than the retail fees you would pay if you invested in each managed fund directly.	You are the direct unit holder.
<b>Cooling-off period for return of security</b>	Cooling-off rights generally do not apply to investments acquired through the Service.	Provided you are a retail client, cooling-off rights will apply to certain investments only (i.e. managed funds).
<b>Investor communications</b>	Upon request, we will give you (or your adviser) a copy of all communications that we are required by law to provide to the holder of an investment.	Providers of the particular investment will communicate with you directly.

# 11. General information

## Your rights in the Service vs direct investments (cont)

	The Service	Direct Investment
<b>Withdrawal rights</b>	<p>As you are not the registered holder, any withdrawal rights that may arise will be communicated to the Operator, who holds all relevant withdrawal rights. These rights may differ due to the Operator's status and depending on whether the Operator was provided with a product disclosure statement (PDS) or other disclosure document for the purposes of investing on your behalf.</p> <p>Please note that withdrawal rights for an accessible investment may not be available if the relevant PDS or disclosure document becomes defective before issue of the investment.</p> <p>As you are not the registered owner, the product issuer would not be required to return the investment to you or provide you with other options such as notification of an option to withdraw under s724 (for disclosure documents) or s1016E (for PDSs) of the <i>Corporations Act 2001</i> (Cth).</p>	<p>The issuer of the investment will communicate with you directly regarding any right you may have to withdraw from the investment.</p>

## Information from underlying investments

The custodians hold the investments in your account and receive all communication from the issuers of the securities in your account. You can request a copy of these communications from us. We will provide them to you on InvestorHUB or you can obtain them from your adviser via AdviserHUB as soon as practicable.

## Compliance

We maintain a compliance framework that sets out how the Service will comply with all relevant legislation (including the Corporations Act) and industry guidelines. The Compliance and Risk Committee is tasked with ensuring the compliance framework is followed. This includes holding regular Compliance and Risk Committee meetings.

The Compliance and Risk Committee is required to report compliance breaches to the directors of the Operator and, in some circumstances, to ASIC.

## Audited annual investor statements

Audited annual investor statements for the Service will be available within 90 days of 30 June each year and may be obtained on InvestorHUB or through your adviser via AdviserHUB. You may also request a hard copy of the audited annual investor statements by writing to us.

## Consents

The following parties have consented to being named in this IDPS Guide in the form and context in which their name is included and have not withdrawn their consent before the date of this IDPS Guide:

- HSBC Bank Australia Limited (HSBC)
- Ausmaq Limited.

HSBC and Ausmaq Limited have not authorised or caused the issue of this IDPS Guide, or made any statement that is included in this IDPS Guide or any statement on which a statement in this IDPS Guide is based, except as stated above. Other than that stated above, HSBC and Ausmaq Limited expressly disclaim and take no responsibility for any statements in or any omissions from this IDPS Guide. This applies to the maximum extent permitted by law.

## Estimated tax data

The annual tax statement will be provided as soon as possible at the end of the tax year when all data is available. Any tax reports provided to you via continuous reporting will include only estimated data.

Similarly, any tax estimates shown on reports are based on this estimated data, the CGT parcel allocation method and the marginal tax rate chosen for you, and are based solely on assets held within the Service.

## Privacy

Our privacy policy contains information on how your personal information is collected and handled, who we may exchange your information with and where they are located, and your right to request access, correct the information we hold and how to make a complaint.

Our privacy policy can be found at [hub24.com.au/privacy](http://hub24.com.au/privacy)

## Anti-money laundering/counter-terrorism financing

In accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act), we have the right to collect and identify information and to verify documents. Each applicant and third party on the application form must ensure they meet the identification requirements outlined in the AML/CTF Act. Each applicant (and third party) is required to provide identification records as requested. Failure to provide the requested identification will result in either a delay in processing the account opening, or possible suspension of an opened account.

From time to time, we may require additional information from you to assist in this process.

Under the provisions of the AML/CTF Act, we also have the right to not provide a designated service in certain circumstances.

In complying with obligations related to the AML/CTF Act, there may be instances where transactions are delayed, blocked, frozen or refused. This could occur where reasonable grounds are established that the transaction breaches Australian law or sanctions, or the law or sanctions of any other country.

Where transactions are delayed, blocked, frozen or refused, we are not liable for any loss you may suffer (including consequential loss) as a result of our compliance with the AML/CTF Act as it applies to the Service.

We have certain legal obligations to disclose gathered information to regulatory and/or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC).

We have reporting obligations in relation to the AML/CTF regulatory regime and must report certain matters to AUSTRAC. Under the tipping-off prohibition, these requirements may prevent us from informing you that any such reporting has taken place.

## Foreign Account Tax Compliance Act (FATCA)

The *Foreign Account Tax Compliance Act* (FATCA) was enacted by the US Congress in March 2010 to improve compliance with US tax laws. This act imposes some obligations on non-US financial institutions in relation to reporting to the US Internal Revenue Service (IRS) information on US citizens with financial accounts.

While FATCA is not Australian law, on 28 April 2014 Australia and the US signed an intergovernmental agreement (IGA) to assist in the facilitation of FATCA for Australian financial institutions. Under the terms of this IGA Australian financial institutions are required to report some specific information to the ATO.

These obligations have an impact on the way we manage your account. For example, on the opening of a new account, we are required to collect additional information about your residency status in order to ascertain whether the account is a reportable account under the FATCA laws.

Similarly, we also need to ascertain whether existing clients, at the time of implementation of the IGA (and subsequently to that) are also reportable accounts.

There are also withholding tax obligations imposed on Australian financial institutions in relation to US sourced income. Although these obligations pre-date the implementation of FATCA certain changes, introduced by FATCA laws, have some impact on the way that Australian financial institutions comply with them. Please refer to the Tax Section of this document for additional details.

## Wholesale clients

We may (but are not obliged to) accept certain sophisticated wholesale clients who do not have an adviser. In this case, this IDPS Guide and the IDPS Contract's provisions (such as adviser-related information) will not apply to you. Refer to the Operator and the IDPS Contract for further details.

# 11. General information

## Differential fees

We may individually negotiate fees with investors classed as wholesale clients or 'professional' investors on the basis of the value of their investments.

## Individual fee arrangements and service providers

We may enter into commercial arrangements with service providers, which may involve us making payments – and providing services – to these operators in return for promoting the Service. These payments are paid outside of our fees and are not an additional cost to you.

## Conflicts of interest

We have internal policies and procedures to ensure that any conflicts of interest in relation to the Service are adequately identified and appropriately managed. We maintain a conflicts register, which records all conflicts identified and what actions have been taken. In the event any conflicts of interest exist for the Operator, they are managed in accordance with our internal policies, procedures and management oversight.

## Complaints

### How we deal with complaints

We take complaints seriously as they give us information about how we can improve our services to you. We have an internal complaints handling policy that you can access free of charge.

### Internal complaints resolution process

If we can't resolve your complaint on the spot, we'll try to resolve it as quickly as possible. Each complaint or dispute is logged in our register and assigned to an appropriate person to resolve.

We aim to resolve most issues within 21 business days, although the Financial Ombudsman Scheme allows us 45 days. In some cases where there are complicated facts or circumstances that will take longer than 45 days to address, we'll keep you updated regularly on the progress of your complaint.

If your complaint relates to the operation of the IDPS, please contact our Complaints Officer at:

**Email** complaints@hub24.com.au  
**Mail** HUB24 Custodial Services Ltd  
GPO Box 529, Sydney NSW 2001

If your complaint relates to the advice you received from your financial adviser in relation to the choice of investments or your investment strategy, we recommend you discuss the issue with your adviser or refer to the complaints section of your adviser's financial services guide.

If your complaint relates to specific investments you may be able to raise the complaint directly with the issuer of the investment product. You can contact us if you wish to confirm whether this is the case for the specific product to which the complaint relates.

### External complaints resolution process

If you don't get a satisfactory outcome from our internal complaints resolution process, you can contact the Financial Ombudsman Service. This external dispute resolution scheme was established to provide free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry.

Financial Ombudsman Service Limited  
GPO Box 3, Melbourne, VIC 3001

Phone 1300 780 808  
Fax 03 9613 6399  
Email info@fos.org.au  
Website www.fos.org.au

You can also contact ASIC on 1300 300 630 to make a complaint and to obtain further information about your rights.

### How to contact us

If you need help regarding the Service, you should first speak to your adviser. You can also contact us by:

**Email:** admin@hub24.com.au  
**Phone** 1300 854 994  
**Fax** 1300 781 689  
**Mail** GPO Box 529, Sydney NSW 2001





**CARE**portfolio

**CAREportfolio INVEST**  
APPLICATION FORM  
AND IDPS CONTRACT

[hub24.com.au/careportfolio](http://hub24.com.au/careportfolio)

The application form, relevant short form disclosure documents (if applicable), IDPS Contract, and the CAREportfolio Invest IDPS Guide (dated 8 May 2015), make up the entire IDPS Guide (IDPS Guide).

Before you invest, you must read the Financial Services Guide, the IDPS Guide (dated 8 May 2015) and all relevant disclosure documents for the accessible investments you intend to invest in through CAREportfolio Invest.



# CAREportfolio Invest application form

You must read the Financial Services Guide (FSG) issued to you by HUB24 Custodial Services Ltd (the Operator, we, our, us), the IDPS Guide and other relevant disclosure documents before applying to invest in CAREportfolio Invest (the Service). Following acceptance of your completed application form, this IDPS Contract, your application form and the IDPS Guide will constitute the agreement between you and us in relation to the Service.

## Checklist

To become an investor of the Service:

- complete, with your adviser, and sign the Service application form.
- provide your adviser any relevant identification in accordance with AML/CTF requirements. Refer to the IDPS Guide for further information.
- if applicable, complete and submit the in specie transfer form to transfer assets into your account.
- together with your adviser, consult with your margin lender if you're considering using margin lending facilities to make contributions to the Service. You and your adviser can access a panel of approved margin lenders through the Service. Please note, the Service does not provide any form(s) or agreements in relation to margin loans nor does it provide margin lending facilities.

## Important information

- we don't accept applications from applicants who are non-Australian residents for tax purposes unless approved otherwise by us. Where non-Australian residents invest, they must carefully consider Australian withholding and other taxes, duties and charges.
- applications from individual applicants who are aged below 18 will not be accepted.
- we'll only accept applications from applicants who provide a Tax File Number (TFN), or reason for exemption, and Australian Business Number (ABN) (if applicable).
- some aspects of this application form may not be applicable if you are classified as a sophisticated wholesale client (as defined by the *Corporations Act 2001* (Cth) (the *Corporations Act*)).
- we reserve the right to decline an application to become an investor of the Service at our discretion.
- any instructions from you to acquire, invest, redeem, sell, transfer, dispose of or otherwise deal with investments in relation to your account must be provided to us by your adviser and cannot be provided directly to us by you\*.

\*Sophisticated wholesale investors are exempted. Please refer to the IDPS Contract for more information.

## Proof of identity

When lodging an application form, your adviser must forward copies of the relevant Identification forms used to complete the applicant's identity verification in accordance with Anti-Money Laundering, Counter Terrorism Financing (AML/CTF) and Foreign Account Tax Compliance Act (FATCA) requirements. These forms can be obtained from your adviser through AdviserHUB.

## How to contribute to your account Cheque

Attach a cheque (made payable to 'HUB24 Custodial Services Ltd <your account name>')

## Electronic Funds Transfer (EFT)

Arrange a direct credit of funds or BPAY. You'll receive these details in your welcome email when your account is opened.

## Direct debit

Include your bank account details on this application form and nominate your adviser to request a transfer of funds by direct debit.

## In specie transfer

Arrange for a transfer of securities as required with the transferor, or send us a completed in specie transfer form together with the completed application form and supporting documentation.

## Your bank details

This account must be held with an Australian financial institution and generally cannot be in the name of a third party. Your account will be used by us for payment of withdrawal proceeds after any cash withdrawal requests, and can only be changed if you submit a Change of Details form or a Withdrawal & Regular Payment Plan form signed by you.

