



**CARE**portfolio

**CAREportfolio INVEST**  
IDPS GUIDE

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

**PART I**

Information on key  
Service features

**YOUR INVESTMENT  
ACCOUNT**

This document is Part I of the IDPS Guide for CAREportfolio INVEST. It should be read in conjunction with Part II of the IDPS Guide.

# About this IDPS Guide

**This Investor Directed Portfolio Service Guide ('IDPS Guide') dated 8 March 2017 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).**

The IDPS Guide gives you information about CAREportfolio Invest (the Service) operated by HUB24 and is designed to help you decide whether to use the Service. GPS Wealth Ltd (ABN 17 005 482 726, AFSL 254 544) (the licensee) is the distributor of the Service. The Service is only available to clients of the licensee and its authorised advisers (each an adviser) unless otherwise approved by us.

HUB24 is the operator and custodian of the Service. The IDPS Guide has been prepared and issued by HUB24.

## IMPORTANT INFORMATION

The IDPS Guide describes the main features, benefits, costs and risks of investing through the Service. It is made up of the following two documents:

- IDPS Guide (Part I) – Information on key Service features
- IDPS Guide (Part II) – Information on fees and other costs

(collectively referred to as 'this IDPS Guide').

## Other important documents:

- IDPS Contract (which will accompany or be available with Part I of the IDPS Guide)
- Managed portfolio disclosure documents (for each managed portfolio selected for your investment strategy), and
- Application Form

It is important you read and understand all parts of this IDPS Guide in conjunction with the other important documents and the HUB24 Financial Services Guide so you can understand how the Service works.

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 product advice and you must consult a financial adviser before investing through the Service. It is also a requirement that your financial adviser performs the role of adviser as described in this IDPS Guide.

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

This IDPS Guide 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 who receive this IDPS Guide in Australia, whether in paper or electronic form, unless otherwise approved by us. Certain elements of the Service may not be currently available to approved non-resident investors. Investors who receive this IDPS Guide in electronic form are entitled to obtain a paper copy of this IDPS Guide (as well as the IDPS Contract and 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 be aware 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 IDPS Guide 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.

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

## 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 product 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 or part of this IDPS Guide, by asking your adviser or visiting the product website shown on the front cover. You should regularly check the product 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.

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# 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 18 years of age</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 in your cash account 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 per contribution.
<b>Withdrawals</b>	\$100 minimum per withdrawal.
<b>Regular savings and payment plans</b>	\$100 per month minimum.
<b>Methods of contribution</b>	Cheque, direct debit, BPAY®, electronic funds transfer (EFT), or in specie transfer.
<b>Methods of withdrawal</b>	Electronic funds transfer or in specie transfer.
<b>In specie transfers</b>	Listed securities or managed funds may be transferred into and out of the Service at the discretion of the Operator.
<b>Interest rate on cash balance in your account</b>	An interest rate between 0.25% p.a. and 0.75% p.a. less than the RBA Cash Rate is calculated daily and paid monthly on any positive balance in your cash account. The latest available interest rate on your cash account can be found at <a href="http://www.hub24.com.au/cash-rates">www.hub24.com.au/cash-rates</a> .
<b>Investment choices</b>	<ul style="list-style-type: none"> <li>• managed portfolios</li> <li>• managed funds</li> <li>• cash</li> <li>• term deposits</li> <li>• Australian listed securities</li> <li>• international listed securities</li> </ul>
<b>Efficient trading choices</b>	<ul style="list-style-type: none"> <li>• aggregated trading using daily weighted average pricing through our default broker</li> <li>• direct market trading<sup>1</sup> through our default broker, allowing you to buy or sell Australian listed securities at a specified price, or trade at the current market price</li> <li>• trading through your broker<sup>1</sup>, allowing you to buy or sell Australian listed securities with your 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 and Android applications.</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, under 'CGT parcel allocation'.
<b>Fees</b>	Refer to Part II of the IDPS Guide for information about 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, under 'How we keep you informed'.</p>

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<sup>1</sup> Available for Australian listed securities only

## 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 determine the investment and insurance strategy that's right for you. The Operator 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 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.

### A flexible account that works with you





## 3. Benefits of CAREportfolio Invest

### Wide investment choice

You can choose from a large range of investment options to help build your investments and savings. These include:

- managed portfolios
- managed funds
- Australian and international listed securities
- term deposits, and
- cash.

Through these investment options you can invest in a range of asset classes including cash, fixed interest, property and infrastructure, Australian equities, international equities, and alternatives, helping you achieve diversification.

You can also get access to a range of additional services provided by third parties, such as margin lending, insurance and choice of your broker.

Through the Service you can customise your account in a way that suits your own personal circumstances by setting up investment preferences on your account. This feature allows you to set up exclusions on particular investments and set up a minimum trade size.

For more information, refer to Section 8: Operating your account.

You should also discuss with your adviser whether setting up investment preferences is suitable for your needs.

### A range of 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 portfolio managers can be selected to manage these portfolio holdings on your behalf. The Operator is responsible for implementing the investment instructions of the portfolio manager by buying and selling investments, taking into consideration timing, trading costs (such as brokerage and currency costs, if applicable) and the mandate of the portfolio. The Operator has the right to vary the managed portfolio.

The key benefits of managed portfolios are beneficial ownership of the underlying assets, flexibility, transparency, tax management and efficiency.

Your adviser can move money easily and efficiently from one managed portfolio to another within your account. The Operator generates buy-and-sell trades for the same security, and offsets this 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 the product website shown on the front cover.

### Award-winning technology

The Service is underpinned by our award-winning technology, which won the Best Navigation & User Interface<sup>1</sup> and the Best Tablet/Smartphone Access<sup>1</sup> in the Investment Trends December 2015 Platform Report, in addition to Best Value for Money<sup>2</sup> in the Investment Trends 2016 Planner Technology Report.



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

- manage and switch your investments easily, including buying or selling managed funds, managed portfolios, listed securities and other assets, and
- set up regular savings, withdrawals and investment plans.

<sup>1</sup> Investment Trends December 2015 Platform Benchmarking Report, based on extensive analyst reviews of 22 platforms across 506 functional points.

<sup>2</sup> Results from Investment Trends 2016 Planner Technology Report, based on an online survey of over 870 financial planners.

### Tax optimisation tools

You can benefit from tax optimisation in several ways.

When using our aggregated trading facility, listed security trades will be netted off 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.

## 3. Benefits of CAREportfolio Invest

### Access to your account anytime

Using our award-winning technology, your account can be accessed anytime through the internet or via our easy-to-use mobile apps. You will receive real time access to information and notifications about your investments via InvestorHUB, your online portal.

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, and
- trade notifications.

The Service provides you with consolidated quarterly reports and an annual investor statement summarising your account activities. You will 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.

### Efficient trading choices

We offer flexibility and control over when and how you trade.

- Direct Market Trading: Direct trading of listed securities can be effected at any time at highly competitive fees, using at market price or a limit.
- Aggregated Trading: Consolidating your trades within our scheduled daily trading times can result in significant netting-off benefits in terms of brokerage costs and CGT.



## 4. Risks

Before you consider investing through the Service, it's important you understand the risks that can affect your investment. Broadly, these risks can be categorised into the risk of using the Service and the risk associated with financial products and services you access through the Service.

You should also consider the specific risks of the investments you choose. Investment risks may vary significantly from the examples set out below and will depend on the actual investments you access.

Some tips to help you manage risk:

- ✓ 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 is important you discuss your specific risks with your adviser.
- ✓ Read all the information in this IDPS Guide and the IDPS Contract, as well as the information about risk in the relevant disclosure documents for the products or investment options available through the Service. 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 of the Service and risks associated with investments accessed through the Service, including via managed portfolios.

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

### Risks associated with the Service

The following summary is a guide to the key risks associated with the Service. It is not an exhaustive list of all the risks of investing through the Service.

Service risk	What it means
<b>Advice risk</b>	<p>This is the risk that your adviser may recommend a strategy or investment that's not appropriate for you or provide delayed or inaccurate instructions to us.</p> <p>You may also decide to leave your adviser or your adviser ceases to be authorised by their licensee or moves to another licensee. In these circumstances, there is the risk that you may not be able to continue to invest through the Service, the fees and other costs that apply to your account may (but will not necessarily) increase, and the investment options available to you may also change or no longer be available, including any investments that you may hold via a managed portfolio.</p>
<b>Insurance risk</b>	<p>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.</p>
<b>Investment preferences risk</b>	<p>If you and your adviser set up an investment exclusion in respect of managed portfolios, the underlying investment holdings in your account may not match those in the managed portfolio (i.e. the standard managed portfolio) if the investment exclusion had not been applied. As a result, setting up an investment exclusion may mean the performance you experience differs from that of the applicable standard managed portfolio(s).</p> <p>Additionally, regardless of any investment exclusion you make, the managed portfolio investment management fee and any managed portfolio performance fee are applied to your account by reference to the fee payable to the portfolio manager in respect of the standard managed portfolio. This means the actual dollar amounts you pay in investment management and/or performance fees may be higher or lower than if you had not set up an investment exclusion.</p>

## 4. Risks

Service risk	What it means
<b>Legal and regulatory risk</b>	Changes to taxation or other laws in Australia and internationally may impact the tax-effectiveness of your investment and/or the returns generated by your investment.
<b>Operational risk</b>	The operation of the Service relies on our technology and on the technology of other service providers. A failure in our or their systems or processes may have an impact on your account, such as a delay in processing investment transactions.
<b>Third party risk</b>	<p>Service providers or certain persons appointed by you or the Operator, including sub-custodians (or their appointed sub-custodians) and investment managers, or your broker, may default on their obligations, which could potentially result in losses to the value of your investment. We will appoint counterparties and service providers who we consider have a low risk of defaulting, however these risks cannot be eliminated entirely.</p> <p>There is also a risk that the Operator may not accept a transaction executed by your broker if it does not meet the terms of the agreement between the Operator and your broker. For example, if there's not enough money in your cash account or the security is suspended or placed in a trading halt.</p>

### Risks associated with investments

This summary sets out key risks associated with investments accessed through the Service, including via managed portfolios. You should consult the disclosure document for the specific investment for any specific risks related to those investments.

