

Material Event Notice

Dated: 10 November 2023

Product website: hub24.com.au/product/investments/

Issued by: HUB24 Custodial Services Ltd (ABN 94 073 633 664, AFSL 239 122) ('HUB24', the 'Operator', 'we', or 'our') as Operator and Custodian of HUB24 Invest ('the Service') and should be read together with the updated disclosure documents.

This Material Event Notice ('Notice') dated 10 November 2023, provides important information about your HUB24 Invest account ('the Service'). These changes are set out in Part I and Part II of the new Investor Directed Portfolio Service Guide ('IDPS Guide'), IDPS Contract and Target Market Determination ('TMD') (collectively 'Disclosure Documents') for HUB24 Invest issued on 10 November 2023.

The new Disclosure Documents will be available from 10 November 2023 through the product website, by contacting your adviser or the Operator. The changes outlined in this Notice will take effect from 10 November 2023 unless otherwise stated in this Notice.

It is important you review the changes detailed within this Notice, along with the new Disclosure Documents, to understand what these changes mean for you. You may also like to discuss them with your adviser to determine how they may personally affect you.

If you have any questions in relation to these changes or would like further information, please contact your adviser or the Client Services team on 1300 854 994 or email us at admin@hub24.com.au.

Capitalised terms in this Notice will have the same meaning as referred to in the Disclosure Documents.

Unless otherwise stated all the fees and costs shown in this Notice as expressed as inclusive of Goods and Services Tax ('GST') and net of any reduced input tax credits ('RITCs').

Summary of changes

As part of our ongoing commitment to deliver innovative solutions that empower better financial futures, we've made several changes to the Service. These changes are summarised below:

	What's changed:	Relevant section:
PRODUCT UPDATES	Introduction of the HUB24 Discover Menu	Section 1: 'HUB24 at a glance', under the heading 'Investment Choices' in the new IDPS Guide Part I
	New investment option: Foreign currency ¹	Section 5: Your investment choices, under the heading 'Foreign currency' in the new IDPS Guide Part I
	New investment option: Longevity products	Section 5: Your investment choices, under

¹ Foreign currency is not available at the date of this Notice. Foreign currency is expected to be available from February 2024. Please refer to the Investment Booklet on the product website or via InvestorHUB for the most up to date information at any time. We will also issue a notice via InvestorHUB to let you know when foreign currency is available.

		the heading 'Longevity products' in the new IDPS Guide Part I
	Unlisted domestic fixed income securities ²	Section 5: Your investment choices, under the heading 'Unlisted domestic fixed income securities' in the new IDPS Guide Part I
	Bespoke trading service	Section 6: Efficient trading choices, under the heading 'Bespoke trading' in the new IDPS Guide Part I 'Fees and other costs', under the heading 'Activity fees' in the new IDPS Guide Part II
	Managed portfolio and US listed securities will be available to non-resident investors ³	Section 9: Tax, under the heading 'Non-resident investors' in the new IDPS Guide Part I
	Changes to the administration and account keeping fees	'Fees and other costs' in the new IDPS Guide Part II
	Changes to how the expense recovery fee is calculated and when it is collected.	'Fees and other costs' in the new IDPS Guide Part II
	A foreign currency fee up to 1.75% p.a. will apply to the Australian dollar value of any foreign currency held.	'Additional explanation of fees and costs' in the new IDPS Guide Part II
OTHER UPDATES	Digital consent ⁴	Section 8: Operating your account, under the heading 'Digital consent' in the new IDPS Guide Part I
	Pay anyone ⁵	Section 8: Operating your account, under the heading 'Pay anyone' in the new IDPS Guide Part I
	Operator discretion	Section 10: General information, under the heading 'Operators discretion' in the new IDPS Guide Part I
	Other disclosure updates	Section 10: General information in the new IDPS Guide Part I

Further details on these changes are provided below.

Product updates

Introduction of the HUB24 Discover Menu

A new menu option has been introduced - the Discover Menu. The new Discover Menu complements our existing Core and Choice Menus and provides investors with access to a select range of managed portfolio options. The Discover Menu has been designed for investors with less complex needs.

For more information, please refer to Section 1: 'HUB24 at a glance', under the heading 'Investment Choices' in the new IDPS Guide Part I. Also refer to the headings 'Fees and costs summary' and 'Fees and other costs' in the

² Limited to wholesale clients only, as defined by the *Corporations Act 2001* (Cth).

³ This product enhancement is not available at the date of this Notice. It is expected to be available from March 2024. We will issue a notice via InvestorHUB to let you know once this change has been made.