## Where should this form be returned to?

**Mail** GPO Box 529, Sydney NSW 2001

**Email** admin@hub24.com.au

**Fax** 1300 781 689

**Note:** Application forms sent via email or fax must be followed by any cheques (if applicable) in the mail. Please ensure you provide your designated account name and your adviser's name on the back of the cheque to avoid processing delays.

## How to contact us

**Email** admin@hub24.com.au

**Phone** 1300 854 994

**Website** hub24.com.au/careportfolio

## How to complete Sections 2 and 3 of this form

Account type	Sections to complete	Important notes	Who signs*
<b>Individual</b>	Section 2		Your signature
<b>Joint investors</b>	Section 2	Complete Investor 1 and Investor 2 details with both TFNs.	Both investors
<b>Company/ Incorporated associations/ Limited partnerships</b>	Sections 3.1, 3.1a, 3.4, 3.5 and 3.6	Use full company name. Don't use abbreviations. Provide both TFN and ABN.	Sole director, at least two directors or director and company secretary
<b>Trust/SMSF Individual Trustee(s)/Corporate Trustee</b>	Sections 3.2 and 3.4 Section 2 for each trustee Section 3.1 and 3.1a Section 3.6 for Trusts	Use full trust/SMSF name. Don't use abbreviations. Use each trustee's personal name in Section 2. Use full trustee company name. Don't use abbreviations. Provide both TFN and ABN of the trust/SMSF	All trustees Sole director, at least two directors or director and company secretary
<b>Partnership (non-limited)</b>	Sections 3.1, 3.1a, 3.4 and 3.6 Section 2 for each partnership member	Use partnership name e.g. 'Jack Smith and Son' Provide TFN of partnership.	All partners
<b>Club/Unincorporated associations</b>	Sections 3.3 and 3.4 and the responsible officer must complete Section 2	Provide TFN of the entity.	Responsible officer(s)
<b>Geared account with margin loan agreement</b>	Sections relevant to respective account types, in addition to Section 12	As per respective account types. SMSF accounts are not eligible for margin loans. If you invest in the Service through a margin lender, you are directing the margin lender to arrange for your contributions to be invested into the Service.  Your investments will be held in a geared account. The margin lender will be registered as the legal holder of the geared account. Please refer to your relevant margin loan agreement and consult with your adviser and/or margin lender.	As per respective account types, in addition to the margin lender signatories. Withdrawal requests must be approved by the margin lender. Please refer to your relevant margin loan agreement and consult with your adviser and/or margin lender.

\* If you are investing on behalf of an investor under power of attorney, complete the sections relevant to the respective account types and the signature will be that of the attorney.

This page is left blank intentionally.

---

# Application form and IDPS Contract

## Section 1: Account type *(tick one ✓)*

- ☐ Individual   ☐ Joint   ☐ Company or limited partnership   ☐ Incorporated association  
☐ Trust   ☐ Superannuation fund (SMSF)   ☐ Partnership   ☐ Club or unincorporated association

## Section 2: Investor/Trustee *(all fields must be completed)*

### Investor 1

Title <i>(tick one ✓)</i> <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Dr <input type="checkbox"/> Other	<input type="text"/>	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	Date of birth <i>(dd/mm/yyyy)</i>	<input type="text"/>
Given names <input type="text"/>		Surname <input type="text"/>		
Tax File Number (TFN) <input type="text"/>		or reason for Tax File Number (TFN) exemption <input type="text"/>		
Street address <i>(this must be a street address, a PO Box number or c/- address will not be accepted)</i> <input type="text"/>				
Suburb <input type="text"/>		State <input type="text"/>	Postcode <input type="text"/>	
Country of citizenship <input type="checkbox"/> Australia <input type="checkbox"/> Other: <input type="text"/>		Occupation <input type="text"/>		

**Are you a US citizen or resident of the US for tax purposes?** *(Mandatory)*   ☐ No   ☐ Yes

### Investor 2

Title <i>(tick one ✓)</i> <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Dr <input type="checkbox"/> Other	<input type="text"/>	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	Date of birth <i>(dd/mm/yyyy)</i>	<input type="text"/>
Given names <input type="text"/>		Surname <input type="text"/>		
Tax File Number (TFN) <input type="text"/>		or reason for Tax File Number (TFN) exemption <input type="text"/>		
Street address <i>(this must be a street address, a PO Box number or c/- address will not be accepted)</i> <input type="text"/>				
Suburb <input type="text"/>		State <input type="text"/>	Postcode <input type="text"/>	
Country of citizenship <input type="checkbox"/> Australia <input type="checkbox"/> Other: <input type="text"/>		Occupation <input type="text"/>		

**Are you a US citizen or resident of the US for tax purposes?** *(Mandatory)*   ☐ No   ☐ Yes

# Application form and IDPS Contract

## Section 3: All other investors

3.1 Name of Company/Partnership/Incorporated association/Corporate trustee

3.1a Nature of business (mandatory) For example: retail, hospitality, finance, software, manufacturing, farming

3.2 Name of Trust/Superannuation fund

3.3 Name of Club/Unincorporated association

3.4 Tax File Number (TFN)

3.5 Australian Business Number (ABN) or Australian Company Number (ACN)

3.6 For Companies, Partnerships, Regulated<sup>1</sup> and Unregulated Trusts (Mandatory)

Are any of the owners or beneficiaries of the account US citizens or residents of the US for tax purposes?

☐ No ☐ Yes

## Section 4: Contact person details

You must provide one contact person to receive all correspondence for your account, including an authorised email address for electronic communication. We may need to contact this person in some circumstances.

Please note that by nominating this person you consent for us to provide them with access to your account information.

This information will be of a confidential and/or personal nature such as your welcome email which contains your login details to InvestorHUB and any other account notifications.

### Contact person details

Given names

Surname

Phone number (work)

Phone number (mobile or home)

Fax number

Email address (mandatory)\*

Contact person residential address:

Street address (this must be a street address, a PO Box number or c/- address will not be accepted)

Suburb

State

Postcode

<sup>1</sup> Excluding Self-Managed Superannuation Funds, APRA regulated super funds, government super funds or pooled superannuation trusts.

\*Please note this cannot be your appointed financial adviser's email address

Registered postal address (if different to above) where you would like all correspondence to be sent:

Postal address

Suburb

State

Postcode

### If the contact person is not the account holder

What is the contact person's relationship to the investor? Please specify (*e.g. spouse, child, accountant*)

Does the contact person hold a power of attorney or are they an agent of the investor?

☐ No

☐ Yes → **Please complete an additional Identification Form for individuals for the contact person**

## Section 5: Contributions

### Source of contribution/s (mandatory)

What is the source of your contribution/s into your account? (*This refers to the origin of the initial contribution to open your account as well as any future contributions made via the monthly regular savings plan*). Tick all that apply.

☐ Investment income/earnings

☐ Business income/earnings

☐ Tax refund

☐ Insurance payment

☐ Gift

☐ Salary/wages

☐ Superannuation/pension

☐ Loan

☐ Inheritance

☐ Compensation payment

☐ Redundancy

☐ Windfall

☐ Other:

### Initial contribution

A minimum initial deposit of \$50,000 applies. Please specify how these funds are to be received.

Cash: \$

Cash funds received by (*please tick one* ✓)

☐ **EFT** (*You'll receive these details in your welcome email when your account is opened*)

Or ☐ **BPAY** (*You'll receive these details in your welcome email when your account is opened*)

Or ☐ **Direct debit** (*By ticking this box you agree to give your adviser authority to request one-off direct debits from your nominated bank account*)

Or ☐ **Cheque** (*Make payable to 'HUB24 Custodial Services Ltd <your account name>'*)

In specie: \$

You must complete the in specie transfer form including full capital gains tax (CGT) parcel cost base details. Please ensure the cost base information provided is accurate as reconstruction fees may be charged on an hourly basis if it's necessary for us to reconstruct parcel history. This form is available from your adviser or InvestorHUB.

**Note:** Your initial contribution will be adjusted for contribution fees and the minimum cash requirements before being applied to your investment strategy as instructed by your adviser.



# Application form and IDPS Contract

## Monthly regular savings and/or one-off contributions made by direct debit under agreement

Only complete this section if you wish to use direct debit to deposit funds into your account.

You may make regular contributions of at least \$100 per month by authorising us to direct debit your nominated bank account on the 20th of each month (or the next business day). You may also authorise your adviser to request one-off direct debits from the same nominated account.

Please tick the relevant box(es) below:

- ☐ Specify the **monthly amount** to be direct debited from the following bank account \$
- ☐ Give your adviser authority to request one-off direct debits of any amount from the following bank account to your account in the Service.

Please read and complete the following:

I/We request and authorise the Operator (Debit User ID number 368229) to arrange for the amount specified above or any amount as agreed between me/us and the Operator to be debited through the Bulk Electronic Clearing System from my/our account held with the financial institution detailed below (a Direct Debit Request).

**Note:** The bank account name(s) must match the name(s) given as the applicant(s) on your application form.

Bank

Branch

BSB

Account number

Account name

I/We understand and acknowledge that:

- my/our financial institution has absolute discretion to decide the order in which it will pay monies under this Direct Debit Request, or any other request, authority or mandate
- my/our financial institution has absolute discretion to refuse to honour this Direct Debit Request at any time
- direct debit contributions are held in cash pending my/our instructions to my/our adviser as to how it is to be invested in accordance with my/our investment strategy
- my/our Direct Debit Request operates on the terms of the Direct Debit Request Service Agreement as set out below (as varied by us) which I/we have read and agree to, by signing this Direct Debit Request Service Agreement
- personal information on this application form will be collected for the purposes set out in the Privacy Policy set out in the HUB24 FSG and I/we consent to the collection, purpose and use of such information on this application form.

This Direct Debit Request is made on the terms of the Direct Debit Request Service Agreement as set out below. By completing this Direct Debit Request you are authorising us to direct debit your account. Please see below for more information about the Direct Debit Request Service Agreement. This section may be photocopied if additional account holders apply.

## Account holder 1

Full name *(please print in capitals your first, middle and surname)*

Signature

Date

## Account holder 2

Full name *(please print in capitals your first, middle and surname)*

Signature

Date

## Direct Debit Request Service Agreement

This agreement sets out the terms on which you authorise us to arrange to debit your account at your financial institution.

1. You will need to complete this application form to contribute to your account in the Service via the regular savings plan or for requested one-off debits by you via your adviser.
2. By your Direct Debit Request, you authorise us to debit the nominated amount from your account at the financial institution written on this application form or advised by you or your adviser.
3. You can cancel your Direct Debit Request arrangement with us; however, this termination must be in writing. We require ten (10) working days to process your cancellation request.
4. The due date for each drawing will generally be the 20th of each month. If a due date for a debit falls on a weekend or public holiday, the debit will be processed on the following business day. Please contact your financial institution if you are uncertain when a debit will be processed to your account.
5. You must ensure that you have sufficient cleared funds available in the nominated account to meet each drawing on the due date.
6. If a drawing is unsuccessful, we reserve the right to attempt to redraw at such times as we determine. We and your financial institution may charge a fee where a drawing is unsuccessful. This fee may be debited from your nominated account with your financial institution or to your account in the Service.
7. If you have any questions about your Direct Debit Request, such as concerns about a debit that we made under it, or if you want to make any alteration to your arrangements, please contact your adviser, or the Operator by fax on 1300 781 689,  
We will reply to you within seven (7) business days. You should contact your adviser [or the Operator] in the first instance, rather than the financial institution with which you have an account.
8. If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
9. If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.
10. We can vary this agreement at any time after giving you 14 days notice of the changes.
11. We will keep information about your financial institution account confidential in accordance with our privacy policy, including disclosure to direct debit financial institutions only to the extent necessary to resolve any claim you might make relating to a debit that you claim has been made incorrectly.
12. You should:
  - a. note that direct debiting through the Bulk Electronic Clearing System is not available on all accounts – please ensure your financial institution allows direct debits from your nominated account
  - b. confirm the account details by checking a recent statement from your financial institution
  - c. ensure that the signature authorisation on this application form is identical to the account signing instruction held by your nominated financial institution.