Investment risk	What it means
<b>Concentration risk</b>	This is the risk that a concentration of investment in a small number of securities may be subject to greater volatility, due to its exposure to a limited number of industries, sectors or countries, than investing in a larger number and/or more diverse array of securities.
<b>Country risk</b>	<p>Country risk is a general term that refers to the collection of risks associated with investing in a foreign country.</p> <p>It includes specific types of risk such as, but not limited to:</p> <p><b>Political</b> – the risk of political instability in a country</p> <p><b>Foreign exchange</b> – refer to the 'Foreign exchange risk' section below for more information</p> <p><b>Sovereign</b> – the risk of a foreign government intervention in an entity, asset or market, resulting in losses, and</p> <p><b>Transfer</b> – the risk of a foreign government or regulator restricting transfers of assets.</p> <p>Other more general consequences that you may need to consider when investing outside your country may include such things as differing laws and regulatory environments (offering less protection to investors), differing standards of information provided to you in terms of quality and timeliness, and 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.</p>
<b>Credit risk</b>	Your capital and/or the interest earned on that capital may not be paid due to the underlying bank or deposit-taking institution defaulting.
<b>Derivatives and sophisticated investment products risk</b>	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. There is also a risk of a counterparty to a derivative defaulting on their obligations.
<b>Diversification risk</b>	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 risk	What it means
<b>Foreign exchange risk</b>	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.
<b>Inflation risk</b>	Your investments may not keep pace with inflation, so over time your money may have less purchasing power.
<b>Interest rate risk</b>	Changes in interest rates may affect the value of interest bearing securities and shares in some companies.
<b>Investment option risk</b>	The investment options you select may change or cease to be offered through the Service, which may affect the investment composition in your account, your risk profile and your investment strategy.
<b>Liquidity risk</b>	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 listed securities that are rarely traded, 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.
<b>Manager risk</b>	Underlying investment managers for managed funds or portfolio managers for managed portfolios may not anticipate market movements or execute investment strategies effectively. Changes in their staff may also have an impact on the performance of the chosen investment.
<b>Market risk</b>	Movements in a market sector due to, for example, interest rate movements, economic factors, political, military or social events may have a negative impact on your investment and/or on the returns your investment generates. Market values can change rapidly and it is possible to lose some or all of your initial investment.
<b>Margin lending risk</b>	<p>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.</p> <p>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.</p> <p>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.</p>
<b>Sector risk</b>	There are risks associated with a particular industry's specific products or services due to, for example, changes in consumer demand or commodity prices.
<b>Specific asset risk</b>	There are risks associated with specific assets, for example, certain managed funds may use leverage (i.e. borrowing to invest), undertake short selling (i.e. selling shares they don't actually own) or invest in sophisticated financial products such as futures, foreign exchange contracts, options and other derivatives. 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.

It's important you discuss your specific risks with your adviser.

## 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 is 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.

### Designing your investment strategy

To design and build your investment strategy, you and your adviser can choose investments from an extensive range of approved asset classes such as cash, fixed interest, property, infrastructure, Australian equities, international equities, alternatives or a combination of asset classes.

The investments or strategies you can use to access these asset classes are cash, managed funds, managed portfolios, Australian listed securities, international listed securities and term deposits.

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.

## How you can invest

### Australian listed securities

The Service offers you the opportunity to invest directly in listed securities including ordinary shares, exchange-traded funds ('ETFs'), other exchange-traded products ('ETPs'), listed investment companies ('LICs'), interest rate securities and hybrids (such as preference shares and convertible notes).

An ETP is generally a managed fund or other product that is traded on a stock market, and includes an ETF. An ETF is a managed fund that aims to track or follow a particular index. There are various ETFs which provide access to particular investments, such as Australian and international shares, commodities, listed property trusts or a combination of asset classes. Other types of ETPs are exchange-traded managed products that are not ETFs. These include exchange traded managed funds, exchange traded commodities and exchange traded bonds.

LICs use a company structure and the money raised is used to buy shares in other listed companies and are then traded on a stock exchange. LICs are generally actively managed and aim to outperform a particular objective.

Interest rate securities are a class of investment where, essentially, investors lend money to a company or institution which pays interest in return for a period of time. The time period is usually for a fixed period of time.

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

Through your adviser you can trade Australian listed securities by using:

- our aggregated trading service
- our direct market trading service, or
- your broker (subject to Operator approval).

Refer to Section 6: Efficient trading choices for more information.

Income received from listed securities 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 Australian listed securities can be accessed through InvestorHUB.

### 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 for more information.

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.

### Term deposits

You can invest in 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 cannot 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 term deposits through InvestorHUB. InvestorHUB also provides instructions on what you need to do to invest in term deposits.

## 5. Your investment choices

### Managed portfolios

#### An extensive range of portfolio managers

We appoint a range of portfolio 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, asset allocation approaches, investment objectives and different risk profiles.

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, for example Australian equities, international equities, or listed corporate bonds; or
- an investment strategy that combines a number of asset classes, managers and investment options.

#### Portfolio adjustments

Each managed portfolio has specific allocations ('weights') to asset class(es) and underlying investments. The portfolio manager is responsible for monitoring the portfolio's strategy and advises us if adjustments are required. Accounts investing in managed portfolios may have allocations to investments that differ slightly from those targeted by the manager, due to variations in execution prices, cash flows in and out of the account and the operation of weight variation tolerances. Adjustments to a managed portfolio could be either:

- **rebalancing**, which involves comparing and realigning the market value weights of your underlying investments to the weights in the managed portfolio, or
- **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, under 'Trade notifications' for more information.

#### Dividend reinvestment

On the advice of the portfolio 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 we do not, or cannot, participate in dividend reinvestment plan(s), any income generated will be:

- retained as cash within managed portfolios
- reinvested in other investments as part of the portfolio manager's regular rebalance, or
- paid into your cash account outside of the managed portfolio

#### Opting out

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

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

We will 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. You can request a paper copy of any managed portfolio disclosure document free of charge from your adviser or by contacting us.

### Managed funds

A managed fund is an investment product where an investor contributes money to receive an interest (usually expressed as a '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 on trust for you in the name of a sub-custodian, but 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 invested in such managed funds at the time of the rebate payment. Refer to Part II of the IDPS Guide for more information about fees and other costs.

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

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

The current list of all investment options 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 options

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 options without taking into account your individual objectives, financial situation and needs.

## Investment Booklet

The investment booklet is available from the product website shown on the front cover and lists all available investment options. Available investments will change from time to time. You can request a paper copy of the investment booklet 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 managed funds) to complex portfolios selected on the basis of investors' risk profiles, asset class or manager capability.

Prior to making investments available to you through our Service, these investments are subject to an initial examination by members of HUB24's Investment Committee to determine their nature, likely market behaviour and any other relevant characteristics. The HUB24 Investment Committee is made up of internal representatives of HUB24 and regularly reviews its investment menu to ensure it has a wide choice of investments to meet the needs of clients and their advisers. The Operator is not constrained by the range of products issued by or associated with any related parties of the Service. Factors that the Committee consider prior to their inclusion 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, whether 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 features of the investment can be supported operationally.

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.

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

## Additional documentation you will need

Your adviser will also provide you with a Statement of Advice ('SOA') and other disclosure documents relevant to your investment options, including:

- a managed portfolio disclosure document and the accompanying disclosure documents for each of the underlying investments within the selected managed portfolio
- Product Disclosure Statement (or 'PDS') for each managed fund
- fact sheet for ETFs, ETPs and/or LICs
- general information on direct shares, and/or
- 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.

The Operator is not a market participant or clearing participant of the ASX or any financial market. We have arrangements in place with brokers to provide broking services in relation to your instructions to buy or sell securities. When you choose to trade using our default brokers (refer to 'Aggregated trading' and 'Direct market trading' below), you authorise us to instruct the default broker to execute the relevant transaction under the trading agreement between us and the broker.

### Aggregated trading

Under aggregated trading, your adviser can place a trade for Australian and international 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 smoothes 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 in most cases.

All trades in international listed securities will be settled in Australian dollars.

### Direct market trading

The Service allows your adviser to trade your direct Australian listed securities in real time directly 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** – this is an order to buy or sell securities at the prevailing market price at the time that the order is executed. If the quantity available at the prevailing market price is not sufficient to satisfy the order, the broker will endeavour to fill the balance of the order at the best available market price that complies with individual exchange rules and standards, however, the execution and the price is not guaranteed.

### Trading through your broker

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

The Operator reserves the right to add or remove brokers at its discretion and without notice to you. You can obtain information about your broker 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 your 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
- your broker is responsible for the service they provide you and our role is limited to facilitating the settlement of transactions placed by your broker
- your broker is responsible for checking that you have sufficient cash or financial product to discharge obligations under the transaction prior to executing the trade, and
- transactions placed by your broker and notified to the Operator may not be accepted if it does not meet the terms of the agreement between the Operator and your broker. For example, if there's not enough money in your cash account or the security is suspended or placed in a trading halt.

## Trade authority

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

Trading through our default broker or your broker is both subject to the operating rules regarding trades on the relevant exchange. The Operator is not liable for delays in the execution of the transactions, 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 where, among other things:

- 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 listed security or the exchange itself becomes suspended or halted for trading by the applicable stock exchange
- 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
- there's insufficient cash in your account to settle a buy trade, or insufficient listed securities held in your account to settle a sell trade, or
- the trade may be manipulative or contrary to the rules, practices and procedures of the ASX or other applicable stock exchange, or have the potential to give rise to unorderly market behaviour.

We and your broker reserve the right to reject or cancel trades (for example, if it might result in a breach of any applicable stock exchange operating rules or other relevant laws) without your consent or prior notice.

## 7. Other services

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

Service	Insurance	Margin Lending	Trading through your broker <sup>1</sup>
<b>Providers</b>	You and your adviser can access a choice of approved insurance providers offering flexible insurance options <sup>2</sup> .	You and your adviser can access a choice of approved margin lending providers.	You and your adviser can access a choice of approved brokers <sup>3</sup> .
<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 may 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>	<p>You may choose to use your broker to place and execute trades. When you use your broker, you are directing your broker to arrange for your funds to be executed in the market and you are authorising us to rely on instructions from any person that we believe to be your broker.</p> <p>Your broker is responsible for the services they provide you and our role is limited to the settlement of the transaction placed by your broker.</p>
<b>Application for the additional service</b>	Read the insurance PDS for the product 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.	Read the margin loan facility agreement. Your adviser will need to complete application forms for both the margin lender and the Service, and forward both to the margin lender.	Read through your broker's client agreement. You and your adviser will need to complete the application forms for both your broker and the Service.

<sup>1</sup> Trading through your broker is subject to approval by the Operator.

<sup>2</sup> An insurance administration fee will apply for the insurance services. Refer to Part II of the IDPS Guide for more information about fees and other costs.

<sup>3</sup> A fee will apply for trading through your broker. Refer to Part II of the IDPS Guide for more information about fees and other costs.

Service	Insurance	Margin Lending	Trading through your broker <sup>1</sup>
<b>Payments and funding</b>	<p>Insurance premium payments will be deducted and paid directly from your cash account.</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, under 'Minimum cash balance' for more information.</p>	<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 your other assets in the Service or your other accounts. There are significant risks associated with margin lending. Refer to Section 4: Risks, under 'Margin lending risk' for more information.</p>	<p>The investments and cash positions held in your account will be forwarded to your broker, to enable your broker to allocate orders that do not breach your cash limits or any trade restrictions. The Operator has the right to cancel trades pursuant to your cash positions and/or any trade restrictions.</p>
<b>Role of the provider</b>	<p>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.</p>	<p>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, under 'Margin lending risk' for more information.</p>	<p>When you trade through your broker you will have to direct the broker to do so on your behalf. We will settle the trade request according to the broker's instructions and if it meets our trade restrictions. All correspondence and dealings in your investment will be through your broker. Refer to Section 6: Efficient trading choices, under 'Trading through your broker' for more information.</p>

<sup>1</sup> Trading through your broker is subject to approval by the Operator.

<sup>2</sup> An insurance administration fee will apply for the insurance services. Refer to Part II of the IDPS Guide for more information about fees and other costs.

<sup>3</sup> A fee will apply for trading through your broker. Refer to Part II of the IDPS Guide for more information about fees and other costs.

