



Investment
Trends

WINNER

2023 Platform Competitive
Analysis and Benchmarking
Report

Best Platform Overall

HUB24



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2023 Platform Competitive
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Best Platform Managed
Accounts Functionality

HUB24

AN INVESTOR'S GUIDE TO MANAGED PORTFOLIOS

HUB²⁴



Managed portfolios combine some of the benefits of investing directly with professional investment management, within a structure that may be more cost effective and efficient than investing in shares or managed funds directly.

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TECHNOLOGY UNLOCKING VALUE

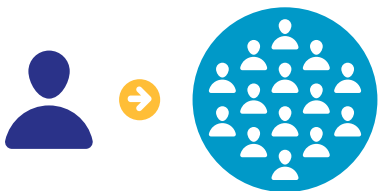
Over the last decade, investment management solutions available to you and your adviser have changed considerably, driven by evolving consumer needs and regulatory requirements.

The rise of technology has paved the way for the emergence of managed portfolios; an investment structure designed to unlock value through increased transparency, optimisable tax outcome functionality, and administration efficiencies.

SO WHAT ARE MANAGED PORTFOLIOS?

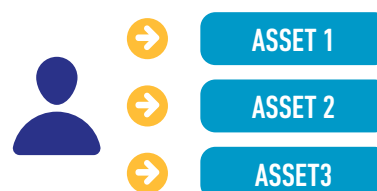
A managed portfolio (also known as a managed account or separately managed account) is simply a collection of assets managed on your behalf by a professional portfolio manager, which can be held as part of superannuation, or as an investment. While this concept is not new, managed portfolios offer a range of benefits and efficiencies which cannot be achieved by traditional managed funds.

MANAGED FUND



A managed fund is a form of unitised trust, where investor money is pooled as one to invest under an investment mandate and managed by professional asset managers. Investors own units in a trust rather than owning a beneficial interest in the underlying assets.