⁴ Digital consent is not available at the date of this Notice. Digital consent is expected to be available from December 2023. We will issue a notice via InvestorHUB to let you know once available.

⁵ Pay anyone is not available at the date of this Notice. Pay anyone is expected to be available from December 2023. We will issue a notice via InvestorHUB to let you know once available.

new IDPS Guide Part II for information regarding the fees and costs associated with the Discover Menu. You can also refer to the 'Discover Managed Portfolio Product Disclosure Statement' ('PDS') which can be accessed via the product website, through InvestorHUB or from your adviser, for information regarding the managed portfolio options available and the associated fees.

Foreign currency⁶

We will be introducing foreign currency as a new investment option, accessible via the Choice Menu. Refer to Section 5: 'Your investment choices', under the heading 'Foreign currency' in the new IDPS Guide Part I for further information.

For an up-to-date list of investment options available, including a list of available foreign currencies, please refer to the applicable Investment Booklet.

Longevity products

A longevity product is now available through the Choice Menu. Longevity products are generally investment-based and are supported by a life insurance policy. These products are designed to provide an agreed income stream throughout your retirement until death, to help manage income and longevity risks during retirement.

Each longevity product has its own set of risks and features, which you and your adviser should carefully consider prior to making a decision to invest.

Refer to Section 5: 'Your investment choices', under the heading 'Longevity products' in the new IDPS Guide Part I for further information.

For an up-to-date list of investment options available, including information regarding the longevity products available, please refer to the applicable Investment Booklet.

Unlisted domestic fixed income securities

Unlisted domestic fixed income securities are available through approved fixed income brokers and to wholesale clients only, as defined by the *Corporations Act 2001* (Cth), through the Choice Menu.

Access to unlisted domestic fixed income securities is limited to advisers from approved financial services licensees.

Refer to Section 5: Your investment choices, under the heading 'Unlisted domestic fixed income securities' in the new IDPS Guide Part I for further information.

Where you hold unlisted fixed income securities, they will be subject to the tiered administration fee and an external settlement fee of \$22 may be charged for each unlisted domestic fixed income security transacted. The external settlement fee will be deducted from your cash account the at the time the settlement transaction is processed.

For information regarding the fees and costs that apply, refer to Part II of the new IDPS Guide – Fees and other costs, under the heading 'Other fees'.

⁶ Foreign currency is not available at the date of this Notice. Foreign currency is expected to be available from February 2024. Please refer to the Investment Booklet on the product website or InvestorHUB for the most up to date information at any time. We will also issue a notice via InvestorHUB to let you know once available.

Bespoke trading service⁷

A bespoke trading service will initially be available to approved portfolio managers in relation to Australian listed securities.

This service will be offered in addition to the aggregated trading service, direct market trading service or trading through your broker.

Brokerage of up to 0.33% of the trade value will apply where a portfolio manager uses the bespoke trading service.

Refer to the Additional explanation of fees and costs section under the heading 'Activity fees' in Part II of the new IDPS Guide as well as Section 6: Efficient trading choices in Part I, under the heading 'Bespoke trading' in the new IDPS Guide Part I for further information.

After the initial roll out it is our intention to offer this service in relation to Australian listed security trades via your adviser.

Managed portfolios and international listed securities will be available to non-resident investors⁸

We'll be making the Service more accessible to non-resident investors by providing them with access to managed portfolios and international listed securities. Note that this change will not apply to US residents who reside in the US.

US residents who reside in the US will continue to be able to establish HUB24 Invest accounts, however they remain unable to invest in managed portfolios or US listed securities where they reside in the US.

If your residency status changes it is important that notify us as soon as possible due to the applicable tax consequences that apply.

Refer to Section 9: Tax, under the heading 'Non-resident investors' in the new IDPS Guide Part I for further information.

Changes to the tiered percentage administration fee and account keeping fee

We continually review our Service to ensure it remains competitive, and as a result, we've reduced the tiered percentage administration fees. Please note that these new disclosed tiered administration fees may differ to the administration fees that apply to your account. To view your account administration fees, including any fee discounts that currently apply to you, click on Account Menu > Fee Details in InvestorHUB.

We have also made some changes to the account keeping fee and have introduced an account keeping fee on the Core Menu and have increased the account keeping fee on the Choice Menu. It is important to note that as an existing investor, these account keeping changes will not apply to you.

⁷ The bespoke trading service will be available pursuant to the terms of the relevant agreement between the portfolio manager or your adviser and us.

⁸ This product enhancement is not available at the date of this Notice. It is expected to be available from March 2024. We will issue a notice via InvestorHUB to let you know once this change has been made.