**\*Note:** Nothing in this IDPS Guide 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 or broker provider and/or broker 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, the broker provider and the broker 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 you must:

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

Once your account has been established, you will 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.

Once you have deposited funds into your account, your adviser will implement your investment strategy.

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 set out in the IDPS Contract, which accompanies or is made available with this document.**

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, 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.

If you wish to trade through your broker, you will need to contact your adviser who can help you complete the relevant forms. This feature will be made available at the discretion of the Operator.

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

No cooling-off rights apply to your investments through the Service, which is of importance for those investments that have only infrequent or restricted redemption windows. You should specifically consider liquidity in determining whether to invest.

### Cash account

When you join the Service a cash account is automatically established for you. The cash account represents the cash 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 and deduct any fees and charges applicable. Your cash account is an interest earning account.

When you first open an account, you direct us to invest your money in your cash account until we receive investment instructions from your adviser.

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.

There are minimum balances for your cash account. See below under 'Minimum cash balance'.

The cash in your cash account and in your managed portfolios is held with our sub-custodians and Australian banks. For information about which Australian banks we use from time to time, the current interest rate payable on these cash holdings and the basis on which we withdraw cash from these cash holdings, refer to our website [www.hub24.com.au/cash-rates](http://www.hub24.com.au/cash-rates).

### Appointing an adviser

You must have a relationship with an authorised adviser (or 'adviser') and the licensee in order to use the Service, unless otherwise approved by us. You may appoint an authorised adviser as the adviser on your account 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 (other than nomination of indexation on ongoing advice fees), alter payments or distributions and your nominated bank account details.

If you wish to change your appointed adviser on your account you must provide us with written notice.

If, for any reason, your adviser leaves their licensee or ceases to be authorised by their licensee, you may not be able to retain your investment in the Service. The consequences can include closure of your account (please refer to the section below 'What will happen if you no longer have an authorised adviser?'). If your adviser moves to a new licensee and you move with your adviser, then your account may be subject to the terms and conditions that apply to the new licensee. As a result, the fees and other costs that apply to your account may (but not necessarily) change, including increase, and the investment options available to you may also change or no longer be available. This can include any managed portfolios that you hold. Our standard terms and conditions, and the maximum fees and costs that may apply, are set out in the HUB24 Invest IDPS Guide (Parts I and II), the IDPS Contract and Application Form on issue at the relevant time, which can be found at [www.hub24.com.au/product-documents](http://www.hub24.com.au/product-documents).

## What will happen if you no longer have an authorised adviser?

The Service is designed for use with an adviser. If you decide to leave your adviser you must notify us within seven business days. You then have up to four months (unless otherwise approved by the Operator) to appoint another authorised adviser.

During the interim period where you do not have an adviser, we need you to complete and return a Non-Advised Declaration form to retain your account in the Service.

It is important that during this interim period (i.e. the period of time you are without an adviser) that you monitor and maintain your account (inclusive of your investment strategy and your insurance protection needs). Using forms available on the product website, you will need to instruct the Operator directly on the following types of transactions:

- buying and selling of investments
- maintaining sufficient cash in your cash account to pay fees, and
- making premium payments on your insurance coverage; or alternatively cancelling your insurance coverage (after you have assessed your own needs).

There are other implications when you do not have an adviser, including but not limited to:

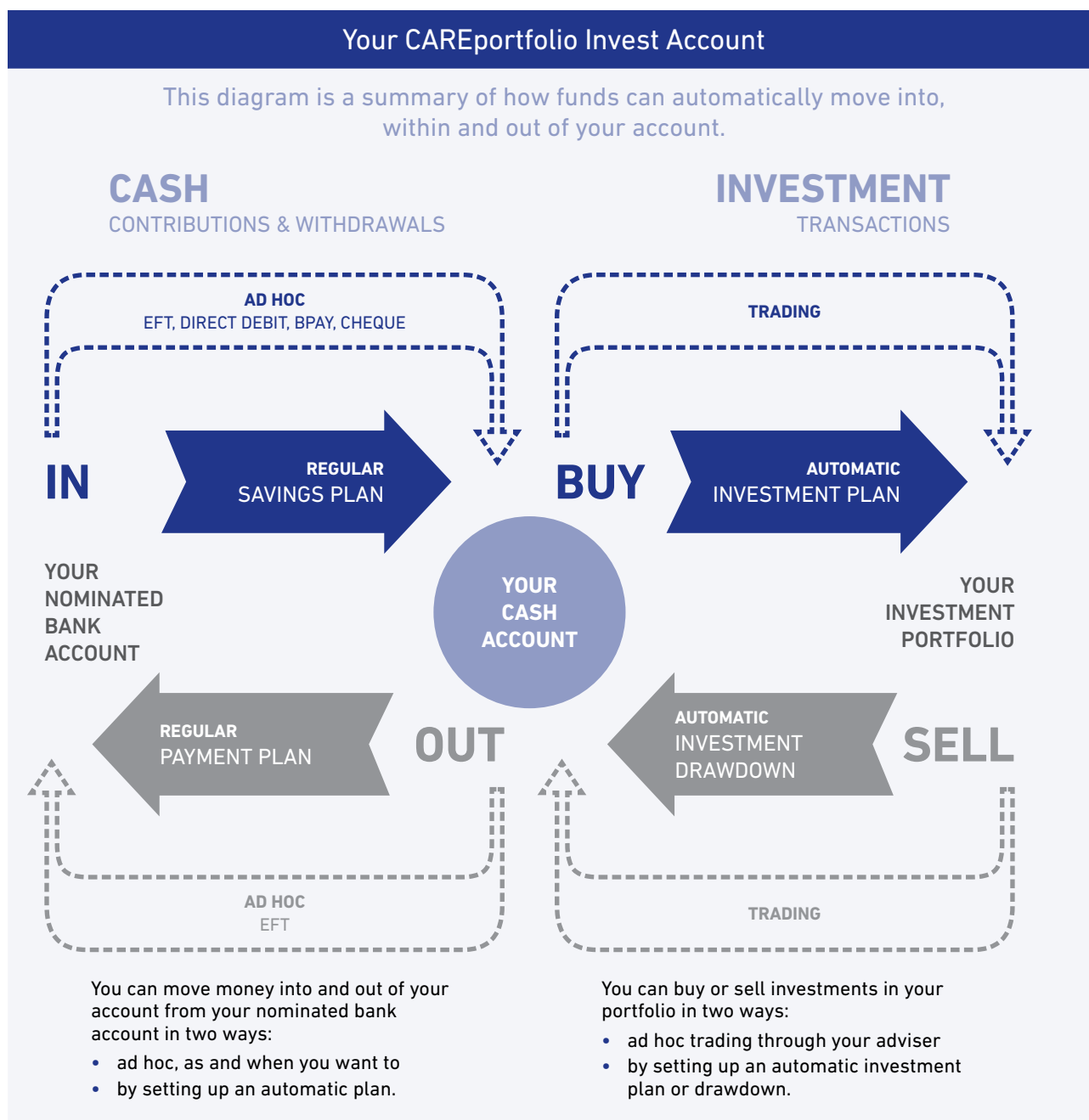
- you might not be able to remain invested in your chosen investment option(s), including managed portfolios and/or have limited access to certain investments
- you may no longer have access to product features within the Service, such as automatic investment plans, automatic cash top up
- the naming and branding of your account may change (including on any communication we send to you)
- you may be subject to our standard terms and conditions, and the maximum fees and costs, set out in the HUB24 Invest IDPS Guide (Parts I and II), the IDPS Contract and Application Form on issue at the relevant time. This may (but will not necessarily) result in a change, including an increase in fees and costs. These documents can be found at [www.hub24.com.au/product-documents](http://www.hub24.com.au/product-documents). You should consider the information in these documents before deciding whether to remain in the Service, and
- the adviser fees that you have negotiated and paid to your current adviser will cease.

**Warning:** If you do not complete a Non-Advised Declaration form you will not be able to retain your account in the Service. The Operator reserves the right to sell your investments and close your account.

To request a policy document, free of charge, that outlines what will happen if you no longer have an authorised adviser, please contact us on 1300 854 994. We may amend this policy from time to time.

## 8. Operating your account

### How your account operates





## Contributions

Once you have opened your account, you can make one-off and regular contributions. You direct us to invest all contributions paid into your account in your cash account until investment instructions are received. 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 debit request form 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) transfer</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 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 Part II of the IDPS Guide for information about 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 plan 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 bank

account nomination form or a new additional contributions and regular savings plan form before the 15th of the month.

If we do not 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.

## 8. Operating your account

### Withdrawals

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

You can make withdrawals by:

- requesting your adviser to instruct us directly
- establishing a regular payment plan (refer to the details below), or
- 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. We may also contact you to confirm your withdrawal instructions.

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. An approval may only be granted where a withdrawal is made on a regulated trust account type, such as a Self-Managed Super Fund (SMSF) account, for the purpose of payment of SMSF administrative expenses, such as, payments to the Australian Taxation Office (ATO), legal expenses or accounting related costs. We may request additional documentation prior to processing your payment. Please contact us on 1300 854 994 should you require additional information prior to requesting payment.

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 will inform you as soon as we can after we receive your request.

You can also withdraw assets by having your investments transferred out in specie. Fees may apply for each investment transferred out. Refer to Part II of the IDPS Guide for information about 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).

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, or
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.

### Further information about 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.

Your cash balance may be negative in limited circumstances. At its discretion, the Operator may permit the processing of certain transactions, including the payment of fees and other costs and/or regular payment plan withdrawals, which may bring your cash account balance into negative. In addition to this, you (via your adviser) may purchase investments using proceeds from the sale or redemption of an investment, where the sale or redemption has been made but the receipt of proceeds to your account has not been finalised. Interest will typically be charged to your cash account if your cash balance is negative at the same rate as would be credited to a positive balance. Information about using proceeds from the sale of investments to purchase other investments or to fund a regular payment plan can be obtained from your adviser.

## Interest accruals

Interest accrued on your cash balance is calculated daily and credited to your account after 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 InvestorHUB.

## 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 Australian listed securities 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 the size of the trade not meeting the minimum requirements as determined by the Operator or in 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 has been a change or event which we have not 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 will forward you the relevant information and will only execute your instructions when we believe you have 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 cannot 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

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

Excess cash may come from additional contributions, regular savings, income and sales from your investments. Unless you have 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 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.

## 8. Operating your account

### Ad hoc investment plan

For any additional contributions into your cash account, you can establish an ad hoc investment plan. This feature allows you to establish an investment plan which will invest (generally within 5 business days) any additional (ad hoc) contributions made into your cash account once the money has cleared.

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 ad hoc investment plan. You can obtain the current disclosure documents on InvestorHUB or through your adviser.

### Automatic investment drawdown

The automatic investment drawdown allows you to specify how investment drawdowns are to be made (e.g. to meet a regular payment plan). Generally, the automatic investment drawdown occurs on or around the 3rd of the relevant month and involves selling or redeeming investments relating to your account.

The investment drawdown options you may select are to:

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

If you do not make a selection then the default investment drawdown option is to sell proportionately across the following investments and in the following order:

1. Managed portfolios containing Australian listed securities only
2. Australian listed securities
3. Managed funds (priced daily)
4. Managed portfolios containing managed funds
5. International listed securities
6. Managed portfolios containing international listed securities
7. Managed funds (non-daily priced)

The investment drawdown option may also be used to determine which investments are to be sold down to restore your minimum cash balance requirements.