**You are responsible for checking and ensuring the above.**

## Section 6: Investment choice instructions

The current list of investment choices and additional information is available on AdviserHUB and InvestorHUB.

Instruct your adviser to implement your investment choices online via AdviserHUB. Instructions are subject to maintaining the 0.75% minimum cash balance requirement.

## Section 7: Capital Gains Tax (CGT parcel allocation method)

You may choose from the following three different CGT parcel allocation methods. You should discuss with your adviser the method that is more appropriate for you, considering your individual circumstances.

- ☐ Minimise gains    ☐ Maximise gains    ☐ First in first out (FIFO)

The 'minimise gains' option is the default option if you do not make a selection.

# Application form and IDPS Contract

## Section 8: Withdrawals

### Nominated bank account for all withdrawals

The following nominated bank account will be used for payment of any redemption proceeds and can only be changed on submission of a signed change of details form or a withdrawal form. This account must be held with an Australian financial institution and generally cannot be in the name of a third party. This account must be in the same name as your account in the Service (unless otherwise approved by us).

Bank

Branch

BSB

Account number

Account name

### Account holder 1

Full name (please print in capitals your first, middle and surname)

Signature

Date

### Account holder 2

Full name (please print in capitals your first, middle and surname)

Signature

Date

### Regular payment plan

You may request regular cash withdrawals to be paid by EFT to the bank account nominated in Section 8. Withdrawals will be paid monthly on the 10th of each month (or next business day) provided there is sufficient cash in your cash account in excess of the minimum cash requirement.

Please specify the commencement date and tick ONE of the three options below.

Commencement date (dd/mm/yyyy)

☐ Regular Payment Amount

\$

This is a fixed amount paid monthly

☐ All Excess Available Cash

This pays out all surplus cash in your cash account above the required minimum cash balance. If you use this option, and cash is contributed but not applied to initial investments before the 10th of the month, this cash may be withdrawn before the initial investments are purchased. Please consider setting the commencement date for the feature to be a future date.

☐ All Income

This pays all income received in your cash account from investments for the prior month.

The minimum withdrawal allowed is \$100 per month. Your adviser can change the monthly withdrawal on AdviserHUB.

## Section 9: Appointment of adviser\*

Adviser name

Dealer group/licensee

Adviser contact phone number

Practice

Adviser email address

\* Refer to the IDPS Guide for further information about an adviser.

### Standing instructions

I/We acknowledge that the Operator cannot generally deal with my/our investments without my/our prior instructions except with certain circumstances set out below. I/We authorise our adviser to give instructions to the Operator in relation to my/our investments and my/our account.

I/We acknowledge that our adviser may send an email notifying me/us of a set of pending investment instructions to be processed in my/our account (that is, a trade notification). I/We agree and authorise our adviser to proceed and submit those investment instructions without further instructions from me/us unless I/we instruct our adviser to cancel the pending investment instructions within the agreed timeframe from the time and date of the trade notification.

I/We give the following standing instructions to the Operator and I/we agree not to vary these instructions:

- that the Operator rebalance my/our managed portfolios by buying and selling specified securities in my/our account in accordance with the advice from the relevant manager from time to time.
- if a trade notification is received in relation to a rebalance or reallocation and I/we have not authorised the cancellation of the pending investment instructions within the permitted agreed timeframe, the Operator may rebalance and/or reallocate my/our managed portfolios by buying and selling specified securities in my/our account in accordance with the advice from the relevant manager from time to time.
- If a trade notification is received in relation to a rebalance or reallocation and I/we have authorised the cancellation of the pending investment instructions within the permitted agreed timeframe, the Operator will not proceed with the rebalance or reallocation and will interpret the instruction as requiring withdrawal from that managed portfolio. If I/we have given alternative investment instructions within the permitted agreed timeframe, the Operator will implement those instructions as set out in the IDPS Guide and in accordance with the terms and conditions.
- that the Operator undertake corporate actions in respect of securities in my/our account and to rebalance my/our managed portfolios as a result of exercising any rights or entitlements attached to specified securities in my/our account in accordance with the advice from the manager in relation to corporate actions from time to time.
- that the Operator sell securities proportionately across all securities (to the extent reasonably practicable) in my/our account to maintain at all times a minimum cash balance in my/our account and to enable the Operator to debit my/our account to pay all fees, taxes, costs and other amounts incurred or payable in connection with my/our account to the Operator.
- that the Operator sell securities proportionately across all securities (to the extent reasonably practicable) in my/our account to provide collateral in connection with the derivative contracts in my/our account and to enable the Operator to pay any current or prospective liabilities incurred in dealing with a derivative contract on behalf of me/us.

# Application form and IDPS Contract

## Section 10: Adviser fees

I/We instruct the Operator to deduct the agreed amount set out below (which includes GST) from my/our cash account and pay my/our adviser for their services as provided to me/us. This fee excludes the IDPS-related service fees and other amounts incurred or payable to the Operator.

### Contribution fee

Contribution fee (one-off fee)\*  % of initial contribution and/or \$

Contribution fee\*  % of ongoing contributions and/or \$

**Note:** The maximum contribution fee is 5.5% of your contribution (including GST). Any contribution fees charged are in addition to the ongoing advice fee.

### Ongoing Advice fee\*

Flat % p.a.  % of my total account balance

Or

Tiered % p.a. of my total account balance

From	To	Fee % p.a.
\$	\$	% p.a.
\$	\$	% p.a.
\$	\$	% p.a.
\$	\$	% p.a.
\$	\$	% p.a.

And/or \$  p.a.

**Note:** Maximum ongoing advice fee is 2.2% p.a. of your total account balance (including GST).

\*If your account contains borrowed amounts, your adviser cannot receive ongoing advice fees, contribution fees or adviser brokerage fees that are asset based (i.e. calculated as a percentage of your total account balance).

### One-off Advice fee

One-off Advice fee \$

**Note:** You may agree with your adviser to pay a One-off Advice fee. This fee may be charged multiple times in a financial year. There is no maximum One-off Advice fee, however, the Operator may refuse or delay any request for payment of any One-off Advice fees from your cash account at its discretion.

## Licensee fee

Do you agree to the Licensee Fee? (please tick one ✓)

☐ **YES** I instruct the Operator to deduct the agreed amount(s) of licensee fees set out below. The licensee fee is calculated daily on the total account balance and paid to the licensee from my cash account monthly in arrears.

Tiered % p.a. of my total account balance

From	To	Fee % p.a.
\$0	\$1,000,000	0.08% p.a.
More than \$1,000,000		Nil

The maximum Licensee fee is \$800 p.a. per account.

All advice fees are negotiable with your adviser, however the amount of the licensee fee is not negotiable.

☐ **NO** Please contact your adviser or advisers' Licensee for approval.

**Please note all fees are inclusive of GST. If eligible, the Operator will claim the benefit of any RITCs.**

# Application form and IDPS Contract

## Section 11: Consents

### Authority to disclose information

(This is generally applicable if you have ticked 'Superannuation fund (SMSF)' in Section 1 of this Application form).

I authorise the Operator to disclose current and historical account and transactional (including account balance) details (Data) in relation to those Accounts by electronic file (or such other method as the Operator agrees) to the nominated software vendor each business day. I understand that the software vendor will then make the Data available to the administrators nominated by me to view the Accounts via a secure web application.

Software Vendor	Administrator

I understand and agree that:

- No agency, partnership, joint venture or any other type of similar relationship exists between the Operator and the software vendor
- Neither the Operator nor the software vendor will, subject to any prohibition or limitation imposed by law, be liable for delays, non-performance, failure to perform, processing errors or any other matter arising out of this agreement
- This agreement is to be read together with the relevant operator's terms and conditions that govern the Accounts, however, to the extent of any inconsistency these terms will prevail
- The Operator will not be liable to any person for their reliance on any Data supplied to the software vendor or any failure of software vendor to provide information or to provide complete or accurate Data to the administrator
- The Operator may decide at its sole discretion, on any ground it thinks fit and, without rendering the Operator liable in any way, to discontinue the provision of Data to the software vendor pursuant to this authority by written notice to the software vendor, and
- I may terminate this agreement by providing ten (10) business days written notice to the Operator.

### Authorisation of managed portfolio investment fees

I consent to the following fee to be paid to the manager of the managed portfolio by being deducted from the cash balance in my account:

Code	Managed portfolio name	Investment fee
		% p.a.
		% p.a.
		% p.a.
		% p.a.
		% p.a.
		% p.a.

- I acknowledge that I have read the current disclosure documents applicable to the managed portfolio(s) I have selected
- I understand that the fee specified on this form is inclusive of GST and will be deducted monthly from my account and may be payable to my adviser, the adviser's dealer group or a related party
- I understand that other investment costs relating to the managed portfolio's underlying investments may also apply
- I understand that if an investment instruction is not received for the above investment(s) within 30 days of receipt of this form, the administrator may require a new consent for those investments, and
- I understand that if I withdraw my consent in the future, I will need to sell down my investment in the managed portfolio.



## Section 12: Margin loan details (if applicable)

Complete this section if you are opening a geared account with a margin lender.

Together with your adviser, consult with your margin lender if you're considering using margin lending facilities to make contributions to the Service. You and your adviser can access a panel of approved margin lenders through the Service. Please note, the Service does not provide any form(s) or agreements in relation to margin loans nor does it provide margin lending facilities.

### Margin loan provider

Name of margin lender

Margin loan number (if applicable)

Client reference name/number

### Margin lender bank account details (to be completed by the margin lender)

BSB

Account number

Account name

Margin lender signature

Margin lender signature

Name

Name

Date

Date

We confirm that a margin lending application has been approved for the client(s) listed in the client reference name/number.

# Application form and IDPS Contract

## Section 13: Declaration and signature

You agree, acknowledge and declare that:

- all details in this application form are true and correct.
- you have received and accepted this offer in Australia.
- all applicants are Australian residents for taxation purposes (unless you have specifically advised us otherwise) and you authorise us to certify your Australian tax residency status with the Australian Taxation Office.
- the adviser named in this application form has provided you with a statement of advice (SOA) in relation to the Service, which includes a recommended selection of investment choices in the Service as set out in your investment strategy, unless you are a sophisticated/wholesale client (as defined in the terms and conditions).
- you have received and read the relevant FSGs and IDPS Guide for the Service, the IDPS Contract (included with this application form), relevant disclosure documents for all managed portfolios and accessible investments you wish to invest in through the Service and the SOA (if applicable) provided to you by your adviser, and agree to be bound by the terms and conditions detailed in the FSG, the IDPS Guide, the IDPS Contract and this application form.
- without your prior consent, any instructions provided by you via your adviser in relation to buy or sell trades under the direct market trading or aggregated trading service may not be fully implemented by us because of trade restrictions set out in the IDPS Guide and, we reserve the right to cancel trades pursuant to or as contemplated by ASX Operating rules, practices and procedures of the ASX and the relevant clearing house.
- you are an individual over 18 years of age or you are a duly incorporated body and, if you are a corporation or trustee, you confirm that you have taken all necessary corporate action to authorise your entry into and performance under this agreement, which is permitted by the relevant constitution or trust deed (or equivalent) and, you have the legal power and authority to make funds available for investment in the Service and to enter into this agreement and you will inform us of any event that might affect your continuing authority to do so.
- if making an application as a sophisticated wholesale client, you are a 'wholesale client' (as defined by the *Corporations Act 2001* (Cth)).
- if this is a joint application, your investment is as joint tenants.
- if signing under a power of attorney, you declare that it is an Australian power of attorney and you are authorised under that power of attorney to sign this application form and have not received any notice of revocation of that power of attorney.
- you will enter into and perform any agreement, and complete and execute any document, necessary to give effect to this agreement and to pay for all costs, fees, brokerage and charges for any transaction made on your behalf pursuant to this agreement.
- you have read and understood the information in the 'Anti-Money Laundering and Counter Terrorism Financing' section of the IDPS Guide. We must comply with the Anti-Money Laundering and Counter-Terrorism Financing laws (AML/CTF Act), which requires us to, among other things, establish your identity.
- by completing this Application form and providing us with information to establish your identity, you acknowledge and agree:
  - this information will be used by us to establish your identity for the purposes of the AML/CTF Act;
  - we will not be responsible or liable to you or any other person for any loss suffered where transactions are delayed, blocked, frozen or where we decline to process a transaction or cease to provide you with a product or service in circumstances where we are unable to establish your identity or where we reasonably believe you are a Proscribed Person.
  - A "Proscribed Person" means any person or entity who we reasonably believe to be:
    - (i) in breach of the laws of any jurisdiction regarding economic or trade sanctions, or laws prohibiting money laundering or terrorism financing, or
    - (ii) on a list of persons with whom dealings are proscribed by Australian laws or the laws of another recognised jurisdiction. A "Proscribed Person" includes any person or entity who we reasonably believe to be acting on behalf, or for the benefit of, a person or entity referred to in (i) and/or (ii).
- When verifying your identity using electronic means, you acknowledge and agree that:
  - (i) we may disclose your personal information to a credit reporting agency for the purpose of providing an assessment as to whether the personal information matches (in whole or in part) personal information contained in a credit information file in the possession or control of the credit reporting agency;
  - (ii) the credit reporting agency may provide us with the assessment; and
  - (iii) the credit reporting agency may use your personal information and the names, residential addresses and dates of birth contained in credit information files of other individuals for the purpose of preparing such an assessment.