MANAGED PORTFOLIO

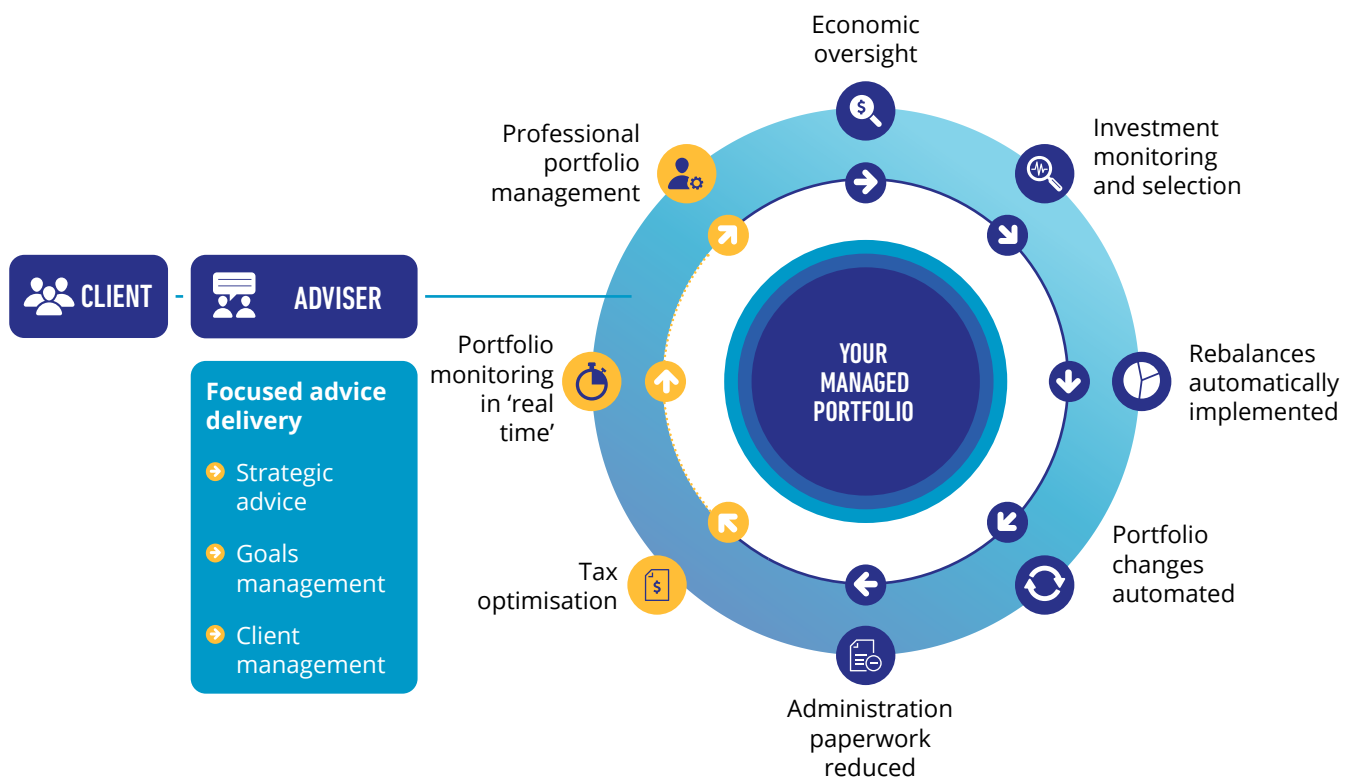


When managed portfolios are held in an investment account, investors typically own a beneficial interest in the underlying assets, rather than owning units in a trust (as is the case with a managed fund). When held in a superannuation account, the Trustee generally retains the beneficial interest of the underlying assets on the investor's behalf.

AN EFFICIENT ADVICE PROCESS

Every managed portfolio is different. Your adviser can select a managed portfolio to suit your specific needs, goals and risk preferences. These portfolios are professionally managed in-line with predetermined investment strategies.

Portfolio changes and rebalance instructions from the portfolio manager will be implemented for you automatically, ensuring your account is kept up to date, while saving you and your adviser time by reducing unnecessary paperwork.



Managed portfolios may reduce the need to complete advice paperwork whenever a rebalance or portfolio change is instructed by your portfolio manager, freeing up time for you and your adviser to focus on your goals and investment strategy.



A CLOSER LOOK AT SOME OF THE POTENTIAL BENEFITS



TRANSPARENCY

Managed portfolios give you enhanced transparency of your underlying holdings, providing a richer understanding of your portfolio. This gives you a greater understanding of what you're invested in and helps your adviser to explain complex advice strategies and portfolio changes.



TIMELY, PROFESSIONAL PORTFOLIO MANAGEMENT

With a broad choice of portfolio options from leading portfolio managers, your investment is professionally monitored and updated. Portfolio instructions from the portfolio manager are implemented for you automatically, ensuring your account is kept up to date, taking full advantage of the latest expert management.



REDUCED PAPERWORK AND SAVING TIME

Managed portfolio changes which are in-line with your standing instructions automatically flow through to your account. This may reduce the need to complete advice paperwork whenever a rebalance or portfolio change is instructed by your portfolio manager, freeing up time for you and your adviser to focus on your goals and investment strategy.



FLEXIBILITY – TAILORED TO YOU

Some managed portfolios can be customised to suit your needs, goals and risk preferences. For example, you and your adviser may wish to swap out one or more securities for another, or for cash. This flexibility allows you and your adviser to implement investment strategies reflecting your individual preferences, and can help when applying ethical, social, or other important factors.



OWNERSHIP OF THE UNDERLYING ASSETS

One of the key benefits of a managed portfolio held as an investment is that you typically hold beneficial ownership of the underlying investments, rather than owning units in a fund. When managed portfolios are held within your superannuation account, the Trustee generally maintains the beneficial ownership of the underlying assets on your behalf. In practical terms, this can help your adviser manage, and in some cases minimise, transaction costs and tax obligations associated with your account.