### 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.

## Customising investment preferences

You can also set up standing instructions in relation to investments that you do not want held in your account (whether within or outside a managed portfolio) and that are to be substituted with other nominated investments and minimum trading sizes. This allows you to better customise your account in accordance with the investment strategy that you have agreed with your adviser.

The table below sets out the different types of investment preferences you may wish to set up on your account:

Investment preference type	Description
<b>Exclusions</b>	<p>Your adviser (on your behalf) can instruct us to exclude (i.e. not buy or hold) particular investments within or outside a managed portfolio, or in your account. This is called setting an investment preference.</p> <p>When setting investment preferences you may exclude a single investment or multiple investments.</p> <p>You can generally substitute that excluded investment(s) with one of the following:</p> <ul style="list-style-type: none"><li>• an allocation to cash, either in your cash account or to cash within a managed portfolio (where applicable)</li><li>• spread the allocation that would otherwise have been to the excluded investment proportionally across the other investments held within a managed portfolio or outside (as applicable), or</li><li>• with an alternative single investment<sup>1</sup>.</li></ul> <p>In some cases restrictions may apply in respect of the type of investment you can substitute for the excluded investment. For example, you may not be able to substitute Australian shares with international shares. For more information about these restrictions, please contact your adviser or the Operator.</p> <p>Setting up an investment exclusion in respect of managed portfolios may mean the performance you experience differs from that of the applicable managed portfolio(s).</p> <p>Additionally, where an investment exclusion applies to a managed portfolio, the investment fee (including any performance fee) that applies to the managed portfolio will be calculated by reference to the value of the managed portfolio as if the investment exclusion does not apply.</p>
<b>Minimum trade size</b>	<p>You may wish to set up a minimum trade size (i.e. for buys or sells) in your account for any listed securities and/or managed fund trades. Setting these minimums may reduce incremental trading on your account which can result in lower transaction costs.</p> <p>Note this does not apply to trades within a managed portfolio or automatic investment drawdowns.</p> <p>A minimum trade size is applied per listed security or managed fund, per trade. If no selection is made, then the default minimum trade size is:</p> <ul style="list-style-type: none"><li>• \$100 for Australian listed securities</li><li>• \$250 for managed funds, and</li><li>• \$500 for international listed securities.</li></ul> <p>Setting a minimum trade size per security or managed fund will generally ensure that trades of a value less than the nominated (or default) amount will not be executed (or cancelled). This includes trades that occur because of rebalancing and when trades are carried over from a previous instruction.</p> <p><b>Note:</b> Setting a minimum trade size below the default minimum trade size shown above, may increase the number of trades and the transaction costs applied to your account.</p>

Before deciding to set up investment preferences on your account please speak with your adviser.

<sup>1</sup> This option is only available when excluding a single investment, and is subject to the approved investment list. For more information, refer to the Investment Booklet available on the product website.

## 8. Operating your account

### Corporate actions

As the custodian of the Service, we have appointed sub-custodians to hold the legal title to assets in your account on trust on our behalf.

In the case of assets held as part of managed portfolios, these sub custodians have discretion to participate in corporate action events (including voting on resolutions put to legal holders of investments) 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 into or out of the Service (via an in specie transfer), we may inform your adviser if there is 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 will process this according to your instructions (where applicable).

Any benefits (that are calculated on a per security basis) 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 purchase plans) we can provide access to the relevant offer documents or 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.

Participation in certain corporate actions may be restricted for legal or other reasons at the discretion of the Operator; for example, non-residents may not be able to participate in corporate actions for certain Australian listed securities or Australian residents may not be able to participate in corporate actions for certain international listed securities.

As you are not the registered holder of assets in your account, you generally do not have voting rights (nor the right to proxy voting) at meetings of members of the relevant entity of which you hold a beneficial interest. The Operator has a voting policy setting out our approach to voting in relation to listed securities and other investment products available for investment under the Service. You can access this voting policy on our website. To request a paper copy of the voting policy, free of charge, please contact us on 1300 854 994. We may amend this policy from time to time.

### 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 the product website.

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

### Trade notifications

If any trading activity (such as a rebalance or reallocation) is to be performed on your investments, or if you have made specific investment preferences to your account, 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 do not respond or take any action in relation to the pending investment instructions, your adviser will proceed and submit the investment instructions.

If you cannot 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 do not 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 realisation may trigger a CGT liability. You should communicate your 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 and your adviser can 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. For this purpose, data may be provided to a software vendor which then provides it to your nominated third party. The software vendors we currently have arrangements with are located in Australia and store client data in Australia. They may, however, also have offices offshore. For example, India and the Philippines.



## 8. Operating your account

### 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 cannot 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.

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

#### Publishing and notification of disclosure documents

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

### Your InvestorHUB mobile app

Our investment platform is fully compatible and accessible via popular mobile and tablet devices. With the flexibility of accessing your account anytime, anywhere, our iOS (iPhone/iPad) and Android applications allow you to keep track of and monitor your investments.

You can:

- view details of your account holdings, including asset allocation
- access a full list of investment options, including up-to-date valuations and performance graphs
- view important notifications from us
- update your contact details, and
- download all reports including your Annual Tax Statement and Annual Investor Statement.



### 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, your online portal gives you real time access to information and notifications about your investments 24/7.

# 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 for taxation purposes 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
- you have not made an election out of the 12 month rule in relation to short term foreign exchange transactions

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 for taxation purposes 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.

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

## 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 cannot be offset.

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

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 on your account. 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 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 on InvestorHUB and on the IRS website ([www.irs.gov](http://www.irs.gov)) which also provide instructions as to how to fill them.

Investments in countries other than the US may also require the completion and submission of similar forms. If you invest in international listed securities you may be required to fill in and submit the relevant form(s), or to provide some type of certification. These forms will also be required 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.

## 9. Tax

### 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 Australian dollar 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.

### Fee deductibility

Most fees charged to your account are deductible for tax purposes – the annual tax statement assumes this, with the exception of the adviser contribution fee. We assume that the adviser contribution fee is not deductible.

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.

You should check your individual circumstances with your tax adviser.

### 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 or expenses in the IDPS Guide (Part I), IDPS Guide (Part II) and Application Form, refer to the GST-inclusive value of the fee or expense. They reflect the actual amount payable by you.

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

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

### 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.

You will receive a consolidated annual tax statement containing all income and capital gains information relating to your account, simplifying the process of completing your annual tax return.

# 10. General information

## Custody and how your assets are held on trust

Custody involves holding assets on trust (i.e. on your behalf) for safekeeping.

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

A 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 and international listed securities 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. We reconcile our records with the sub-custodian's records on a daily basis.

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.

## 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, as well as the Application Form and IDPS Contract.

<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

## 10. General information

### Your rights in the Service vs direct investments

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

If there is a corporate action, we may contact your adviser who can pass on your instructions to us. Generally, we will 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.

Feature	The Service	Direct investment
<b>Legal title</b>	The sub-custodians will be the legal owner of the assets in your account and will indirectly hold the assets on trust for you under its own name. However, you do not have a direct relationship with a sub-custodian.	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 a sub-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 a sub-custodian. As such, we or the sub-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.



Feature	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 via the sub-custodians 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 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 Corporations Act.</p>	<p>The issuer of the investment will communicate with you directly regarding any right you may have to withdraw from the investment, including statutory rights where there is a defective product disclosure document.</p>

## Information from underlying investments

The sub-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 is designed to ensure the Service complies with all relevant legislation (including the Corporations Act) and regulatory guidelines.

The Operator has also established a Risk & Compliance Committee. A primary function of the Risk & Compliance Committee is to oversee the Operator's compliance with its legislative and regulatory obligations. This includes holding regular Risk & Compliance Committee meetings at which it considers risk and compliance matters. The Risk & Compliance Committee reports and makes recommendations to the Board as it considers appropriate.

## Audited annual investor statements

Audited annual investor statements 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.

## Privacy

Your personal information is important to us.

We collect your personal information to:

- assess your application and establish your account;

- administer your investments;
- provide our products and services to you;
- communicate with you in relation to your investments;
- administer our products and services;
- give you access to investor areas of our website;
- manage our relationship with you, such as discussing issues with you, establishing and maintaining records in relation to your investments and providing regular statements, reports and communications to you;
- let you know about other products and services offered or promoted by us;
- conduct product or service development, quality control or other product research;
- meet our legal obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) ('AML/CTF Act') and the Corporations Act;
- comply with taxation and other applicable laws. For example, the *Foreign Account Tax Compliance Act 2010* (USA) and the Common Reporting Standard introduced by the *Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016* (Cth) which takes effect on 1 July 2017.

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 verification services such as electronic identity and document verification services. We may also verify information collected.

If we do not collect your personal information, we may not be able to process your application, provide you with the services relating to the Service or administer your investments. It is important that you advise us as soon as possible of any changes. Also, if you give us personal information about any other individuals (e.g. directors or

## 10. General information

trust beneficiaries) you must ensure they are aware of this privacy section.

We may disclose your personal information and other information to third parties including:

- your nominated financial adviser and their licensee (including any replacement financial adviser or licensee), unless you instruct us otherwise in writing;
- your personal representative, attorney or agent (but only with your written consent);
- our related bodies corporate;
- our outsourced 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, identity and document verification (electronic or otherwise), banking, information technology services, data analysis or research;
- Australian and overseas regulatory authorities and law enforcement agencies on reasonable request by those authorities or where required by law. For example, your personal information may be disclosed to the ATO or to foreign tax authorities such as the IRS in the USA and other tax authorities in other foreign jurisdictions. The ATO may provide your personal and other information to foreign tax authorities such as the IRS. Your personal information may also be provided to other regulatory authorities such as ASIC and the Australian Transaction Reports and Analysis Centre ('AUSTRAC');
- financial institutions and other similar organisations that we deal with in the course of our corporate activities or that you have nominated;
- other third parties on your behalf for the purpose of establishing and administering your investments with us, unless you have instructed otherwise;
- to comply with a court order or in conjunction with court proceedings.

Our Privacy Policy contains information on how your personal information is collected, held, used and disclosed, 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).

Our outsourced service providers are generally located within Australia but may, from time to time, be located in foreign jurisdictions. For example, currently our customer management system provider is located in the USA and also operates in the European Union.

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 and products offered or promoted by us. 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 personal 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 team on 1300 854 994 or by email at [privacy@hub24.com.au](mailto:privacy@hub24.com.au).

### Anti-money laundering/counter-terrorism financing

In accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and supporting AML/CTF Rules, we are required to collect personal information to identify our customers and to verify any 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. If you do not provide the requested identification there will be a delay in processing your 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 may be precluded from providing 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.

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).

We have certain legal obligations to disclose gathered information to regulatory and/or law enforcement agencies, including 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.

## 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 tax requirements (refer to ‘Foreign Account Tax Compliance Act’ and ‘Common Reporting Standard’ below). These forms can be obtained from your adviser through AdviserHUB.

We may rely on advisers to verify the identity of their clients in accordance with the AML/CTF Act. The Application Form requires you to attach the Investor Identification Form completed by your adviser as part of their verification of your identity.