- you are not aware and have no reason to suspect that the monies used to fund your investment in the Service have been or will be derived from or related to any money laundering, terrorism financing or other activities deemed illegal under applicable laws or regulations, or are otherwise prohibited under any international convention or agreement, or that the proceeds of your investment in the Service will be used to finance any illegal activities.
- you will provide to us all additional information and assistance that we (or our delegates) may request in order for us or our delegates to comply with any anti-money laundering and counter-terrorism financing laws or other laws.
- the adviser named in Section 9 of this application form is authorised to act as your nominated representative and we may notify you of information in relation to your investments in the Service and other details about your account by providing such notification to that adviser on your behalf.
- the adviser named in Section 9 of this application form will be remunerated from your account as per the adviser fee table in the IDPS Guide and Section 10 of this application form.
- you give the standing instructions in Section 9 of this application form and agree not to vary them for so long as you remain an investor in the Service.
- by signing this application form, you agree to the terms of the IDPS Guide and IDPS Contract.
- if we accept your application form, an agreement will be made on the terms of the IDPS Contract.
- you acknowledge the warnings given in clauses 5.6 and 11.2 of the IDPS Contract regarding the differences in investing in financial products through the Service and the consequences of not having an adviser. You acknowledge that this includes not having the same rights as direct retail investors, or not having access to cooling-off rights, withdrawal rights and voting rights.
- you and your adviser will have access to AdviserHUB and/or InvestorHUB, and you agree to all information, documents and other communications being provided by email and/or otherwise via InvestorHub.
- we reserve the right to not accept any application in its absolute discretion and any interest accrued on application monies returned to you will be paid to us and not to you.
- neither we nor any related or associated person or body corporate guarantees or makes any representations concerning the future performance of your investments in the Service, any specific level of performance, any repayment of capital invested in the Service or the success or tax effect of any strategy used or the success of overall management of your investments.
- your investments in the Service are subject to risks, including the risk that you may lose some or all capital, possible delays in repayment of some or all capital and/or failure to receive any income.
- we do not need to refer any investment instructions made by you via your adviser or other decisions in relation to dealing with assets in your account to you for approval.
- decisions made by us (or our nominees) in relation to assets in your account may have taxation consequences for you, depending on your particular circumstances. We are not obliged to familiarise ourselves with, or have regard to, any taxation consequences for you of any such decision. You should obtain your own tax advice.
- any confirmations or other transaction history or reporting to you are subject to (i) the rules, customs, and usage of the ASX, (ii) if the transactions are made in relation to CHESS Approved Securities, the ASX Operating Rules, the ASX Settlement Rules and the ASX Clear Operating Rules, and (iii) the corrections of errors and omissions.
- an investment choice may cease to be offered in the Service at any time, at our discretion and accordingly, this may affect the composition of investments in your account.
- we do not provide any opinion as to whether your investment portfolio is appropriate or suitable to your personal circumstances.
- all fees, withdrawals, insurance premiums as set out in the FSG and IDPS Guide may be deducted directly from your account.
- we may sell any assets in your account where your cash account is below, or expected to fall below, the required threshold (minimum cash balance).
- if you are an individual investor and you die or become incapacitated, we reserve the right to 'freeze' your account and we may deduct from your account or sell down amounts from your investments as required to pay for fees until your estate is settled or the situation is resolved.
- we may collect, hold or use your personal information provided in this application form for the purposes outlined in the IDPS Guide or to comply with its obligations under anti-money laundering and counter-terrorism financing laws and other laws or as you may direct or authorise us from time to time, and

# Application form and IDPS Contract

- we may delay or refuse any request or transaction, including a request to withdraw an investment, if it is concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under, any anti-money laundering and counter-terrorism financing laws, and we will incur no liability to you if it does so.

Specifically in relation to investors investing in the Service using margin lending facilities:

- the margin lender is the legal holder of the geared account and is authorised to provide instructions to us in relation to the geared account.
- we are not, and will not be taken to be, a party to the margin loan agreement.
- we are not responsible for arranging for you or your adviser to execute or deliver any documentation associated with the margin loans or as contemplated under any relevant margin loan agreement.
- we are not responsible for any matters in relation to, arising under, or in connection with the margin loan agreement.
- we are not liable for any claims, losses, costs, damages or expenses or any other liability of any kind in connection with the margin loan agreement, and
- the terms of the IDPS Contract will not apply to you, but will apply to the margin lender with respect to the geared account.

For accounts with more than one applicant, please specify your account operating instructions.

☐ Any applicants to sign

☐ All applicants to sign

☐ Other (please specify)

Please note:

- All applicants are required to sign this application form.
  - The 'All applicants to sign' option is the default option assumed if you do not select anything.
  - Companies, incorporated associations and limited partnerships must always provide the signatures of two officers (for example, two directors or one director and one secretary) unless operating as a sole directorship.
- ☐ My/Our adviser has attached the relevant Identification forms to complete the identity check for all applicants on this account. This includes the verification of the trust (and the controllers or beneficiaries) or SMSF where applicable.

## Applicant 1

☐ Individual/Trustee/Partner   ☐ Director   ☐ Sole director   ☐ Company secretary   ☐ Attorney

Full name (please print in capitals your first, middle and surname)

Signature

Date

## Applicant 2

☐ Individual/Trustee/Partner   ☐ Director   ☐ Company secretary   ☐ Attorney

Full name (please print in capitals your first, middle and surname)

Signature

Date

## Adviser Checklist

### Please ensure the applicant has:

- ☐ been provided with the IDPS Guide and FSG
- ☐ completed Sections 1, 2, 3 and 4
- ☐ provided an initial contribution amount in Section 5
- ☐ been quoted the fee amount including GST in Section 10
- ☐ read and signed Section 13: Declaration and signature
- ☐ been identified in accordance with AML/CTF and FATCA requirements and you have completed the Identification forms
- ☐ not been quoted percentage-based fees where borrowed monies are being used in this account

## Important notes

- Ensure you complete your adviser details in Section 9.
- Send all completed applications forms to:
  - Mail** GPO Box 529  
Sydney NSW 2001
  - Email** admin@hub24.com.au
  - Fax** 1300 781 689
- Send all cheques via mail.

# IDPS Contract (terms and conditions)

This agreement is made between us and each applicant named in the application form ('you' or 'your' as the context requires), together referred to as the 'parties'.

## 1. Defined terms and interpretation

### 1.1 Defined terms

In this agreement:

**Accessible financial products** Financial products that may be held through an Investor Directed Portfolio Service (IDPS).

**Accessible investments** Assets that may be held through an IDPS, including accessible financial products.

**Accessible securities** Securities that may be held through an IDPS.

**Account** An IDPS account offered by the Service and opened in accordance with this agreement.

**Act** The *Corporations Act 2001* (Cth).

**Adviser** The financial adviser nominated by you in your application form, as may be varied from time to time.

**AFSL** An Australian financial services licence.

**Agreed timeframe** The time and date by which you're required to respond to a trade notification. The trade notification may be sent by your adviser, in which case the agreed timeframe is what you agree with your adviser is a suitable period of time to respond to the trade notification. Trade notifications may also be sent to you by the Service in relation to one or more managed portfolios in which you're invested, in which case the agreed timeframe is the period identified in the disclosure documentation for that portfolio.

**Application form** The application form completed by you that accompanies this agreement.

**Assets** All assets in your account, including cash, accessible securities and accessible financial products.

**ASIC** The Australian Securities and Investment Commission.

**ASX** Australian Securities Exchange, the exchange operated by ASX Limited ABN 98 008 624 691.

**ASX Clear** ASX Clear Pty Limited ACN 001 314 503.

**ASX Clear Operating Rules** The rules of ASX Clear, as amended from time to time.

**ASX Operating Rules** The market rules of ASX, as amended from time to time.

**ASX Settlement Operating Rules** The rules of ASX Settlement Corporation Limited ABN 49 008 504 532, as amended from time to time.

**Business day** A day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia.

**Class Order** The relevant ASIC Class Order in relation to IDPSs and any other legislative instrument that governs the provision of the Service, being either Class Order 02/294 or Class Order 13/763 as applicable at the relevant date.

**Derivatives CCP contract** One of the two matching contracts between ASX Clear and a participant, which arises when a derivatives market contract is registered by and novated to ASX Clear.

**Derivatives market contract** A futures contract or an options contract traded on an exchange.

**DMT facility** The set of functions offered through the Service by which your adviser can instruct us to carry out trades on your behalf in real time at a specified price (market/limit) on the ASX.

**External broker** A market participant approved by the Operator.

**Fees** The fees set out in the IDPS Guide and the FSG.

**FSG** The financial services guide issued by us in respect of the Service.

**Financial year** Each period not exceeding one year, ending on 30 June and commencing on 1 July.

**Geared account** An account holding investments in the Service, which has been funded pursuant to a margin loan agreement. This account may be in your name or the name of your margin lender depending on the margin loan agreement.

**The Service** The IDPS provided by us to you pursuant to this agreement, the IDPS Guide and the application form.

**IDPS** An Investor Directed Portfolio Service as defined in the Class Order.

**IDPS Guide** The IDPS Guide for the Service, which includes the application form and IDPS contract.

**Instructions** Instructions given to us by you, via your adviser, in accordance with this agreement and in particular clauses 17 and 18 of this agreement.

**Insurance product** An insurance product offered by a life insurance company where the premium can be paid via your account in the Service.

**Insurer** A provider of insurance services to investors in connection with the Service.

**Investment choice** An accessible investment that we determine, from time to time, may be acquired or held through the Service.

**Investment portfolio** The accessible investments held by us, or by a custodian or custodian appointed by us, on your behalf in relation to your account.

**Investment strategy** The investment strategy your adviser has prepared for you.

**InvestorHUB** The online service that gives you real-time access to information and notifications about your investments 24/7.

**Liabilities** Liabilities including claims, losses, costs, damages or expenses of any kind.

**Managed portfolio** Refers to a portfolio of investments constructed and maintained by us on the advice of the relevant manager.

**Manager** A manager who manages or provides advice on the composition of one or more managed portfolios.

**Margin lender** A margin lender, including any nominee(s), that provides margin lending facilities to investors in connection with the Service.