TAX OPTIMISATION

Any tax obligations arising from portfolio changes are individual and are not part of a pooled outcome, like a managed fund.¹ With some platforms (like HUB24) your adviser may have the ability to manage tax outcomes in a way that suits your needs and personal circumstances. This may save you money and in turn help you grow more wealth over time by saving and reinvesting what may have otherwise been paid in tax.

¹ Excluding managed fund assets.

HOW TO CHOOSE A MANAGED PORTFOLIO PROVIDER

It's important to understand that no two managed portfolio administration platforms are the same, and they play a crucial role in delivering value to your investment. Advisers typically choose a platform administrator based on the following four factors: Experience, Technology, Functionality, and User Experience.



EXPERIENCE

While some administration platforms have been around for a long time, the addition of managed portfolio functionality can be relatively new. Innovative platforms like HUB24 have been purpose built for managed portfolios and have specialised experience in this area for well over a decade.



FUNCTIONALITY

While many administration platforms may look similar, functionality will vary significantly. Innovative managed portfolio functionality can create real value for investors, by providing portfolio managers and advisers with the tools they need to deliver improved investment outcomes.



TECHNOLOGY

Innovative technology and an ongoing commitment to enhancements and future platform development is crucial. Some platforms have in-house technology resources while others may choose to outsource their technology needs.



USER EXPERIENCE

Your adviser will choose a platform based on user-friendly technology and systems that help them to manage your portfolio effectively and efficiently. Innovative online portals, mobile and desktop applications, and responsive customer support models combine to help you get the best results from your investment portfolio.

ABOUT HUB24

At HUB24, we're not part of a bank. So we can focus on connecting you and your adviser to a broad range of innovative investment solutions for your super, non-super and insurance needs.

HUB24 Limited (ABN 87 124 891 685) is publicly listed on the ASX (ASX:HUB). We've been in the financial services industry for over 10 years and are recognised as one of the fastest growing platforms in the market.

Because we don't manufacture our own investment products, we can focus on bringing you the widest choice of professional investment and insurance options so you and

your adviser can tailor personalised solutions that work for you.

At HUB24, we see the opportunities and we challenge the status quo because we love what we do, and we want to make a difference for our customers. We are committed to staying agile and nimble so we can keep connecting you and your adviser to innovative solutions that can create opportunities.

IT'S NOT JUST US WHO THINKS SO ... HUB24 IS RECOGNISED ACROSS THE INDUSTRY AS A MARKET-LEADER



KEY TERMS

APL (APPROVED PRODUCT LIST)	A list of researched and licensee approved financial products from which advisers can select from when providing financial product advice recommendations.
BUY-SELL SPREAD	The buy-sell spread represents transaction costs incurred when buying or selling units in a Managed Fund (Scheme).
BID-ASK PRICE	The BID price of a stock is the price the market is prepared to pay for a stock. ASK is the price the market is prepared to sell a stock.
CGT (CAPITAL GAINS TAX)	Capital gains tax is the tax on the profit realized from the sale of investment asset which may include stocks, bonds, real estate, and property assets.
CUSTODIAN	A custodian is a legal entity that holds physical possession, legal oversight, and responsibility for the management of your financial assets. Custody involves holding assets in trust, on your behalf, for safe-keeping.
DIVERSIFICATION	Allocating investments in a way that reduces the exposure to any one stock or asset to minimise risk.
ETF (EXCHANGE TRADED FUND)	A pooled fund of diversified securities that tracks an index and trades like a single stock on an exchange.
FIFO (FIRST IN, FIRST OUT)	A tax method in which assets acquired first are sold or disposed of first.
IDPS (INVESTOR DIRECTED PORTFOLIO SERVICE)	An investment structure used to provide access to a wide variety of investment assets including managed investments, shares, fixed interest, and cash investments, through the one offering. A key advantage of this is that reports are prepared for investors in one statement.
IN SPECIE TRANSFER	Transferring an asset 'in specie' means to transfer the ownership of that asset from one entity to another entity in its current form without the need to convert the asset to cash.
INDEX	A basket of securities representing a market or sector.
LIC (LISTED INVESTMENT COMPANY)	An LIC is a close-ended investment vehicle (company) that pools investors' money in a similar way to a fund to buy assets such as cash, shares, bonds, and listed property trusts. An LIC can trade at a premium or discount to its net tangible assets based on market conditions and supply demand.
MANAGED PORTFOLIO	A collection of assets (super or investment) managed by a professional portfolio manager. When you invest in a managed portfolio, you own a beneficial interest in the underlying assets, rather than units in a fund. This gives you greater levels of transparency, flexibility, and control, and may allow for your adviser to optimise cost and tax outcomes for your account.
MASTER TRUST	An investment vehicle that collectively manages a range of pooled investments under one structure.
MAX GAIN	A tax method in which disposals of assets are allocated against the parcels that will generate the highest taxable gain
MIN GAIN	A tax method in which disposals of assets are allocated against parcels that generate the lowest capital gain.