Unless requested, we do not require original documents or certified copies used by the adviser to verify your identity.

### Electronic client identification

To streamline our client identification processes for the purpose of the AML/CTF Act, we may introduce electronic client identification. We may use a credit reporting agency (CRA) for this purpose.

In this case we would request the CRA to conduct a matching process between your personal information provided to it by us and the personal information held on its own files. The personal information that may be provided to the CRA is limited to an individual’s name, residential address, date of birth and any other information permitted by law. The CRA then provides an assessment to us of the outcome of the

validation process. The CRA may only use the personal information about the relevant individual and personal information held by it, that is the names, residential addresses and dates of birth of other individuals, for the purpose of preparing such a report. We would only use the assessment of whether the personal information matches (in whole or in part) the personal information held by the CRA to assist in verifying the relevant individual’s identity.

If the attempt to verify an individual’s identity by the CRA is unsuccessful we would notify you in writing. We and the CRA are also required to retain information about verification requests and assessments for seven years from the date of the request for CRAs and for seven years after ceasing to provide designated services to the relevant individual, for us. At the end of these periods we and the CRA are required to delete these records. CRAs are also required to keep information about verification requests separate from the individual’s credit information file. Prior to using any CRA to undertake this service, the relevant individual’s consent to this disclosure and use will be obtained. We will notify investors prior to introducing this process via InvestorHUB.

Where an individual does not consent to our appointed CRA assisting in relation to the verification of the individual’s identity, we will rely on the individual’s adviser or our own verification of their identity.

### Document verification

We may also check the validity of any government issued identity document (ID Document), such as your passport or drivers licence, that you provide for identity verification purposes. For this purpose we may provide your personal information and a copy of the ID Document or the information in it to our service provider who will use it to access the Australian Government’s document verification service (DVS). This process involves making a match request in relation to the relevant record holder information and then a corresponding information result will be provided to us via our service provider’s system.

If you do not provide the relevant ID Document when requested, or it is not verified by DVS, we may not be satisfied as to your identity and, as a result, we may not be able to process your application. You will be asked to consent to the use and disclosure of your personal information, any ID Documents or details in them for this purpose and to confirm that you are authorised to provide those documents or details when you complete the Application Form.

### Nominated representatives

We are also required to assist in the verification of the identity of legal representatives and agents appointed by

## 10. General information

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.

We may request a CRA to assist in the verification of the identity of that representative or agent – see above under the heading 'Electronic client identification' for information about identity verification by a CRA.

### 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 obligations on non-US financial institutions to identify and report to the US Internal Revenue Service (IRS) information on financial accounts held by US residents and citizens and certain entities with US controlling persons (US Reportable Accounts).

On 28 April 2014 Australia and the US signed an intergovernmental agreement (IGA) to assist in the facilitation of FATCA for Australian Financial Institutions. Following this, legislation was enacted in Australia so that FATCA is part of Australian tax law and commenced on 1 July 2014. Under the terms of the IGA and legislation, Australian Financial Institutions are required to identify and report some specific information on US Reportable Accounts to the ATO, which passes that information onto the IRS.

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 in order to ascertain whether your account is a U.S. Reportable Account under the FATCA laws.

Similarly, we also need to ascertain whether existing clients, at the time of implementation of FATCA in Australia (and subsequently to that) are also US 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 the FATCA laws impact on the way that Australian Financial Institutions comply with them.

If you do not provide the required information or forms, you may be subject to FATCA withholding on US-sourced income. Further, we may be required to include you in the FATCA report to be lodged with the ATO. Refer to Section 9: Tax, under 'Withholding tax' for more details.

### Common Reporting Standard

The Common Reporting Standard (CRS) is a global reporting standard for the Automatic Exchange of Financial Information developed by the Organisation for Economic Co-operation and Development (OECD).

To comply with CRS, we will be required to collect information from you to identify if you are also a tax resident of any other jurisdiction(s). For non-individual accounts, we also need to identify your entity type for CRS and whether any controlling persons are foreign tax residents. Penalties can apply if you fail to provide the information or provide false information.

We will report information on CRS reportable accounts to the ATO, which may then exchange that information with the tax authorities in relevant jurisdictions.

Legislation to implement CRS in Australia has been enacted. CRS commences for Australian Financial Institutions from 1 July 2017, with the first reporting of information in 2018. For more information please contact us on 1300 854 994.

### Wholesale clients

We may (but are not obliged to) accept certain wholesale clients directly who do not have an adviser. In this case, the IDPS Guide (Part I and Part II) 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 an adviser) you must complete the Investor Identification Form and submit it together with the Application Form and your certified identification.

### 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 providers in return for promoting the Service. These payments are paid by us 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, documented 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 cannot resolve your complaint immediately, we will try to resolve it as quickly as possible. Each complaint or dispute is logged in our complaints 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 will keep you updated regularly on the progress of your complaint.

If your complaint relates to the operation of the Service, 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 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 do not 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

**Contact us**

✉ GPO Box 529, Sydney NSW 2001  
☎ 1300 854 994  
@ admin@hub24.com.au

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# IDPS Contract

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 investments** Assets or financial products that may be held through the Service, including accessible securities and accessible financial products.

**accessible financial products** Financial products that may be held through the Service.

**accessible securities** Securities that may be held through the Service.

**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

**aggregated trading facility** The facility offered through the Service by which your adviser can instruct us to combine your order with other orders, net and execute transactions in Quoted securities, through our default broker, on a weighted average price basis.

**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 or IDPS Guide.

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

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

**broking agreement** An agreement between you and your broker, pursuant to which your broker provides you with execution, clearing and settlement services with respect to your transactions.

**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, Class Order [C013/763].

**Custodian** Any person appointed from time to time to hold assets directly or indirectly on your behalf.

**default broker** A market participant or executing broker we engage to execute transactions in Quoted securities.

**DMT facility** The facility offered through the Service by which your adviser can instruct us, through our default broker, to place orders to execute transactions in Quoted securities on your behalf in real time at a specified price or prevailing market price.

**fees** The fees set out in the IDPS Guide.

**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 standard facility margin loan agreement. This account may be in your name or the name of your margin lender depending on the margin loan agreement.

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

**IDPS Guide** The IDPS Guide for the Service.

**instructions** Instructions given to us by you, or via your adviser, in accordance with this agreement and in particular clauses 17 (Instructions) and 18 (Trading in Quoted securities) 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.

**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, 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.

**loss** A damage, loss, expense or liability that the person concerned incurs, however it arises and whether it is present or future, fixed or unascertained, or actual or contingent.

**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.

**Operator** means HUB24 Custodial Services Ltd, HUB24, "we", "us" or "our".

**Quoted securities** Accessible investments which are able to be traded on a financial market or exchange which may include a foreign market or exchange.

**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 (Investment reports and communications).

**securities** Has the meaning given in section 761A of the Act.

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

**SOA** A Statement of Advice prepared by your adviser in respect of the Service in accordance with the requirements of the Act.

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

**trade notification** A notification of a pending investment transaction in relation to your account.

**your broker** A market participant or executing broker appointed by you and approved by the Operator to execute transactions in Quoted securities on your behalf.

## 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; otherwise a word or expression is defined in the Act has the meaning given to it in the Act;
- 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; and
- 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, and you agree to be bound by, this agreement, the IDPS Guide and the application form. To the extent of any inconsistency between:

- a. the terms of this agreement and the application form or the IDPS Guide, the terms of this agreement prevail to the extent of any inconsistency; and
- b. the terms of the application form and the IDPS Guide, the terms of the application form prevail to the extent of any inconsistency.

## 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. subject to clause 22.1(f), 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 prevail;
- d. comply with the investment strategy provided by your adviser subject to other provisions of this agreement;
- 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; and

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

### 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 implementation

- a. Subject to clause 4(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.

We must exercise discretion over your assets consistently with the investment strategy.

- b. 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 (Our discretion).

### 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 (Our discretion).

### 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, and held on trust:

- 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 (Our discretion).

### 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 (Fees and expenses), or
- d. in accordance with applicable laws.

### 5.5 Warning — Key differences in acquiring financial products through the Service

You acknowledge and agree the following key areas of difference between acquiring a financial product through the Service as against acquiring the financial product directly:

- 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.
- b. You may not receive 100% of all shareholder benefits in respect of shares you invest in through the Service.
- 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 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 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, and we have no reason to believe that the disclosure document is defective as if it was prepared at that time; or
    - (B) the accessible securities could lawfully have been offered and issued or sold (as applicable) to you directly without a disclosure document; and
  - iii. in the case of an acquisition of an accessible financial product, either:

- (A) you have been given a Product Disclosure Statement for the accessible financial product, and we have no reason to believe the Product Disclosure Statement is defective if it was prepared at the time of the acquisition; or
- (B) the accessible financial product could lawfully have been offered and issued or sold (as applicable) to you directly without a Product Disclosure Statement and we have no reason to suspect that a Product Disclosure Statement would have been required to be given to you if all other holdings of the financial product in custodial arrangements had been held by the clients (as defined in section 1012IA of the Act) of those arrangements.

- b. Notwithstanding clause 7.1(a), if we are reasonably satisfied that you have been given an IDPS Guide in accordance with the Class Order, we or a Custodian acting on behalf of us may:
  - i. acquire an additional holding of an accessible financial product for you if you already have an existing holding of that accessible financial product through the Service, and:
    - (A) we reasonably believe that you have access to, and know that you have access to, a Product Disclosure Statement for the financial product; and
    - (B) the Product Disclosure Statement you have access to is the most current in use or does not differ from the most current in use in a way that is materially adverse for you; and
    - (C) we have no reason to believe the Product Disclosure Statement you have access to is defective as if it were prepared at the time of the acquisition;
  - ii. 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; or
  - iii. make a regular savings acquisition if:
    - (A) you already have an existing holding of that accessible investment through the Service; and
    - (B) we have complied with our agreement with you, in relation to the regular savings plan, to give any missing documents.

## 7.2 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 Custodian acting on our behalf does not, acquire accessible investments as part of the Service unless, where a disclosure document or Product Disclosure Statement is prepared for those accessible investments, we are reasonably satisfied that either:

- a. the issuer of the disclosure document or Product Disclosure Statement for the accessible investments has given its prior written agreement to the use of the disclosure document or Product Disclosure Statement as disclosure to clients or prospective clients of the Service; or
- b. the disclosure document or Product Disclosure Statement indicates that the issuer of the accessible investments authorises the use of the disclosure document or Product Disclosure Statement as disclosure to clients or prospective clients of the Service or to a class of IDPSs that includes the Service.

## 7.3 Managed investment schemes

We will not, and will ensure that any 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 is not 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 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 are aware or have reason to suspect, if all interests in the scheme held in custodial arrangements had been held by the clients (as defined in section 1012IA of the Act) of those arrangements, 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. may 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
  - ii. may 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.
- b. You acknowledge and agree 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, and held in accordance with Part 7.8 of the Act.
- c. You acknowledge and agree that all monies held on your behalf may be used by us to meet any amount outstanding or owing to us in connection with our acting on your behalf or carrying out your instructions.
- 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.

## 11. Adviser

### 11.1 Role of your adviser

- a. You agree that your adviser:
  - i. is not acting for us, or on our behalf;

- 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 months 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.