**Margin loan agreement** An agreement between you and a margin lender, pursuant to which the margin lender provides a margin loan for contribution to a geared account in the Service.

**Market participant** A participant admitted by ASX or ASX Clear, as the case may be, as a participant under the Market Operating rules.

**Participant change notice** The notice of that name required to be given to you under rule 7.1.5(a) of the rules prescribed by ASX Clear.

**Reallocation** The process of changing the exposure to different asset classes and investment choices across different sectors and industries within the managed portfolio, by adding or removing specified investment components.

**Rebalance** The process of comparing the composition of a managed portfolio with the composition of each client's investments in that managed portfolio.

Where there is a difference of asset allocation percentages between the two, transactions are generated to bring the client's investments in the managed portfolio in line with that of the managed portfolio advised by the relevant manager.

**Reports** The reports and information that we will provide to you as set out at clause 20.

**Securities** Financial products including shares and interests in a trust.

**SOA** A Statement of Advice prepared by your adviser in respect of the Service.

**Sophisticated wholesale client** A 'wholesale client' (as defined by the Corporations Act) that is expressly accepted by us as an investor in the Service and may or may not have an adviser.

**Custodian** Any organisation appointed from time to time by us to hold assets on your behalf. This includes, at the date of this agreement, HSBC Bank Australia Limited (ABN 48 006 434 162, AFSL 232595) and Ausmaq Limited (ABN 53 062 527 575, AFSL 230684).

**Trade notification** A notification of a pending investment transaction in relation to your account.

## 1.2 Interpretation

In this agreement, except where the content otherwise requires:

- a. the singular includes the plural and vice versa, and a gender includes other genders
- b. another grammatical form of a defined word or expression has a corresponding meaning
- c. a reference to a document includes the document as novated, supplemented, replaced or otherwise altered from time to time
- d. reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes
- e. references to a person includes a natural person, partnership, body corporate, association, governmental authority or other entity
- f. a reference to law includes regulations and other instruments under it and amendments, re-enactments or replacements of any of them
- g. a word or expression defined in the Class Order has the meaning given to it in the Class Order



# IDPS Contract (terms and conditions)

- h. the meaning of general words is not limited by expressions like 'including', 'for example' or 'similar'
- i. any agreement, representation, warranty or indemnity by two or more parties binds them jointly and severally
- j. a rule of construction does not apply to the disadvantage of a party because the party was responsible for preparing this agreement or any part of it.

Headings are for ease of reference only and do not affect interpretation.

## 2. Agreement

We agree to provide you with, and you agree and authorise us to provide you, the Service in accordance with this agreement, the IDPS Guide and the application form. To the extent of any inconsistency between these documents:

- a. the terms of this agreement prevail to the extent of any inconsistency with the application form and the IDPS Guide, and
- b. the terms of the application form prevail to the extent of any inconsistency with the IDPS Guide.

## 3. Our obligations and rights

### 3.1 Our obligations

We must:

- a. perform our obligations under this agreement honestly and with the degree of care and diligence that a reasonable person would exercise if it was in our position
- b. compensate you for any loss incurred by you because of any acts or omissions of our agents engaged in connection with the Service as if the acts or omissions were acts or omissions of us
- c. comply with the conditions of the Class Order. To the extent of any inconsistency between this agreement and the Class Order, the requirements of the Class Order will prevail
- d. comply with the investment strategy provided by your adviser subject to other provisions of this agreement, and
- e. maintain at all times professional indemnity insurance and insurance covering fraud by its

officers and employees that is adequate having regard to the nature of the activities carried out by us.

### 3.2 Our rights

We have all rights necessary or convenient for us to provide the Service, including:

- a. to determine and vary the investment choices, and
- b. to specify and vary procedures in relation to the Service, including in relation to acquiring, investing, redeeming, selling, transferring, disposing of or otherwise dealing with investments in relation to your account.

## 4. Investment strategy

- a. Subject to paragraph (b), you authorise us to, and we will exercise any rights relating to your assets in any manner we may see fit to provide the Service and comply with this agreement, which may include to:
  - i. purchase, sell, subscribe for, apply for, transfer, redeem or otherwise deal with any asset on your behalf in order to rebalance or reallocate a managed portfolio, or to maintain the minimum cash balance in your account, as set out in the IDPS Guide and any standing instructions given to us by you or your adviser
  - ii. process receipts (such as dividends) and payments in relation to your account
  - iii. net off dealing in assets as explained in the IDPS Guide
  - iv. sign and execute all forms, deeds, transfers and other instruments necessary to operate, maintain and administer your account
  - v. attend any meeting convened and exercise any rights attached to any assets, including voting, accepting or rejecting any takeover bid
  - vi. participate, refrain from participating or cease to participate in any dividend or distribution reinvestment plan relating to any assets in your account, or
  - vii. exercise or not exercise any option held or granted, without prior consultation with you or your adviser, as if we were the absolute legal and beneficial owner of the assets.
- b. we must exercise discretion over your assets consistently with the investment strategy.

While we will use reasonable endeavours to ensure the investment strategy is followed, we may not be able to do so in all situations and it is not intended to be binding on us.

## 5. Investment services

### 5.1 Acquisition and investment of accessible investments

We will acquire or invest in accessible investments on your behalf on the terms of this agreement:

- a. in accordance with specific instructions received by us, providing the accessible investments are included in the investment choices, or
- b. at our discretion in accordance with clause 5.4 and 5.5.

### 5.2 Redemption, sale and transfer of accessible investments

We will redeem, sell, transfer or otherwise dispose of accessible investments held in your investment portfolio on the terms of this agreement:

- a. in accordance with specific instructions received by us, or
- b. at our discretion in accordance with clause 5.4 and 5.5.

### 5.3 Deposits with an ADI

We will ensure that all money received by us from you, or in which you have an interest, is paid into an account with an Australian Authorised Deposit Taking Institution, which is designated as a trust account:

- a. pending acquisition of or investment in another accessible investment, or payment to you following the redemption, sale, transfer or disposal of an accessible investment
- b. in accordance with specific instructions received by us or
- c. at our discretion in accordance with clause 5.4 and 5.5.

### 5.4 Our discretion

We may deal with accessible investments (including acquiring, investing in, redeeming, selling, transferring or otherwise disposing of accessible investments) without specific instructions:

- a. in accordance with previous instructions received by us that have not been withdrawn, including by making regular investments in or withdrawals from, or adjusting, rebalancing or reallocating investments in, accessible investments in your investment portfolio
- b. to maintain any agreed minimum cash or cash equivalent investments
- c. to meet any amount due to us under clause 21 or
- d. in accordance with applicable laws.

### 5.5 Transactions on ASX

Transactions made on the ASX through the Service:

- a. will be made in accordance with and subject to the ASX Operating Rules
- b. will be settled in accordance with and subject to the ASX Settlement Operating Rules
- c. will be cleared in accordance with and subject to the ASX Clear Operating Rules, and any practices, directions, decisions and requirements of ASX Clear
- d. may be made by aggregating and accumulating orders
- e. may be priced by averaged pricing in accordance with the Act, the ASX Operating Rules and the ASX Clear Operating Rules, and
- f. may be made by us on a bilateral basis on your behalf, using telephone trading or other processes as may be determined by the ASX in the event of a disruption to the ASX trading system.

### 5.6 Warning – Key differences in acquiring financial products through the Service

You acknowledge the following key areas of difference between acquiring a financial product through the Service as against acquiring the product directly:

- a. The registered owner of the financial products you hold through the Service is the custodian. The Operator, as the custodian of the Service, holds the financial products on trust for you and, in turn, the custodian holds them for the Operator.
- b. You may not receive 100% of all shareholder benefits in respect of shares you invest in through the Service.

# IDPS Contract (terms and conditions)

- c. As you are not the registered holder of shares you invest in through the Service, you do not have voting rights (nor the right to proxy voting) at shareholder meetings.
- d. The registered unit holder of managed funds you invest in through the Service will be a custodian. As such, we or the custodian may exercise the rights of a unit holder or decline to exercise them.
- e. You may be able to access managed funds through the Service at a lower fee rate than would be applicable if you invested in the managed fund directly.
- f. Cooling-off rights generally do not apply to investments acquired through the Service.
- g. You will not receive investor communications in respect of financial products you invest in through the Service directly. Upon request, we will give you (or your adviser) a copy of all communications that we are required by law to provide to the holder of an investment.

Further information about these differences is set out in Section 11 of the IDPS Guide.

## 6. Funding of accessible investments

- a. You must ensure that there are sufficient monies in your account or cash equivalent accessible investments in your investment portfolio to finance acquisitions of, or invest in accessible investments, in accordance with instructions provided to us from time to time.
- b. If there are insufficient monies in your account or cash equivalent accessible investments in your investment portfolio to finance acquisitions of, or investments in accessible investments in accordance with instructions provided to us from time to time, we:
  - i. are not obliged to acquire or invest in such accessible investments and
  - ii. may, at our discretion, acquire or invest in some, all or none of such accessible investments.

## 7. Legal requirements prior to the acquisition of accessible investments

### 7.1 Applicable disclosure documents have been provided to you

- a. Subject to clause 7.1(b), you will not be able to acquire accessible investments unless we or the sub custodian (as relevant) are reasonably satisfied that in accordance with the Class Order:
  - i. you have been given an IDPS Guide that would comply with the Class Order if given at the time of the acquisition of the accessible investment
  - ii. in the case of an acquisition of accessible securities, either:
    - (A) you have been given a copy of the relevant disclosure document for the accessible securities or
    - (B) the accessible securities could lawfully have been offered and issued or sold (as applicable) to you directly without a disclosure document, and we or the sub custodian (as relevant) have no reason to suspect that a disclosure document would have been required if all other holdings in the investments by a custodian had been acquired by you directly, and
  - iii. before a regulated acquisition of a new financial product (other than accessible securities) is made for you as part of the Service, you have been given a product disclosure statement for the financial product if required by section 1012IA of the Act, and we or the sub custodian have no reason to believe that a disclosure document is defective or not up to date.
- b. Notwithstanding clause 7.1(a), we or a sub custodian acting on behalf of us may:
  - i. acquire an additional holding of an accessible investment for you under a distribution reinvestment plan, if you already have an existing holding of that accessible investment through the Service, and we or the sub custodian (as relevant) are reasonably satisfied that you have been given an IDPS Guide in accordance with the Class Order, or
  - ii. make a regular savings acquisition if we or the sub custodian (as relevant) are reasonably satisfied that you have been given an IDPS Guide in accordance with the Class Order; if

you already have an existing holding of that accessible investment through the Service; and we have complied with our agreement with you, in relation to the regular savings plan, to give any missing documents.

## 7.2 Disclosure documents are compliant

We will not, and will ensure that any sub custodian acting on our behalf does not, acquire:

- a. accessible securities if we or the sub custodian (as relevant) are aware that the disclosure document for those accessible securities does not comply with the relevant requirements of the Act regarding the contents of the disclosure document, or contains a material statement that is untrue or misleading, or
- b. other accessible investments if we or the sub custodian (as relevant) have reason to believe that the disclosure document is defective, as defined in section 1021B of the Act, at the time of the acquisition.

## 7.3 Use of disclosure documents has been authorised by the product issuer

Except in relation to a rights issue, we will not, and will ensure that any sub custodian acting on our behalf does not, acquire accessible securities as part of the Service unless we or the sub custodian (as relevant) are reasonably satisfied that either:

- a. the issuer of the disclosure document for the accessible securities has given its prior written agreement to the use of the disclosure document as disclosure to clients or prospective clients of the Service, or
- b. the disclosure document indicates that the issuer of the accessible securities authorises the use of the disclosure document as disclosure to clients or prospective clients of the Service or to a class of IDPSs that includes the Service.