MIS (MANAGED INVESTMENT SCHEME)	A scheme where investors acquire units and rights to benefits produced by the scheme. Investments are pooled to produce financial benefits for the members of the scheme, but members do not have control over the day-to-day operation of the scheme.
NETTING	A method of reducing credit, settlement and other risks of financial contracts by aggregating (combining) two or more obligations to achieve a reduced net obligation.
PORTFOLIO MANAGER	A professional manager responsible for investment strategy, investment selection and portfolio trading activities.
PDS (PRODUCT DISCLOSURE STATEMENT)	A document that financial service providers must provide to investors when offering a financial product. It must include information about product key features, fees, commission, benefits, risks and complaints handling procedure.
RE (RESPONSIBLE ENTITY)	A licensed entity or body that holds responsibility for operating a managed investment scheme.
ROA (RECORD OF ADVICE)	A document that records the advice given by a licensed financial adviser. Similar to a Statement of Advice (SOA) but shorter and less formal. Often given to existing clients to confirm changes to, or implementation of, advice provided in a previous SOA.
SOA (STATEMENT OF ADVICE)	A document that sets out the advice given to an investor by their licensed financial adviser. It must include the basis on which the advice is given, details of the providing entity, and information on any payments or benefits the adviser or licensee may receive.
TRUSTEE	A bank or trust company appointed to act in a fiduciary capacity to execute the duties of a trust.
UNITS	A combination of securities or types of securities packaged together and bought and sold as one.
WRAP ACCOUNT	Wrap accounts enable investor to conveniently hold all their managed funds and direct share assets together in the one structure, providing ease of transactions and consolidated reporting into a consolidated financial statement or report.

GENERAL ADVICE WARNING

The information in this document is intended to be general information only and not financial product advice. It does not take into account your individual objectives, financial situation, needs or circumstances. Accordingly, the viewer should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Disclosure documents for HUB24 Invest and HUB24 Super are available at www.hub24.com.au. It is important to consider these documents before making a recommendation about a financial product. Past performance is not indicative of future performance. No representations or warranties express or implied, are made as to the accuracy or completeness of the information contained in this document. To the maximum extent permitted by law, neither HUB24 nor its directors, employees or agents accept any liability for any loss arising in relation to this document.

IMPORTANT INFORMATION

This document has been prepared by HUB24 Custodial Services Ltd (ABN 94 073 633 664, AFSL 239 122) (HUB24) and is current as at the date of issue. HUB24 is the operator of HUB24 Invest (an investor directed portfolio service) and a promoter and service provider of HUB24 Super which is a regulated superannuation fund. The trustee and issuer of interests in HUB24 Super Fund is HTFS Nominees PTY Limited (ABN 78 000 880 553, AFSL 232500, RSE L0003216). This document must not be copied or reproduced without the prior written consent of HUB24. If you require additional assistance, please call: 1300 854 994. © HUB24