Further information about these consequences is set out in the IDPS Guide.

## 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, and for any reason and without notice, close or suspend your account so that you may make no further contributions or investments.
- d. Records of:
  - i. the assets held through the Service on your behalf; and
  - 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.

## 13. Investment strategy

- a. You acknowledge and agree 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.

- d. If you are an individual investor and you die or become incapacitated, we may suspend all transactions in relation to 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 otherwise resolved to our satisfaction.

## 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 orders or transactions placed through the Service with our default broker will always be accepted by our default broker, and we 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 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;
- 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, including by your broker or our default broker;
- d. we are not responsible for providing you with, and nothing represented by us should be taken as, tax, accounting, financial or legal advice, or personal financial product advice;
- e. all contributions made by you will be credited to your account as cash, pending receipt by us of 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. we may certify your Australian tax residency status with the Australian Taxation Office (ATO) and submit forms relating to your tax residency status. Where available, we may also claim withholding tax relief and/or withholding tax refunds under tax treaty arrangements based on your declaration of tax residency and you will not initiate separate tax claims where we have initiated a claim on your behalf.
- h. 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;
- i. 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;
- j. to the maximum extent permitted by law, we are not liable to you in respect of any matters relating to your insurance product;
- 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. we may collect, use or disclose your personal information provided in the application form for the purposes outlined in the IDPS Guide, including to:
  - i. unless you tell us otherwise, send you marketing information about our (and third parties) goods and services including those that are unrelated to your investment for marketing purposes;
  - ii. request assistance from a credit reporting agency for the purpose of verifying your identity;
  - iii. verify your identification documents through the Australian Government Document Verification Service;
  - iv. comply with our obligations under anti-money laundering and counter-terrorism financing laws; and
  - v. comply with the requirements of any other laws or the requirements of any Australian or applicable overseas regulatory authority,or as you may direct or authorise from time to time; and
- m. your agreements, declarations and acknowledgements in your application form are part of this agreement for the benefit of us.



## 16. Wholesale clients

If you are a wholesale client:

- a. 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) to 3.1(d);
  - ii. clause 11 (Adviser); and
  - iii. clause 13 (Investment strategy); and
- 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 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 or by your broker;

- 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. exercising our right to refrain from acting on instructions.
- f. You acknowledge and agree 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 Act or other relevant applicable laws or regulatory obligations. We will notify you of any refusal or limitation as soon as practicable if we are not prohibited from notifying you.

## 18. Trading in Quoted securities

### 18.1 General

- a. You acknowledge and agree that instructions to carry out any transactions in respect of Quoted securities in your account through the Service will be given to us by your adviser only, pursuant to this agreement and your agreement with your adviser.
- b. You acknowledge and agree that Quoted securities acquired and held through the Service (either through your broker or our default broker) are held under our name or our appointed Custodian, but you retain the beneficial ownership of these securities. Given the securities are held in our name or the name of the Custodian, 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 and agree that we act on your behalf in relation to transactions in Quoted securities executed by our default broker through the DMT facility or the aggregated trading facility.
- d. You acknowledge and agree that, in relation to transactions in Quoted securities and without limiting clause 6 (Funding of accessible investments):
  - i. 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;
- ii. 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 or securities available in your account to cover the amounts required to settle your transactions. You agree to us deducting these amounts or transferring securities from your account to settle your transactions; and
  - iii. you rely on your own skills and judgement when requesting your adviser to place orders through the Service, 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 acknowledge that, in relation to orders which you place with us to enter into transactions in Quoted securities:
- i. each time you place an order through the Service, you warrant that all orders placed and any transactions conducted by you or your adviser are lawful;
  - ii. we may, in circumstances where we reasonably consider that it is appropriate to do so, having regard to our legal and regulatory obligations:
    - (A) refuse to accept instructions from your adviser to purchase or sell Quoted securities on your behalf;
    - (B) cancel any order received and previously accepted by us;
    - (C) cancel any transaction where we are requested or required to do so by your broker or our default broker; or
    - (D) generally restrict the ability of your adviser to execute transactions on your behalf,
 and we will notify you or your adviser of any such action as soon as reasonably practicable; and
  - iii. your orders may be vetted by the default broker and in some instances, may be rejected or cancelled in accordance with the default broker's own legal and regulatory obligations and policies and procedures.
- f. You acknowledge and agree 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 the relevant market operator. We accept no responsibility for reinstating lapsed orders or for contacting you or your adviser to seek new instructions.
  - g. You acknowledge and agree that the Service may include in its brokerage charges an amount payable to us for the introduction of broking business.
  - h. You acknowledge and agree 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 and agree that the order will be executed at the price available on the ASX or other relevant exchange (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.
  - i. You acknowledge and agree that by trading through the aggregated trading facility, your orders will be aggregated, accumulated, and netted, with other orders, and the price of the securities purchased under that arrangement will be on a weighted average price basis.
  - j. You authorise and agree to the accumulation and price averaging of two or more market transactions into a single confirmation or trade confirmation.
  - k. All Quoted securities bought or purchased by you in accordance with these terms shall 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.
  - l. You acknowledge and agree 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.

m. It is your responsibility to review upon receipt, whether delivered to you by mail, electronic 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.

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 or aggregated trading facility;
- ii. we exclude all liability in contract, tort (including negligence) or otherwise relating to or resulting from use of the DMT facility or aggregated trading 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 or aggregated trading facility;
  - (B) any delays, failures or inaccuracies in the transmission of the services under the DMT facility or aggregated trading 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 or aggregated trading facility provided to you or your adviser; or
  - (E) government restriction, exchange or market ruling, suspension of trading, computer or telephone failure, unlawful access to the DMT facility or aggregated trading 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 or aggregated trading facility; and
- 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; and
  - (B) in the case of services, the resupply of the services.

## 18.2 Use of Your Broker

- a. We may from time to time, at our discretion, provide a facility within the Service through which you can place orders to trade in Quoted securities directly with your broker.
- b. We may withdraw authorisation of your broker at our discretion and without notice to you.
- c. If you place orders through your broker, you must have in place a broking agreement with your broker which authorises your broker to place orders to trade Quoted securities on your behalf and to provide instructions to us in connection with the settlement of any transactions in Quoted securities which the broker executes on your behalf.
- d. In addition to the general terms and conditions relating to your instructions to us as set out in clause 17 (Instructions), the following terms and conditions apply specifically to instructions, orders and transactions in respect of Quoted securities executed by or through your broker:
  - i. 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.
  - ii. You acknowledge and agree that your broker is responsible for the service they provide to you and our role is limited to facilitating the delivery of cash or financial products for settlement of transactions placed by your broker on your behalf.
  - iii. You acknowledge and agree that the Operator has the right to reject or cancel transactions

without your consent or prior notice if the transaction does not satisfy our trade acceptance process or might result in a breach of the Act or other relevant applicable laws.

- iv. You acknowledge and agree that you are liable for any dishonour fees charged by your broker and any other fees or costs passed on to us in connection with a failed transaction. 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.

### 18.3 Application of rules

You acknowledge and agree that all orders and transactions in respect of Quoted securities, whether placed and executed by your broker or our default broker, are subject to the rules, customs and usages applicable to the relevant market and clearing and settlement facility, the Act and other applicable laws and regulatory obligations.

## 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; and

- 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 required under the Class Order including 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; and
    - (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; and

(D) the time at which the information is current.

- b. If you elect to receive the above information electronically, we will ensure that:
- 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; and
  - 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.
- c. 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:
- for financial assets (as defined in Accounting Standards AASB 132 Financial Instruments: Presentation) - 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); and
  - 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:

- 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; and

- 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 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 and agree 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

If we are required to make available information or documentation concerning the accessible investments to a person having a right to access such information or documentation (including a government agency or the like), you must, following notice by us, take all reasonable steps to deliver such information or documentation to us, or cause such information or documentation to be delivered to us. You authorise us to produce the information or documentation to the person making the request.

## 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.

## 21. Fees and expenses

- You must pay to us, and otherwise authorise us to receive, such payments, fees, taxes, charges or other amounts in connection with dealings for you in your investment portfolio (including derivatives) at the rates or amounts determined by us from time to time and notified to you in the IDPS Guide or otherwise in writing.
- We will and you authorise us to, 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 and agree that persons engaged by us in relation to the Service may charge fees and expenses. Refer to the IDPS Guide for further details.

- d. If:

- i. you have entered into an arrangement to pay a fee or any other payment to your adviser (or the licensee that employs your adviser); or
- ii. the IDPS Guide states that a fee or any other payment is payable to your adviser (or the licensee that employs your adviser or the licensee's associates),

from your account in the Service, you authorise us as your agent to deduct these fees or other payments from your account in the Service and to pay them to the adviser or the licensee that employs the adviser (as the case may be).

- e. 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.
- f. 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 (e) 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.
- g. We may be required to sell or deduct any assets for a purpose other than those contemplated in paragraphs (c) and (e) above, in which case we will notify you of that purpose in writing.
- h. 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), (d) and (e) above), you remain liable for the payment of those monies.

## 22. Liability and indemnity

### 22.1 Liability

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

- a. our acts or omissions in reliance on:

- i. our obligations under this agreement;
- ii. instructions (including, for example, any delay disadvantage or misinterpretation of instructions);
- iii. the authenticity of any document of any third party including you; or
- iv. the opinion, advice or information of any manager, data service provider, barrister, solicitor, Custodian, accountant, valuer or other expert instructed by us (**Service Provider**) or any other person,

provided we have no reason to believe the relevant material not to be authentic, the instructions not to be authorised, or the Service Provider not to have the relevant expertise;

- b. any act, omission, neglect or default of your adviser or its affiliates, your broker, 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, including, for example, as a result of any malfunction or disruption of any system or service that the Operator relies on for the provision of the Service, a default of any financial institution or service provider in relation to or in connection with any transactions;
- 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. 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.

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 (Indemnity).

## 22.2 Indemnity

To the maximum extent permitted by law and the Class Order, you agree to indemnify us and any of our employees, officers, agents, contractors, or other persons engaged or appointed by us (including without limitation our default broker) and hold harmless against all loss and liabilities arising in any way and whether directly or indirectly, incurred by any of them under this agreement, including any orders placed by us and any of our officers or agents or other persons engaged or appointed by us for you under your or your adviser's instructions (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.

## 22.3 Our responsibility

Notwithstanding any other provision of this agreement (including clause 22.1 (Liability)), 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;
- 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.

## 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 (Termination).

### 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 immediately (in which case we will promptly notify you) if:

- a. you become insolvent (including if you are unable to pay your debts when due or do anything that suggests you cannot do so);
- 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;
- d. if we become aware that you no longer have an adviser and have not appointed a replacement adviser as required under clause 11.1(b); or
- e. 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 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 and agree 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.



## 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 paragraphs (b) and (e) below, 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. A copy of any variation will be provided to you electronically via InvestorHUB or by any other means as is notified to you from time to time.
- b. We may vary the terms of this agreement without prior notice to you where such variation is necessary to:
  - i. ensure we meet our ongoing regulatory and legal obligations; and/or
  - ii. restore or maintain the security of the Operator's systems or any accounts.
- c. You acknowledge and agree that changes to the IDPS Guide may have the effect of amending the operation of this agreement.
- d. From time to time we may change the services and investment options it provides under the Service.
- e. From time to time we may change the regulatory structure of the Service, including by registering the Service as a managed investment scheme, by giving you not less than five business days' notice of the change.