## 7.4 Managed investment schemes are registered or not required to be registered

We will not, and will ensure that any sub custodian acting on our behalf does not, acquire accessible investments for you through the Service that we believe are:

- a. interests in a managed investment scheme that we or the sub custodian (as relevant) are not reasonably satisfied is a registered scheme, or
- b. interests in a scheme that would be a managed investment scheme but for paragraph (e) of the definition of 'managed investment scheme' in section 9 of the Act unless, in accordance with the Class Order
- c. we or the sub custodian (as relevant) are reasonably satisfied that if you had invested directly in the scheme, the scheme would not have been required to have been registered and
- d. so far as we or the sub custodian (as relevant) are aware or has reason to suspect, if all interests in the scheme held by a custodian had been held in the scheme directly, the scheme would not have been required to be registered.

# 8. Contributions and withdrawals

## 8.1 Contributions to your account

- a. You may request us to transfer cash and accessible investments to your account as permitted from time to time by us. Upon us receiving specific instructions from you via your adviser requesting the transfer of cash or accessible investments to your account, we:
  - i. may, at our discretion, agree to the transfer request, either in whole or in part, and
  - ii. will notify your adviser of whether we have agreed to the transfer request within three business days of receiving the request.
- b. If we agree to transfer cash or accessible investments to your investment portfolio:
  - i. contributions must be made in a way approved by us, and
  - ii. we will ensure that such contributions are credited to your account.

## 8.2 Withdrawals from your account

- a. You may request us to withdraw assets from your account. The request must be made in a way approved by us. Upon us receiving specific instructions from you via your adviser requesting the withdrawal of assets from your account, we:
  - i. may, at our discretion, agree to the withdrawal request either in whole or in part, and

# IDPS Contract (terms and conditions)

- ii. will notify your adviser of whether we have agreed to the withdrawal request within three business days of receiving the request.
- b. If we agree to withdraw assets from your account, the withdrawal proceeds will be paid to you within 10 business days, or a longer period determined by us in our discretion due to the time required to realise or transfer the assets.
- c. Any withdrawal proceeds will be directed to the bank account nominated in your application form or in accordance with instructions received by us.
- d. We may deduct from your account from the proceeds of any withdrawals, any costs, expenses or taxes incurred in connection with processing the withdrawal request.

## 9. Authorised persons

We may appoint any person to hold title to any assets or perform any act or exercise any discretion in accordance with our powers, discretions and obligations under this agreement. This appointee may be an associate of ours.

## 10. Custody

- a. Your assets will be held on trust for you by us and/or one or more custodians nominated by us and in accordance with the Class Order and subject to this agreement. We may appoint and replace one or more custodians to hold assets on trust for you from time to time. You have an absolute entitlement to your assets subject to the terms of this agreement, and any lien, rights of set off and any other priority rights to which we or any custodian may be entitled under any applicable law, custody or security arrangement. We must deal with any money and property paid or given to us in connection with the participant/client relationship in accordance with the Act and the ASX Clear Operating Rules.
- b. You acknowledge that your monies and the monies of other clients of ours may be combined and deposited by us in a trust account or clients' segregated account.
- c. You acknowledge that all monies credited to your segregated account maintained by us may be used by us to meet your defaults for the services provided for your segregated account.

## 11. Adviser

### 11.1 Role of your Adviser

- a. You agree that your adviser:
  - i. is not acting as a representative of ours
  - ii. may act on your behalf pursuant to this agreement and your agreement with the adviser, including to give instructions to us, and
  - iii. may receive reports on your behalf.
- b. You must notify us in writing as soon as practicable after the date of terminating your relationship with any adviser, and provide details of any replacement adviser. We reserve the right to close your account and realise any assets if you do not appoint a replacement adviser within four weeks from the date of terminating your relationship with an adviser.
- c. You must:
  - i. provide your adviser with sufficient and up to date information to ensure your investment strategy is and remains suitable with regard to your relevant personal circumstances, and
  - ii. notify your adviser in writing as soon as practicable of any changes to your personal circumstances that may have an impact on the suitability of your investment strategy.

Failure to do this may result in your investment strategy not being suitable for you.

### 11.2 Warning – If you do not have an adviser

The Service is designed for use with an adviser. If you do not have an adviser, or cease to retain your adviser, your participation in the Service may be adversely affected. In particular:

- a. if you do not have an adviser, we reserve the right to refuse to accept your application to participate in the Service.
- b. If you no longer have an adviser, you will not be able to place transactions on your account online. In this circumstance we will generally accept written instructions from you to place transactions on your account. Please note that there may be delays in processing your written instructions (especially during market fluctuations or higher than usual processing volumes) as opposed to placing your transactions online.

- c. If you no longer have an adviser, this may adversely affect the services provided through the Service. For this reason, if you cease to retain your adviser and do not notify us of a replacement adviser, we may terminate your participation in the Service at our discretion.

## 12. Account

- a. Cash and other accessible investments that you contribute under the Service will be credited to your account.
- b. You may be required to keep a minimum balance in certain assets in your account. We may, from time to time, vary the minimum required balances and will notify you of the minimum required balances in the IDPS Guide.
- c. We may at any time, in our discretion, close or suspend your account so that you may make no further contributions or investments. Refer to the IDPS Guide for further information.

## 13. Investment strategy

- a. You agree and acknowledge that your adviser (and not us):
  - i. has prepared the investment strategy in consultation with you, taking into account your relevant personal circumstances as provided by you, and
  - ii. is responsible for reviewing the suitability of your investment strategy to ensure that it remains suitable for you with regard to your relevant personal circumstances.
- b. We may determine not to (for example, due to requirements under the law) or may be unable to comply with the investment strategy in a timely fashion or at all. In such a case we will notify you or your adviser and an amendment to the investment strategy may be required to be agreed between you and your adviser.
- c. We will generally reinvest all income received from a managed portfolio into that managed portfolio unless instructed otherwise by the manager.

## 14. Responsibility for performance of investment portfolio

You acknowledge and agree that:

- a. to the extent permitted by law and the Class Order, we are not responsible nor liable for the performance of your investment portfolio
- b. we are not in a position to and do not make any opinion as to whether your investment portfolio is appropriate to your objectives, financial situation and needs
- c. we do not guarantee the performance of any investment made by us as part of the Service
- d. the assets in your account may be diminished by poor investment performance
- e. we do not guarantee that trades placed through the direct market trading (DMT) facility will always be accepted or accepted in a timely manner, and are not responsible or liable for any losses to your investment portfolio as a consequence, and
- f. your investment strategy may not be suitable for you if you have provided to your adviser limited or inaccurate information relating to your relevant personal circumstances, and may cease to be suitable if your relevant personal circumstances change.

## 15. Other acknowledgements

You acknowledge and agree that:

- a. the contents of our FSG, IDPS Guide and your investment strategy or any other documents submitted by your adviser to us in respect of your account are not to be taken as a representation by us that any projections or statements as to investment return or return performance of the investment will be achieved
- b. we do not guarantee the performance of any investment made by us as part of the Service
- c. there may be delays in processing acquisitions, investments, redemptions, sales, transfers, disposals and other transactions in relation to your account, and that we will not be liable for delays caused by third parties
- d. we are not responsible for providing with, and nothing represented by us should be taken as, tax or legal advice or personal financial advice
- e. all contributions made by you will be held in your account as cash by us, pending receipt by us of

# IDPS Contract (terms and conditions)

instructions from you via your adviser as to how the contributions are to be invested

- f. you must have sufficient cleared funds available in your bank account to meet each drawing nominated under the direct debit arrangements in your application form. If a drawing is unsuccessful, we reserve the right to attempt to redraw at such times as we determine, and may charge you a fee each time we do so. Additionally, your financial institution may charge penalties, fees or charges if you do not have sufficient funds when we unsuccessfully attempt to direct debit such drawings
- g. if you have entered into a margin loan agreement, we are not liable to you in respect of any matters relating to your margin loan agreement
- h. if you have entered into an insurance product contract, and you have authorised us to pay the insurance premiums payable under the contract from your account in the Service, you must have sufficient funds available in your account to meet the withdrawal of these insurance premiums and any other costs related to the insurance product contract
- i. to the maximum extent permitted by law, we are not liable to you in respect of any matters relating to your insurance product
- j. you and we agree that the terms of the relationship in respect of derivatives CCP contracts and any dealings among us concerning derivatives CCP contracts are subject and are bound by, the Act, the ASX Clear Operating Rules, the ASX Operating Rules and the procedures, customs, usages and practices of ASX Clear, ASX and their related entities, as amended from time to time, in so far as they apply to ASX Clear Operating Rules
- k. you will take all reasonable steps to deliver information or documentation to us, or cause information or documentation to be delivered to us concerning the accessible investments which are requested by a person having a right to request such information or documentation, and that we are authorised to produce the information or documentation to the person making the request
- l. you have received, read and understood the documents (if any) given to you under Rule 7.1.1(b) of the ASX Clear Operating Rules prior to the time

you initially instruct or authorise us to deal in derivative market contracts on your account

- m. your investments in derivatives through the Service incur a risk of loss as well as a potential for profit
- n. you acknowledge that you have given consideration to your objectives, financial situation and needs, and have formed the opinion that your dealing in derivatives through the Service is suitable for your purposes
- o. notwithstanding that we may act in accordance with your instructions or instructions given for your benefit, you acknowledge that any derivatives market contract arising from any order submitted to ASX, is entered into by us as principal
- p. upon registration of a derivatives market contract with ASX Clear in the name of us, you acknowledge that we incur obligations to ASX Clear as principal, even though the derivatives market contract may have been entered into on your instructions or instructions made for your benefit
- q. you acknowledge that any benefit or right obtained by us upon registration of a derivatives market contract with ASX Clear by novation under the ASX Clear Operating Rules or any other legal result of registration is personal to us; the benefit of that benefit, right or legal result does not pass to you; and you acknowledge that you have no rights, whether by way of subrogation or otherwise, against ASX or ASX Clear in relation to any dealings by us (or any other participant or market participant) in derivatives market contracts and derivatives CCP contracts
- r. we are not required to act in accordance with your instructions if doing so would constitute a breach of the ASX Clear Operating Rules, the ASX Operating Rules or the Act
- s. we may, in certain circumstances permitted under the Act and the ASX Clear Operating Rules or the ASX Operating Rules, take the opposite position in a derivatives market contract, either acting for another client or on its own account
- t. we may call for payment of money or the provision of other security which we consider, in our absolute discretion, appropriate in connection with the obligations incurred by us in respect of derivatives CCP contracts or other accessible investments entered into for your account, and that:



- i. the time by which you must pay any amount called or provide security is of the essence and, if no other time is stipulated in this agreement, you must pay the amounts or provide the relevant security within 24 hours of the call for payment
- ii. we have the authority to deduct the required amount from your account without notice to you
- iii. the liability to pay any amount called or to provide security accrues at the time we determine to make the call for the amount or security, and the liability accrues whether or not you receive a call, and if a call is made irrespective of the time the call is made, and
- iv. your potential liability in respect of amounts that may be called by us is not limited to the amount, if any, deposited with or paid to us
- u. if:
  - i. you fail to pay or provide security for amounts payable to us, or fail to perform any obligation arising pursuant to the exercise or settlement of a derivatives CCP contract or other accessible investments
  - ii. a guarantee or other security provided by you to us is withdrawn or becomes ineffective and other replacement security acceptable to us is not provided, or
  - iii. any other event occurs which we and you have agreed in entitles us to take action under this clause we may, in addition to any other rights we may have against you, and without giving prior notice to you, take any action or refrain from taking action, which we consider reasonable in the circumstances in connection with derivatives market contracts or other accessible investments registered in or for the benefit of your account (including, without limitation, derivatives CCP contracts arising from those contracts transacted) and, without limitation, we may:
    - (A) enter into one or more transactions to effect the close out of one or more derivatives CCP contracts in accordance with the ASX Clear Operating Rules,
    - (B) exercise one or more derivatives CCP contracts in accordance with the ASX Clear Operating Rules, and

- (C) exercise any other rights conferred by the ASX Clear Operating Rules, the ASX Operating Rules or this agreement, or perform any other obligations arising under the ASX Clear Operating Rules, the ASX Operating Rules or this agreement, in respect of those derivatives CCP contracts or other accessible investments and you must account to us as if those actions were taken on your instructions and, without limitation, you are liable for any deficiency and are entitled to any surplus that may result, and
- v. your agreements, declarations and acknowledgements in your application form are part of this agreement for the benefit of us.