You can view these updated fees in the 'Fees and other costs' section in the new IDPS Guide Part II.

Expense recovery fee changes

We've changed the approach to how the expense recovery fee is calculated and paid.

The expense recovery fee will now be calculated based on the daily weighted average of your total account balance during the preceding quarter and deducted quarterly in arrears. The expense recovery fee was previously deducted annually in arrears and calculated at the time the fee was deducted.

To implement this change, the first quarterly expense recovery fee deduction will occur in January 2024 and will comprise the two prior quarters fees, covering the September and December 2023 quarters, given expense recovery fees have only been deducted up to the period ending 30 June 2023. Following this initial adjustment to the new process, the expense recovery fee will then be deducted following the end of each quarterly period going forward.

Refer to 'Fees and costs summary' and 'Fees and other costs' in Part II of the new IDPS Guide for more information on the expense recovery fee.

Foreign currency fee

Previously the foreign currency fee was equal to the rate of foreign currency interest received. From 10 November 2023, the foreign currency fee will be a fee of up to 1.75% p.a. based on the Australian dollar value of any foreign currency held. The foreign currency fee is calculated daily and payable monthly in arrears from any interest received in relation to the foreign currency, before the foreign currency interest is credited to your account. The foreign currency fee will apply to any foreign currency held, whether it be held direct or within a managed portfolio option.

For more information regarding the foreign currency fee, please refer to the 'Fees and costs summary' and 'Fees and other costs' in the Part II of the new IDPS Guide. You can also refer to the relevant Managed Portfolio PDS for the fees and costs associated with each managed portfolio option.

Other updates

Digital consent⁹

The new IDPS Guide introduces digital consent and provides examples where we may require your digital consent before proceeding with a specific request or transaction. Your consent might be necessary to confirm various transactions (such as requests to change your nominated bank account, add a new pay anyone account, initiate a withdrawal or payment request, or updates to your adviser service fees, initiated by your adviser).

To prevent any delays in processing these transactions once digital consent is available, please ensure your contact information, including your mobile number and email address, is current and accurate.

Refer to Section 8: 'Operating your account', under the heading 'Digital Consent' in the new IDPS Guide Part I for further information.

⁹ Digital consent is not available at the date of this Notice. Digital consent is expected to be available from December 2023. We will issue a notice via InvestorHUB to let you know once available.

Pay anyone¹⁰

The new IDPS Guide introduces a pay anyone facility. This will allow you to make withdrawals from your cash account and have the money paid into any Australian bank account specified.

This facility, once available, can be set up on your account by you or by your adviser. Digital consent or confirmation will be required when a new pay anyone account is set up, or a new withdrawal or payment is submitted.

Refer to Section 8: 'Operating your account', under the heading 'Pay anyone' in the new IDPS Guide Part I for further information.

Operator discretion

The IDPS Guide Part I now includes specific information relating to our discretion as Operator of the Service. We exercise our rights, discretions, and powers as set out in the IDPS Guide, having regard to your interests and our legitimate business interests, acting appropriately.

Refer to Section 10: General information, under the heading 'Operators Discretion' in the new IDPS Guide Part I for further information.

You will notice updated references throughout the new IDPS Guide that refer to the Operator's discretion.

Other disclosure updates

We have also made some general updates to the following sections within the new IDPS Guide to ensure currency:

- Privacy
- Anti-Money Laundering/Counter-Terrorism Financing
- Investor Identification Requirements
- What We Do in The Event of Your Death
- Risks associated with the Service
- Cash account, interest accruals and the cash management fee
- Publishing and notification of disclosure documents

Refer to Section 10: General information in the new IDPS Guide for further information.

General advice warning

The information contained in this Notice is general information only and doesn't take into account your personal objectives, financial situation, needs or circumstances. Before acting on this information, you should consider its appropriateness, having regard to your personal objectives, financial situation, needs and circumstances.

Before you make any decision about whether to acquire or continue to hold the product or an investment available in the Service, you should consider the IDPS Guide and other information incorporated by reference, which is referred to in the IDPS Guide. The IDPS Guide and the documents incorporated by reference are available from your adviser, on the product website or by contacting the Client Services team by calling 1300 854 994.

¹⁰ Pay anyone is not available at the date of this Notice. Pay anyone is expected to be available from December 2023. We will issue a notice via InvestorHUB to let you know once available.

For more information

- You can obtain the new Disclosure Documents from your adviser, the product website or via InvestorHUB.
- Contact your adviser if you have any questions in relation to these changes and how they may personally affect you.
- Contact our Client Services team on 1300 854 994 or email us at admin@hub24.com.au for further general information about these changes.