### 24.3 Regulatory content

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.

### 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 other obligations or duties set out in law or equity.

### 24.6 Survival

Clause 21 (Fees and expenses), clause 22 (Liability and indemnity), clause 24 (Miscellaneous), clause 24.10 (Confidentiality) and any other provision of this agreement intended to survive termination of this agreement will continue to apply following termination of this agreement.

### 24.7 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.

### 24.8 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.

### 24.9 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.

### 24.10 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:

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





**CARE**portfolio

**CAREportfolio INVEST**  
IDPS GUIDE

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

## **PART II**

Information on fees  
and other costs

## **YOUR INVESTMENT ACCOUNT**

This document is Part II of the IDPS Guide for CAREportfolio INVEST. It should be read in conjunction with Part I of the IDPS Guide.

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# Fees and other costs

This IDPS Guide (Part II) 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.

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. 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 have the benefit of any Reduced Input Tax Credits (RITCs).

Fees may increase if the cost of providing the services increases. We will give you 30 days advance notice of any fee increases. See below for more information.

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

## 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 contribution fees and management costs where applicable. Ask the fund 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 funds 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 Service.

Taxes are set out in Part I of the IDPS Guide.

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 accessible investments available through the Service are set out in the relevant disclosure document.

# Fees and other costs

CAREportfolio Invest										
Type of fee or cost	Amount	How and when paid								
Fees when your money moves in or out of the Service										
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable								
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable								
<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>1</sup>	Not applicable								
Management costs										
<b>The fees and costs for managing your investment</b>  The amount you pay for specific investment options is shown in the relevant disclosure document for that investment option.	Management costs have the following three components: <b>1. Administration fee</b> A tiered percentage fee based on the total balance of your account as detailed in the table below.	All management costs are paid to the Operator out of your cash account.  The administration fee is calculated daily on your total account balance and deducted from your cash account monthly in arrears.  The administration fee (in total) will appear on your cash transaction report as 'Portfolio Service Fees'.								
	<table><tr><th>Tier of account balance</th><th>Fee rate</th></tr><tr><td>First \$1,000,000</td><td>0.15% p.a.</td></tr><tr><td>\$1,000,001 - \$2,000,000</td><td>0.05% p.a.</td></tr><tr><td>More than \$2,000,000</td><td>Nil</td></tr></table>	Tier of account balance	Fee rate	First \$1,000,000	0.15% p.a.	\$1,000,001 - \$2,000,000	0.05% p.a.	More than \$2,000,000	Nil	The amounts comprising the administration fee may be negotiated by your adviser or your adviser's licensee. Refer to 'Adviser and licensee changes' under the heading 'Additional explanation of fees and costs' in this document for further information.
	Tier of account balance	Fee rate								
	First \$1,000,000	0.15% p.a.								
	\$1,000,001 - \$2,000,000	0.05% p.a.								
	More than \$2,000,000	Nil								
<b>PLUS</b> An account keeping fee of \$600 p.a.										
<b>PLUS</b> If you invest in international listed securities, a fee of 0.15% p.a. of the Australian dollar value of the international listed securities that you hold in your account will apply.										

<sup>1</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 document for further information.

CAREportfolio Invest		
Type of fee or cost	Amount	How and when paid
<b>Management costs</b>		
	<p><b>2. Investment management fee and investment performance fee – managed portfolios only</b></p> <p>If you invest in a managed portfolio, an investment management fee of between 0% p.a. to 2% p.a. of the value of your investments in that portfolio will apply.</p> <p>In addition, an investment performance fee of between 0% p.a. to 22% p.a. of the outperformance of the managed portfolio will apply (where applicable).</p>	<p>The investment management fee for managed portfolios is calculated as a percentage of the managed portfolio value calculated daily and deducted from your cash account monthly in arrears.</p> <p>The investment performance fee for managed portfolios is 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 is deducted from your cash account monthly in arrears.</p> <p>The investment management fee and investment performance fee cannot be negotiated.</p>
	<p><b>3. Cash management rate<sup>2</sup></b></p> <p>Estimated to be 1.20% p.a.</p>	<p>The cash management rate is the amount the Operator earns in relation to its cash management activities.</p> <p>The cash management rate is calculated daily on your cash account balance and the cash held in your managed portfolios (if any) ('Cash Holdings'). It is payable monthly in arrears and is not a separate fee payable by you.</p> <p>The cash management rate cannot be negotiated.</p>
<b>Service fees<sup>3</sup></b>		
<p><b>Switching fee</b></p> <p>The fee for changing investment options.</p>	Nil <sup>4</sup>	Not applicable

<sup>2</sup> This amount is a reasonable estimate based on the information available at the date of this Part II of the IDPS Guide. The actual amount may vary (i.e. be more or less) depending on the amount of interest earned on the omnibus accounts held with applicable Australian banks and the amount of interest payable to you in respect of your Cash Holdings. For more information refer to 'Cash management rate' under the heading 'Additional explanation of fees and costs' in this document.

<sup>3</sup> Other service fees apply. Refer to 'Additional explanation of fees and costs' in this document for further information about a range of service fees applicable depending on how you use the Service to invest.

<sup>4</sup> However, transaction fees will apply to certain transactions. Refer to 'Transaction fees' under the heading 'Additional explanation of fees and costs' in this document.

# Fees and other costs

## Example of annual fees and costs for a balanced investment option

This table gives an example of how the fees and costs of the Service when investing in the Russell Balanced Fund – APIR Code RIM0001AU 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.

<b>EXAMPLE — Russell Balanced Fund – APIR Code RIM0001AU<sup>1</sup></b>		<b>Balance of \$50,000<sup>2</sup> with a contribution of \$5,000<sup>3</sup> during year</b>
<b>Contribution fees</b>	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS Management costs</b>	0.15% + Account keeping fee: \$600 + Cash management rate: 1.20% on the amount in your Cash Holding	<b>And</b> , for the \$50,000 you have in the Russell Balanced Fund – APIR Code RIM0001AU you will be charged \$675 each year.
<b>EQUALS Cost of Russell Balanced Fund – APIR Code RIM0001AU</b>		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:  <b>\$675*</b>  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

<sup>1</sup> The fees and other costs shown in this example are for the Service. Fees and other costs charged within the Russell Balanced Fund are not included in this example. They will generally be reflected in the unit price for that managed fund.

<sup>2</sup> This example assumes the full \$50,000 is invested in the balanced investment option and does not take into account the minimum cash account balance of 0.75%. A cash management rate applies in relation to cash holdings which is not taken into account in this example. Refer to 'Cash management rate' under the heading 'Additional explanation of fees and costs'.

<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.

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

## Additional explanation of fees and costs

### The fees you pay for advice

The fees in this table are payable to your adviser, or the licensee that employs the adviser or the licensee's associates, and are paid out of your cash account by the Operator as agent for you. These fees are not earned by the Operator. Further information about some of the fees in this table is set out below.

Type of fee or cost	Amount	How and when paid
<b>Adviser contribution fee (initial and ongoing)<sup>1</sup></b>	<p>You may agree with your adviser to pay an initial adviser contribution fee, an ongoing adviser contribution fee or a combination of the two.</p> <p>An adviser contribution fee of up to 5.5% of your initial cash or in specie investment amount (based on the market value of the relevant investments), and any subsequent investment, may be charged.</p>	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>Ongoing advice fee<sup>1</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.</p> <p>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>
<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 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>1</sup></b>	<p>Where allowed under the law, brokerage can be charged by your adviser when investing directly in Australian and international 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>	Fees are deducted at the time of the transaction and paid to your adviser at the end of the month.
<b>Adviser portfolio management fee<sup>1</sup></b>	<p>You may agree with your adviser to pay an adviser portfolio management fee for services such as advice on investment selection, investment monitoring and advice, set-up and ongoing advice on your investment strategy.</p> <p>This fee may be an ongoing percentage fee and/or a fixed dollar amount of up to 1.1% p.a. on your total account balance.</p> <p>Any further deductions you agree with your adviser above 1.1% p.a. will only be made with approval by the Operator.</p>	The adviser portfolio management fee is calculated daily on your total account balance and paid to your adviser from your cash account monthly in arrears.

<sup>1</sup> If your account contains borrowed amounts, your adviser cannot receive ongoing advice fees, adviser contribution fees, adviser brokerage fees or adviser portfolio management fees that are asset-based (i.e. calculated as a percentage of your total account balance).

## Fees and other costs

Type of fee or cost	Amount	How and when paid						
<b>Licensee fee</b>	<p>This is a licensee fee payable to the holder of the Australian Financial Services Licence (licensee) that your adviser operates under. The licensee fee is subject to your agreement when you apply to participate in this product. The benefit of the licensee fee may be received by the licensee, other related entities and their shareholders that may include your adviser.</p> <p>The licensee fee is a tiered percentage fee based on the total balance of your account as detailed in the table below.</p> <table><tr><th>Tier of account balance</th><th>Fee rate</th></tr><tr><td>First \$1,000,000</td><td>0.08% p.a</td></tr><tr><td>More than \$1,000,000</td><td>Nil</td></tr></table> <p>Regardless of your total account balance, a maximum \$800 p.a. applies to the tiered percentage fee.</p> <p>This is a fee the licensee is paid to contribute to the reimbursement of their costs in establishing and maintaining your account. The licensee may also provide compliance and training on this product to advisers.</p> <p>Refer to 'Licensee fee' under the heading 'Additional explanation of fees and costs' in this document for further information.</p>	Tier of account balance	Fee rate	First \$1,000,000	0.08% p.a	More than \$1,000,000	Nil	<p>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'.</p>
Tier of account balance	Fee rate							
First \$1,000,000	0.08% p.a							
More than \$1,000,000	Nil							



## Transaction fees

The fees in this table are payable to the Operator, then as necessary applied by the Operator to pay any underlying service provider (e.g. to pay for brokerage and other transactional and operational costs). Fees will only be incurred where the relevant transaction instruction is provided. Further information about some of the fees in this table is set out below.

Type of fee or cost	Transaction method	Amount	How and when paid
<b>Transacting within a managed portfolio</b>	Managed fund trades within a managed portfolio	Transaction fee of 0.11% of the trade value subject to a maximum of \$22 per trade.	Transaction fees are deducted from the cash account held within your managed portfolio at the time of settlement in addition to any other trade costs.
	Australian listed security trades within a managed portfolio <sup>1</sup>	Brokerage of 0.11% of the trade value. No minimum applies.	Brokerage is deducted from the cash within your managed portfolio at the time of settlement as part of the total cost (for buy trades) or net proceeds (for sell trades).
	International listed security trades within a managed portfolio <sup>2</sup>	Through an approved international exchange: 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.
<b>Managed fund transaction fees</b>	Via aggregated trading <sup>3</sup>	Transaction fee of \$22 per managed fund trade (buy or sell).	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.	
	In specie transfers	Transaction fee of up to \$38.50 per managed fund for in specie transfer in or out.	

<sup>1</sup> If a manager trades listed securities within a managed portfolio through your broker, additional brokerage and transaction fees may be incurred. For example, these trades may incur additional brokerage as agreed between the manager and your broker.