## 16. Sophisticated wholesale clients

If you are a sophisticated wholesale client:

- a. reference to:
  - i. adviser, and
  - ii. SOA

in a provision of this agreement will not be applicable to you, however this will not affect the validity or enforceability of the remaining parts of that provision upon you.
- b. In particular, the following provisions will not apply to you:
  - i. clauses 3.1(b)–(d) (our obligations and rights)
  - ii. clause 11 (adviser)
  - iii. clause 13 (investment strategy).
- c. The provisions relating to your investment strategy will only apply to the extent relevant to how you provide instructions to us, and to the extent that you actually have an investment strategy.

## 17. Instructions

- a. Your adviser may at any time give us instructions from you in relation to your account and the Service. Instructions to us may only be provided by you via your adviser.
- b. Instructions must be given in the manner and form advised (in the IDPS Guide or otherwise) by us from time to time, and must contain all



# IDPS Contract (terms and conditions)

necessary information required by us to enable us to carry out the instructions.

- c. We will have no obligation to act in accordance with the instructions to the extent that we reasonably consider the instructions to be ambiguous or unclear, or in conflict with any applicable law or regulations or local market practice, in which case we will notify your adviser accordingly.
- d. Where we receive instructions to dispose of or withdraw an asset from your account, the instructions must specify either that the asset is to be transferred to you or that the asset is to be disposed of and the proceeds paid to you.
- e. Without limiting any other provisions of this agreement and to the extent permitted by law, we will not be liable for any liabilities arising from:
  - i. incorrect instructions submitted by you via your adviser
  - ii. instructions not submitted in a timely manner
  - iii. delay in implementing instructions, including as a result of us not being able to or being prevented for a period of time from implementing the instructions, where it is impracticable to make such implementation or if we require clarification of the instructions, or
  - iv. we're exercising our right to refrain from acting on instructions.
- f. You acknowledge that we may at any time refuse to deal in, or may limit dealings in, any of the accessible investments for you. We are not required to act in accordance with your instructions where doing so would constitute a breach of the ASX Operating Rules, the ASX Clear Operating Rules or the Act, or would be inconsistent with market practice and custom. We will notify you of any refusal or limitation as soon as practicable if we are not prohibited from notifying you.

## 18. Trading Instructions

### 18.1 Direct market trading (DMT)

In addition to the general terms and conditions relating to your instructions to us as set out in clause 17, the following terms and conditions apply specifically to instructions and trades made using the DMT facility within the Service or a DMT order

- a. You acknowledge that instructions to carry out any trades in your account using the DMT facility will be given to us by your adviser only, pursuant to this agreement and your agreement with your adviser.
- b. You acknowledge that securities traded using the DMT facility are held under our name or our appointed custodian or sub custodian, but you retain the beneficial ownership of these securities. Given the securities are held in our name or the sub custodian's name, you will not receive any communications relating to corporate actions from the securities registries unless required by law or the Class Order.
- c. You acknowledge that we act on your behalf in relation to these trades.
- d. You acknowledge and agree that:
  - i. all orders placed through the Service, and more specifically those using the DMT facilities, are placed subject to customs and usages of the ASX, the ASX Market Rules, ASX Operating Rules, ASX Clearing Operating Rules and the Act
  - ii. buy orders may only be accepted by the Service if sufficient cleared funds are available in your account and sell orders may only be accepted where the particular securities (the subject of the orders) are available in your account outside a managed portfolio
  - iii. you are liable for all costs, expenses and losses in relation to any of your buy or sell orders, and must have sufficient cleared funds available in your account to cover the amounts required to settle your trades. You agree to us deducting these amounts from your account to settle your trades
  - iv. you rely on your own skills and judgement when requesting your adviser to place a DMT order through the Service DMT facility or you may rely on the advice of your adviser. In particular, you acknowledge and agree that we do not identify your investment objectives, situation and needs, and do not provide any personal advice to you.
- e. You agree and acknowledge that any DMT order instruction provided by you or your adviser through the Service may be transmitted to the market for execution, resulting in obligations that you must settle.

- f. You warrant that all orders placed and any trades conducted by you or your adviser are lawful.
- g. We reserve the right not to accept and/or to remove without notice any order that we in our sole discretion consider may detract from an orderly market or which we believe is manipulative or is contrary to the rules, practices and procedures of the ASX.
- h. You acknowledge that any order placed by your adviser using the 'good until cancelled' option will remain open until cancelled in accordance with these terms or purged by ASX Market Control. We accept no responsibility for reinstating lapsed orders or for contacting you or your adviser to seek new instructions.
- i. We reserve the right to cancel trades pursuant to or as contemplated by ASX Operating Rules, practices and procedures of the ASX, and the relevant clearing house, without your or your adviser's consent.
- j. In relation to the execution and settlement of trades you acknowledge that:
  - i. the Service uses the execution and settlement services of a number of market participants (brokers).
  - ii. the Service may include in its brokerage charges an amount payable to us for the introduction of broking business
  - iii. we will not provide you with any legal, tax, financial or accounting advice or advice regarding the suitability or profitability of any financial product or investment and, to the extent permitted by law, will have no liability (including for any negligence) with respect to the transactions (including any diminution of value) in your account, or for you or your account
  - iv. we may at our sole and absolute discretion refuse instructions to purchase or sell financial products on your behalf; cancel any order or trade; or generally prohibit or restrict the ability of your adviser to trade on your account, without providing any reason for doing so. We will notify you or your adviser of any such refusal as soon as practicable.
- k. You acknowledge that at our absolute discretion, certain orders may be subject to manual review and entry, which may cause delay in the processing of the order. You acknowledge that the order will be executed at the price available on the ASX (subject to any limit imposed by you or your adviser), which may be different from the price at which the financial product is trading when the order was entered into the Service.
- l. You authorise and agree to the accumulation and price averaging of two or more market transactions into a single confirmation or trade confirmation.
- m. You agree to pay to us Australian brokerage, taxes and duties notified to you from time to time and as they apply to all matters relating to transactions in your account. You acknowledge that we are subject to the law and entitled to require the payment of different amounts of charges and expenses from our account holders for the same services, and may provide only some services to a select group or class of our account holders from time to time in our sole and absolute discretion.
- n. You authorise us to deduct the charges and expenses (referred to in clause (m)) from your cash account as required.
- o. We may charge interest on any debit balances in your account and any other amounts outstanding by you to the Service as disclosed to you from time to time.
- p. All financial products bought or purchased by you in accordance with these terms shall, subject to the ASX Operating Rules, be subject to a lien for the discharge of any and all indebtedness or any other obligation that you may have to us. You must pay us the costs and expenses of collecting any such indebtedness or debit balances, including but not limited to legal costs and disbursements.
- q. Where your adviser instructs us to buy financial products on your account, you authorise payments for those financial products to be deducted from the cleared funds (cash) in your account prior to settlement.
- r. You acknowledge that the Service from time to time receives late reports on the status of transactions. Accordingly, you will be subject to late reports relating to orders that were previously unreported to you or were reported to you as being expired, cancelled or executed. In addition, any reporting or posting error, including in execution prices, will be corrected to reflect what actually occurred in the marketplace.
- s. It is your responsibility to review upon receipt, whether delivered to you by mail, electronic

# IDPS Contract (terms and conditions)

communication or otherwise, all confirmations of transactions and all statements in relation to your account. Transactions and all such information reviewed by you shall be binding if you do not object, either in writing or by electronic communications, within 48 hours after the confirmation or information is first received. In all cases, we reserve the right to determine the validity of your objections to the transaction, or to the information contained in such statements.

- t. You agree to indemnify us and/or our employees, contractors and agents to the maximum extent possible at law in respect of all loss arising in any way – whether directly or indirectly from your or your adviser's instructions – and acknowledge that, to the extent permitted by law and the Class Order, we accept no liability for any loss of any kind for any act we lawfully complete; any loss resulting from delay disadvantage or misinterpretation of instruction; or any loss suffered as a result of the default of any financial institution or service provider in relation to or in connection with any transaction, or any loss that may arise from the malfunction or disruption of any system or service upon which we rely for the provision of the DMT facility.
- u. Subject to the law, which cannot be excluded by agreement between the parties:
  - i. We make no warranties, either express or implied, as to the merchantability and fitness for a particular purpose or otherwise (including as to accuracy, currency, availability and completeness of quality) with respect to the goods or services supplied under these terms, including the services provided under the DMT facility
  - ii. we exclude all liability in contract, tort (including negligence) or otherwise relating to or resulting from use of the DMT facility and for any loss incurred by you directly or indirectly, including (without limitations) as a result of or arising out of:
    - (A) any inaccuracy, error or delay in or omission from any information provided to you through the DMT facility
    - (B) any delays, failures or inaccuracies in the transmission of the services under the DMT facility transmission of your orders or instructions; or of any other communications

- (C) any misinterpretation of your orders or instructions that are unclear, ambiguous, incomplete or not specific
- (D) any delay, fault, failure in or loss of access to the DMT facility provided to you or your adviser
- (E) government restriction, exchange or market ruling; suspension of trading; computer or telephone failure; unlawful access to the DMT facility; theft, sabotage, war, earthquake, strikes or other force majeure events; and, without limitation, any other conditions beyond our control

- iii. in no event shall we be liable in contract, tort (including negligence) or otherwise for any loss of prospective profits or expenses or special, indirect or consequential damages resulting from the use of the goods or services supplied under these terms, including the DMT facility
- iv. subject to the law and the Class Order, our liability shall in any event be limited to:
  - (A) in the case of goods, the replacement or repair of the goods
  - (B) in the case of services, the resupply of the services.

## 18.2 Use of External Brokers

- a. We may from time to time, at our discretion, provide a facility within the Service through which you can place trades directly with your choice of external broker.
- b. We may add or remove external brokers through which trades can be placed in respect of the Service at our discretion and without notice to you.
- c. In addition to the general terms and conditions relating to your instructions to us as set out in clause 17, the following terms and conditions apply specifically to instructions and trades made using an external broker:
  - i. Subclauses 18.1(d) to (f), (j), (m) to (q) and (s) to (u) in relation to the DMT facilities provided through the Service apply equally in respect of any trades placed with an external broker in respect of the Service.
  - ii. You authorise us to rely on instructions from any person that we reasonably believe to be

your broker as, if we had received those instructions from you directly.

- iii. The external broker is responsible for the service they provide to you and our role is limited to the settlement of transactions placed by your broker on your behalf.
- iv. You acknowledge that you are liable for any dishonour fees charged by the external broker and any other fees or costs passed on to us in connection with a failed trade. You authorise us to deduct such amounts from your account in the Service on or after such time as those costs are incurred by you or are passed on to us.

## 19. Use and access to InvestorHUB

We will give you and your adviser access to InvestorHUB. You agree:

- a. to only use InvestorHUB for purposes directly related to your account and the Service, or as agreed with us
- b. to keep your login details secure and to prevent access to your account by another person (except your adviser)
- c. to notify us immediately if you become aware of any unauthorised access to your account or InvestorHUB
- d. not to copy, tamper with or damage any code, data, service or software provided in connection with InvestorHUB and the Service, or attempt to do so
- e. that InvestorHUB may be unavailable or interrupted, or response times may be very slow; that information on InvestorHUB may not be up to date; and that to the extent permitted by law, we will not be liable to you for any resulting loss
- f. that we retain all rights in any software, source code, know how, data, process or methodology (including technical, manufacturing, service and maintenance information) in connection with InvestorHUB and the Service
- g. that we reserve the right to suspend or terminate access to InvestorHUB at any time, or to alter the terms and conditions of access to InvestorHUB at any time, and you agree to comply with the revisions from the time we notify you.