<sup>2</sup> A foreign currency conversion fee applies to trades in international listed securities. Refer to 'International listed securities transaction fees' below for more information.

<sup>3</sup> Excludes those trades within a managed portfolio.

## Fees and other costs

Type of fee or cost	Transaction method	Amount	How and when paid
<b>Australian listed securities transaction fees</b>	Via aggregated trading <sup>3</sup>	Brokerage of 0.11% of the trade value, subject to a minimum fee of \$11.	Brokerage is deducted from your cash account at the time of settlement as part of the total cost (for buy trades) or net proceeds (for sell trades).
	Direct market trading	Brokerage of 0.11% of the trade value, subject to a minimum of \$22.	
	Trading through your broker	Brokerage is made up of a brokerage fee agreed between you and your broker, plus an additional \$22 charged by the Operator.	
	Trades within the automatic investment plan and/or automatic investment drawdown	Brokerage of 0.11% of the trade value. No minimum applies.	
	Corporate actions <sup>4</sup>	Transaction fee of up to 0.11% 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.	
<b>International listed securities transaction fees<sup>5</sup></b>	Via aggregated trading <sup>3</sup>	Through an approved international exchange: Brokerage of 0.22% of the 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	Through an approved international exchange: Brokerage of 0.22% of the trade value. No minimum applies	
	Corporate actions <sup>4</sup>	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> Excludes those trades within a managed portfolio.

<sup>4</sup> The 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.

<sup>5</sup> Transacting in international securities (including in specie transfers) may incur additional costs which will be deducted from your account. Refer to 'International listed securities transaction fees' below for more information.

Type of fee or cost	Transaction method	Amount	How and when paid
<b>Term deposit transaction fees</b>	Via aggregated trading	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 transaction 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. Refer to the relevant term deposit disclosure document for more information.	The break fee is deducted from your cash account at or around the time you break the term deposit.

## Other fees

The fees in this table are payable to the Operator, and are payable out of your cash account. Fees will be incurred only where you engage in the relevant transaction. Further information about some of the fees in this table is set out below.

Type of fee or cost	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.

## Explanations of particular fees and costs

The following section provides further information on management costs and other fees and costs.

### 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.

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

### Adviser brokerage

Where allowed under the law, brokerage can be charged by your adviser when investing directly into Australian and international listed securities (excluding trades within a managed portfolio). The charge varies and is agreed between you and your adviser.

### Brokerage for listed securities

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 your broker. These trades may incur additional brokerage as agreed between the manager and the broker.

# Fees and other costs

## Buy-sell spread for managed funds

This margin 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 spread applicable to a managed fund, please refer to the current disclosure documents for that managed fund.

## Netting managed fund transactions

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

- against your instructions to buy or sell those assets within a managed portfolio that you hold; and
- against other investors' instructions to buy or sell 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. This includes retaining any difference between the total managed fund transaction fees charged to individual investors and the fees and charges payable by the Operator in managed fund transactions undertaken on an aggregated basis for all investors in the Service.

## Cash management rate

We invest money credited to the Cash Holdings of all investors in omnibus cash accounts held with Australian banks we select from time to time.

The cash management rate is the amount that the Operator earns from its cash management activities related to these holdings. We set, from time to time, the rate of interest payable in respect of your Cash Holdings and this is usually between 0.25% and 0.75% less than the RBA Cash Rate. The rate the Operator earns is the amount (if any) above this rate.

For details on the basis on which we will withdraw cash in your Cash Holdings from the applicable Australian bank, the current interest rate payable in respect of your Cash Holdings and which Australian banks we use from time to time, refer to our website [www.hub24.com.au/cash-rates](http://www.hub24.com.au/cash-rates).

## Dishonour fee

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

## Insurance administration fee

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

## International listed securities transaction fees

Brokerage will be incurred, and conversion and other fees and costs may be incurred, on buying and selling international listed securities.

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.

Trading on certain international exchanges may incur additional fees and costs (for example local stamp duties, taxes, fees or commissions) which are deducted from your account, generally at the time of trade settlement.

Refer to the International Listed Securities Guide on the product website, as updated from time to time, for indicative fees and costs charged by certain international exchanges.

## Fund management and performance fees

Fund management and performance fees may be charged in relation to the selected managed funds forming part of your investment strategy. These fees are generally reflected in the fund's unit price and are paid to the relevant fund manager.

Please refer to the relevant managed fund product disclosure documents provided by your adviser.

## Managed portfolio investment management fee

Investment management fees may be charged in relation to the selected managed portfolios that form part of your investment strategy. The investment management fee is paid to the Operator and used to remunerate the portfolio manager for its services in relation to the Service and to meet the costs of the asset consulting and investment management services associated with the portfolio.

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.

The percentage amount varies and is 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.

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 value calculated daily and deducted from your cash account monthly in arrears.

If you and your adviser set up an investment exclusion in respect of a managed portfolio, investment management fees in respect of the relevant portfolio are calculated as if the exclusion has not been applied.

The fee will appear on your cash transaction report as 'Investment Management Fee'.

### Managed portfolio investment performance fee

Investment performance fees may be charged in relation to the selected managed portfolios that form part of your investment strategy.

The percentage amount varies and is 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.

Investment 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 portfolio manager's performance regarding a managed portfolio) and are deducted from your cash account monthly in arrears.

Refer to the relevant managed portfolio disclosure document(s) for more information about the investment performance fee, including the applicable investment performance fee percentage and the relevant benchmark used in the calculation.

The fee will appear on your cash transaction report as 'Investment Performance Fee'.

### 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 your account. 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 may 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.

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.

## Other payments and information

### 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.

# Fees and other costs

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 portfolio managers for the establishment, ongoing monitoring, management and compliance of the managed portfolio investment options available through the Service.

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

## Insurance remuneration

Where permitted by law, 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.

## 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, portfolio 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.

## Variation of fees

The fees and costs set out in this document may change from time to time. The Operator may vary the fees and costs set out in this document without your consent. We will give you 30 days advance notice of any fee increase. If a change to fees and costs occurs that is not materially adverse to investors, we may update this IDPS Guide by publishing the updated information on the website. 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 the product 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.

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

## Adviser and licensee changes

Fees and costs set out in the 'Fees and other costs' table are generally not negotiable directly by you. However, your adviser or your adviser's licensee, may from time to time, negotiate a reduction in the administration fees and other costs that apply to your account. The nature and amount of any variation depends on the arrangement between us, your adviser and your adviser's licensee. Your adviser can provide you with further information about any such arrangement. Where you leave your adviser or your adviser leaves their licensee, the fees and other costs that apply may change and you may revert to the fees and other costs described in this Part II of the IDPS Guide. Notice of any such change will be given to you as required by law.

## Examples of total fees you may be charged

The following examples illustrate how the total fees and costs you pay during the first year of investment can vary depending on the investment options you select. These examples assume an average account balance of \$250,000 of which \$247,500 is invested in the relevant investment options and \$2,500 is held as cash. All amounts shown are in Australian dollars and are inclusive of GST.

These examples do not take into account any adviser contribution fees you may agree to pay your adviser, and these are assumed to be zero.

### Example 1 – Investment in Australian listed securities

Assume you invest in two Australian listed securities of \$123,750 each using our default broker:

Type of fee or cost	Calculation	Fee amount
<b>Management costs</b>	Percentage based administration fee: (0.15% x \$250,000) PLUS Account keeping fee: \$600 PLUS Cash management rate: (1.20% x \$2,500)	\$1,005
<b>Ongoing advice fee</b> (as negotiated and agreed with your adviser) – assumed 0.50%	(0.50% x \$250,000)	\$1,250
<b>Licensee fee</b>	(0.08% x \$250,000)	\$200
<b>Transaction fees</b> (via aggregated trading)	(0.11% x \$123,750) + (0.11% x \$123,750)	\$272.25
<b>Adviser brokerage</b> (as negotiated and agreed with your adviser) – assumed 0.05%	(0.05% x \$123,750) + (0.05% x \$123,750)	\$123.75
<b>Total fees and costs</b>	\$1,005 + \$1,250 + \$200 + \$272.25 + \$123.75	\$2,851 = 1.14% of your account

# Fees and other costs

## Example 2 – Investment in international listed securities

Assume you invest in two international listed securities (through an approved international exchange) of \$123,750 each using our default broker:

Type of fee or cost	Calculation	Fee amount
<b>Management costs</b>	Percentage based administration fee: (0.15% x \$250,000) PLUS Account keeping fee: \$600 PLUS International listed securities fee: (0.15% x \$247,500) PLUS Cash management rate: (1.20% x \$2,500)	\$1,376.25
<b>Ongoing advice fee</b> (as negotiated and agreed with your adviser) – assumed 0.50%	(0.50% x \$250,000)	\$1,250
<b>Licensee fee</b>	(0.08% x \$250,000)	\$200
<b>Transaction fees</b> (via aggregated trading)	(0.22% x \$123,750) + (0.22% x \$123,750)	\$544.50
<b>Adviser brokerage</b> (as negotiated and agreed with your adviser) – assumed 0.05%	(0.05% x \$123,750) + (0.05% x \$123,750)	\$123.75
<b>Foreign currency conversion fee</b>	(0.77% x \$247,500)	\$1,905.75
<b>Total fees and costs</b>	\$1,376.25 + \$1,250 + \$200 + \$544.50 + \$123.75 + \$1,905.75	\$5,400.25 = 2.16% of your account



### Example 3 – Investment in managed funds

Assume you invest in two managed funds of \$123,750 each:

Type of fee or cost	Calculation	Fee amount
<b>Management costs</b>	Percentage based administration fee: (0.15% × \$250,000) PLUS Account keeping fee: \$600 PLUS Cash management rate: (1.20% × \$2,500)	\$1,005
<b>Investment cost for each managed fund</b> – assumed 0.95%	(0.95% × \$123,750) + (0.95% × \$123,750)	\$2,351.25
<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>	\$1,005 + \$2,351.25 + \$1,250 + \$200 + \$44	\$4,850.25 = 1.94% of your account

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

Assume entire managed portfolio of \$247,500 is invested in Australian listed securities using our default broker:

Type of fee or cost	Calculation	Fee amount
<b>Management costs</b>	Percentage based administration fee: (0.15% × \$250,000) PLUS Account keeping fee: \$600 PLUS Cash management rate: (1.20% × \$2,500) PLUS Investment management fee (assumed 0.75%): (0.75% × \$247,500) PLUS Investment performance fee (assumed 10% and that the managed portfolio earns 1% over the benchmark): (1% × \$247,500) × 10%	\$3,108.75
<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% × \$247,500)	\$272.25
<b>Total fees and costs</b>	\$3,108.75 + \$1,250 + \$200 + \$272.25	\$4,831 = 1.93% of your account

# Fees and other costs

## Example 5 – Investment in term deposits

Assume you invest in one term deposit of \$247,500:

Type of fee or cost	Calculation	Fee amount
<b>Management costs</b>	Percentage based administration fee: (0.15% × \$250,000) PLUS Account keeping fee: \$600 PLUS Cash management rate: (1.20% × \$2,500)	\$1,005
<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	\$22
<b>Total fees and costs</b>	\$1,005 + \$1,250 + \$200 + \$22	\$2,477 = 0.99% of your account

### 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.

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