## 20. Investment reports and communications

### 20.1 Continuous reporting

- a. We will give you, at your option, either:
  - i. a quarterly report within one month after the end of each quarter, being the three month period ending on 31 March, 30 June, 30 September and 31 December in each year (quarter day), which contains information about:
    - (A) all transactions by you or on your behalf through the Service during the quarter
    - (B) the quantity and value of assets held by you through the Service, and corresponding liabilities on the quarter day
    - (C) your revenue and expenses in relation to the Service and your assets held through the Service during the quarter, or
  - ii. electronic access to the following information, by way of InvestorHUB, on a substantially continuous basis (provided we have no reason to doubt you can electronically access this information on a substantially continuous basis) and you agree to obtain information concerning transactions and holdings through the Service electronically in lieu of receiving a quarterly report:
    - (A) all transactions you have conducted through the Service for a period of at least one year (or such shorter period as your account has been in existence) up to a date no more than 48 hours (excluding hours on a day that is not a business day) before the time of access
    - (B) the quantity and value of assets held by you through the Service and corresponding liabilities at a time no more than 48 hours (excluding hours on a day that is not a business day) before the time of access, the value of the assets being as current as is reasonably practicable
    - (C) your revenue and expenses in relation to the Service and your assets held through the Service during a period of at least one year (or such shorter period as your account has been in existence) up to a date no more than 48 hours (excluding hours on a day that is not a business day) before the time of access

# IDPS Contract (terms and conditions)

- (D) the time at which the information is current. If you elect to receive the above information electronically, we will ensure that:
  - (E) the information that is displayed at the end of the quarter remains readily accessible to you through InvestorHub until the end of the financial year that is after the financial year in which the quarter day falls
  - (F) InvestorHUB displays a statement to the effect that only information displayed at the quarter's end will be considered by the auditor in preparing its annual report relating to the information provided electronically.
- b. The value of assets for the purposes of clauses 20.1(a)(i)(B) and 20.1(a)(ii)(B) will be determined as follows:
- i. for financial assets (as defined in Accounting Standards AASB 1033 'Presentation and Disclosure of Financial Instruments') – net market value (being the amount that could be expected to be received from the disposal of the asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of such a disposal).
  - ii. for all other assets – the value that would be shown in the books of the Service.

## 20.2 Annual report of investor statements

Within three months of the end of each financial year, we will give you:

- a. an annual investor statement containing a summary of the transactions by you or on your behalf through the Service during the financial year, containing the particulars that you may reasonably require in relation to the transactions and, if you have been provided with quarterly reports under clause 20.1(a)(i), a statement that you may request a copy of any quarterly report relating to the financial year
- b. a copy of the annual audit report for the relevant financial year.

## 20.3 Other communications

We will give you a copy of all communications that are required to be given to the holder of an accessible investment (including communications that are required to be given on request) where that

accessible investment is required to be held on trust for you by us or any sub custodian appointed by us, at your request either in relation to a particular future communication or in relation to a class of future communications. We must give a copy of the communication as soon as practicable after the information is received or otherwise becomes available to be provided to you.

## 20.4 Tape recording of conversations

You acknowledge that we may record telephone conversations between us and you or your adviser.

If there is a dispute between you and us, you have the right to listen to any recording of those conversations.

## 20.5 Your obligation to provide information

You must take all reasonable steps to deliver information or documentation to us, or cause information or documentation to be delivered to us, concerning the accessible investments requested by a person having a right to request such information or documentation (including a government agency or the like). We are authorised to produce the information or documentation to the person making the request.

## 21. Fees and expenses

- a. You must pay to us commissions, fees, taxes and charges in connection with dealings for you in your investment portfolio (including derivatives) at the rates determined by us from time to time and notified to you in the IDPS Guide or otherwise in writing.
- b. We will debit your account for all fees, taxes, costs and other amounts incurred or payable in connection with your account to the extent that they are properly incurred in providing services in relation to your account.
- c. You acknowledge that persons engaged by us in relation to the Service may charge fees, commissions and expenses. Refer to the IDPS Guide for further details.
- d. If you have entered into an insurance product contract and you have instructed the provider of the insurance product to request payment of the insurance premiums payable under the contract from your account in the Service, you authorise us

to deduct these insurance premium payments from your account in the Service.

- e. You authorise us to sell or deduct any assets to pay for any amounts payable under this agreement (including under paragraphs a, b, c and d above) and for the purposes of you maintaining the required minimum cash balance in your account, or rebalancing or reallocating investments in accessible investments in your investment portfolio.
- f. We may be required to sell or deduct any assets for a purpose other than those contemplated in paragraphs c and d, in which case we will notify you of that purpose in writing.
- g. To the extent that there are insufficient funds in your account to meet any amount payable under this agreement (including under paragraphs a, b, c and d), you remain liable for the payment of those monies.

## 22. Liability and indemnity

### 22.1 Liability of indemnity

To the extent legally permitted (including the Class Order) and subject to the specific provisions of this agreement, we are not liable to you, your adviser or any other person for loss caused by:

- a. our acts or omissions in reliance on our obligations under the IDPS Contract, instructions, the authenticity of any document or the opinion, advice or information of any data service provider, barrister, solicitor, sub custodian, accountant, valuer or other expert instructed by us, provided we have no reason to believe the relevant material not to be authentic, the instructions not to be authorised, or the expert not to have the relevant expertise
- b. any act, omission, neglect or default of your adviser or its affiliates, or any third party instructed by us on your behalf, not being an agent of us, in relation to your account, the Service or other services
- c. events or circumstances beyond our reasonable control, including nationalisation, expropriation, currency restrictions, disruption of the normal procedures and practices of any securities market, acts of war or terrorism, riots, revolution, acts of God or other similar events or acts, where

the liability could not have been avoided by the exercise of reasonable diligence

- d. any act or omission required by law or by a court of competent jurisdiction
- e. any payment having been made to a fiscal authority, including any taxes, stamp duty or government charges
- f. any act or omission of an Operator of a securities title, transfer or holding system, or
- g. any other matter.

In any event to the extent permitted by law, we are not liable to you to a greater extent than the assets in your account to which we are entitled and can recover through our right of indemnity in accordance with clause 22.2.

### 22.2 Indemnity

To the extent permitted by law and the Class Order, we and any of our officers or agents or other persons engaged or appointed by us are indemnified and held harmless by you against all liabilities properly incurred by any of them under this agreement including any transactions of trades placed by us and any of our officers or agents or other persons engaged or appointed by us for you under your instructions using the DMT facility (except for our own overhead costs such as employee salaries, office expenses and insurance) and any liabilities from third parties in relation to the Service and your account except to the extent such liabilities were caused by the improper performance of our obligations under this agreement or the gross negligence, wilful default or fraud of us or our agents, employees or officers.

## 23. Terms and termination

### 23.1 Term

This agreement commences on the date of our acceptance of your application form, and will continue until terminated in accordance with clause 23.2.

### 23.2 Termination

This agreement may be terminated by either party providing 14 days written notice of termination to the other party. We may also terminate this agreement

# IDPS Contract (terms and conditions)

immediately (in which case we will promptly notify you) if:

- a. you become insolvent, or an administrator, receiver or similar is appointed to you or your property, or an event analogous to any of these events occurs with respect to you
- b. you breach this agreement and fail to rectify the breach within 10 business days following notice by us to you of such breach
- c. we become aware that your account is being used fraudulently or for money laundering or terrorism financing, or if we become aware that you no longer have an adviser and have not appointed a replacement adviser as required under clause 11(b), or
- d. the AFSL authorising us to provide the Service is revoked, cancelled or suspended by ASIC, or varied so that we are not authorised under the AFSL to provide the Service.

On termination of this agreement, you shall pay us all accrued fees, costs and expenses, and we will, subject to any provision to the contrary in this agreement or the IDPS Guide, promptly deliver to you all final accounts and reports in relation to your account and will use reasonable endeavours within 30 business days to transfer to you all property and rights in relation to your account. During that time we may deal with your account to settle or offset existing obligations. You acknowledge that there may be delays in transferring or disposing of your assets. Termination does not affect any transaction properly commenced prior to termination, nor any other claim that either party may have against the other.

Termination does not affect your (or our) existing rights and obligations prior to termination. Upon termination of this agreement, we will close out all derivatives CCP contracts held by us for your account, unless, in accordance with a direction from you, those contracts are transferred to another participant in accordance with the ASX Clear Operating Rules or the ASX Rules.

## 24. Miscellaneous

### 24.1 Notices

All notices (including instructions) must be in English and given in accordance with the requirements of this agreement, and may be given by a party to the other in writing, by email or facsimile.

Communication by telephone or other oral communication will not be considered to be a notice or instruction for the purposes of this agreement and we will have no obligation to act in accordance with that communication unless it is confirmed in the manner prescribed by this agreement.

### 24.2 Amendments and changes

- a. Subject to the other provisions of this agreement, this agreement may be varied at any time by a written agreement signed by both parties. Changes to the IDPS Guide may have the effect of amending the operation of this agreement. From time to time we may also change the services and investment options it provides under the Service.
- b. We reserve the right to vary the terms at any time, and may vary the terms by giving you not less than five business days notice of the variation, in writing or by electronic communication.
- c. We may make a variation without prior notice where such variation is necessary to restore or maintain the security of its systems or any accounts.
- d. If ASX or ASX Clear prescribes amended minimum terms for a client agreement for the Service for the purposes of the ASX Rules or the ASX Clear Operating Rules as the case may be (new terms), to the extent of any inconsistency between this agreement and the new terms, the new terms will override the terms of this agreement and apply as if you and us had entered into an agreement containing the new terms. We will provide a copy of the new terms to you as soon as practicable after ASX or ASX Clear (as the case may be) prescribes the new terms.
- e. We may change the regulatory structure of the Service from time to time, including by registering the Service as a managed investment scheme, by giving you not less than five business days notice of the change, in writing or by electronic communication. In the event of such a change, we may exercise our rights under paragraph (b) to amend this agreement to comply with any regulatory or legislative requirements in connection with the change.

### 24.3 Updates

- a. To the extent that the Class Order or applicable laws require this agreement to contain a



particular provision, this agreement will be taken to contain that provision and we may amend the agreement to give effect to the requirement.

- b. We may vary the terms of this agreement at any time and will give reasonable prior notice to you where the change has, or is likely to have, a materially adverse effect on you.

#### 24.4 Entire agreement

This agreement supersedes all earlier conduct by the parties or prior agreement between the parties with respect to its subject matter.

#### 24.5 Relationship

To the extent permitted by law, your relationship with us under this agreement is one of independent contracting parties and excludes any fiduciary relationship and any equity based obligations or duties.

#### 24.6 Appointment of ASX Clear and others as agent

You irrevocably appoint and severally, ASX Clear, and every director, manager and assistant manager for the time being of ASX Clear, at the option of ASX Clear (as applicable) to do all acts and execute all documents on your behalf for the purpose of exercising the powers conferred on ASX Clear under rule 15 of the ASX Clear Operating Rules.

#### 24.7 Survival

Clause 21 (Fees and expenses), clause 22 (Liability and indemnity), clause 24 (Miscellaneous) and any other provision of this agreement intend to and survive termination of this agreement, and continue to apply following termination of this agreement.

#### 24.8 Severability

A provision or part thereof of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining provisions or parts thereof continue in full force.

#### 24.9 Governing law and jurisdiction

This agreement is governed by the laws in force in New South Wales and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

By signing the application form, you agree to the terms of this agreement and the IDPS Guide. You must only apply for this agreement if you have received and read the FSG and the IDPS Guide.

#### 24.10 Force majeure

To the extent permitted by law and the Class Order, neither you nor us are liable to the other for any loss suffered by the other party due to a force majeure event.





**CARE**portfolio

**Contact us**

✉ GPO Box 529, Sydney NSW 2001  
☎ 1300 854 994  
@ admin@hub24.com.au

0332a-0315