

Product Update for Executive Choice Investments - Super

Dated: 1 April 2019

Product website: hub24.com.au/ECInvest

Issued by: Diversa Trustees Limited (ABN 49 006 421 638, AFSL 235 153, RSE License No. L0000635) as Trustee of the HUB24 Super Fund (ABN 60 910 190 523, RSE R1074659, USI 60 910 190 523 001) and should be read together with the updated disclosure documents.

Administrator: HUB24 Custodial Services Ltd ('HUB24', 'Administrator') (ABN 94 073 633 664, AFSL 239 122)

Effective 1 April 2019, a new Part I and Part II of the Product Disclosure Statement (PDS) and Additional Information Booklet (Information Booklet) for Executive Choice Investments - Super (the product) are now available. Detailed below are some important changes that may apply to your account(s) in the Fund.

The new PDS and Information Booklet will be available from 1 April 2019 through the product website, by contacting your financial adviser or the Administrator. The changes outlined in this notice will automatically take effect from 1 April 2019 unless otherwise stated.

It is important you review the changes detailed within this notice, along with the new PDS and Information Booklet, to understand how they may affect your account(s) in the Fund. You may also like to discuss them with your financial 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 financial adviser or the HUB24 Client Services team on 1300 854 994 or email us at admin@hub24.com.au

Summary of changes

We're committed to continually enhancing our product to connect you to innovative solutions that help create wealth, so the PDS and Information Booklet have been updated to incorporate the following changes:

PRODUCT UPDATES	We're reducing or removing selected fees within the product: <ul style="list-style-type: none"> • Reduced administration fees on international listed securities • Reduced foreign currency conversion fees • Removal of term deposit transaction fees • Removal of in-specie transfer inbound fees for managed funds, Australian securities and international securities • Removal of group insurance establishment fees • Removal of individual insurance administration fees
	You will now effectively pay less GST for adviser fees, licensee fees and investment management fees, because you will receive the benefit of any Reduced Input Tax Credits (RITC) on these fees in your account.
	Increase to Cash Management Fee (previously referred to as 'Cash Management Rate')
	Increase to expense recovery rate
	General disclosure updates in relation to:

This update has been prepared by HUB24 Custodial Services Ltd (ABN 94 073 633 664) (AFS Licence No 239 122) as Administrator of the HUB24 Super Fund (ABN 60 910 190 523, RSE R1074659). This document should be read in conjunction with the current Super PDS (Part I and Part II), Additional Information Booklet, other incorporated information and the HUB24 Financial Services Guide.

	<ul style="list-style-type: none"> - Adviser fees relating to you - Netting in relation to managed fund investments accessible through the Fund - What will happen if you no longer have an authorised adviser? - Examples that illustrate how the total fees and costs incurred in the first year of investment vary depending on the investments you choose. - Protecting Your Super Act
--	---

Further details on these changes are provided below.

Product updates

The removal and reduction of selected fees

We are removing or reducing the following fees making it more cost-effective for you to access international securities and in some cases transact.

Executive Choice Investments - Super		
Type of fee or cost	Current fee	New fee
Administration fee – if you invest in international listed securities	0.15% p.a. of the Australian dollar value of the international listed securities that you hold in your account will apply.	0.10% p.a. of the Australian dollar value of the international listed securities that you hold in your account will apply.

Activity type	Current fee	New fee
Transacting in managed funds	Up to \$38.50 per managed fund for in specie transfers in or out	Nil.
Transacting in Australian listed securities	Up to \$27.50 per security for in specie transfers in or out	Nil.
Transacting in international listed securities	Up to \$27.50 per security for in specie transfers in or out	Nil.
Transacting in term deposits	\$22 per term deposit trade (buy or maturity)	Nil
Commencing or changing group insurance cover	Insurance establishment fee of \$66	Fee has been removed
Commencing or changing individual insurance	Insurance administration fee of \$60 p.a. for each policy that has premiums deducted from your account.	Fee has been removed

This update has been prepared by HUB24 Custodial Services Ltd (ABN 94 073 633 664) (AFS Licence No 239 122) as Administrator of the HUB24 Super Fund (ABN 60 910 190 523, RSE R1074659). This document should be read in conjunction with the current Super PDS (Part I and Part II), Additional Information Booklet, other incorporated information and the HUB24 Financial Services Guide.

Foreign currency conversion fee	Transaction fee of up to 0.77% applies to the value of any international listed security trades, income receipts, corporate actions and any other transactions that require a conversion from one currency to another.	Nil
---------------------------------	--	-----

We're moving to an inclusive of Goods and Services Tax (GST) and net of Reduced Input Tax Credits pricing model across the majority of fees

We're moving to an inclusive of GST and net of Reduced Input Tax Credits (RITC) pricing model across the majority of fees. Unless otherwise stated in this notice there will be **no increase** to the fees paid by you for the product, however, this change means you will effectively pay less GST on adviser fees, licensee fees and investment management fees on managed portfolios; receiving the benefit of reduced input tax credits (RITC) at the time these fees are deducted from your account.

So, if for example you invest in a managed portfolio with an investment management fee of 0.55% p.a. (**inclusive of GST**), the investment manager will continue to receive the full fee of 0.55% p.a. (**inclusive of GST**), however, you will only be charged a fee of 0.5125% p.a. (**inclusive of GST and net of RITC**) from your account. This represents a 75% discount on the GST payable on the fee through claiming the benefit of RITC. This means, on a \$50,000 investment, the investment management fees you pay will reduce by \$18.75 p.a. (\$50,000 x 0.0375%). Please note that some fees attract a 55% discount on the GST payable.

This change also means that the Information on fees and other costs section in the PDS Part II are now expressed as inclusive of the GST and net of RITC, unless otherwise stated.

For more information refer to the section 'Additional explanation of fees and costs' under the heading **Tax** within the PDS Part II – Information on fees and other costs.

Increase to Cash Management Fee (previously referred to as 'Cash Management Rate')

The Cash Management Fee is the amount the administrator earns in relation to its cash management activities.

From 1 May 2019, the Cash Management Fee that HUB24 can receive will increase from an estimated amount of 1.20% p.a. to **an amount of up to 1.75% p.a.** The actual amount may vary (i.e. be less) depending on the amount of interest earned on the omnibus accounts held with applicable Australian banks or other authorised deposit taking institutions (ADIs) and the amount of interest payable to you in respect of your Cash Holdings. This change will not affect the way the interest rate is calculated on your Cash Holdings. To find out the current interest rate payable in respect of your Cash Holdings refer to the product website.

So, if for example you have an account balance of \$50,000 of which \$625 is held in the cash account to maintain the minimum cash account balance of 1.25%, the amount you pay as a cash management fee will increase by

This update has been prepared by HUB24 Custodial Services Ltd (ABN 94 073 633 664) (AFS Licence No 239 122) as Administrator of the HUB24 Super Fund (ABN 60 910 190 523, RSE R1074659). This document should be read in conjunction with the current Super PDS (Part I and Part II), Additional Information Booklet, other incorporated information and the HUB24 Financial Services Guide.

\$3.44 p.a. ($\$625 \times 0.55\%$) from 1 May 2019. Importantly, there will be no change in the way the interest rate in respect of your Cash Holdings is calculated as a result of this change, however as always rates are subject to change.

For more information refer to the section 'Additional explanation of fees and costs' under the heading **Administration fee – Cash management fee** within the PDS Part II – Information on fees and other costs.

Increase to expense recovery rate

From 1 May 2019, the expense recovery rate for the product will increase from 0.01% p.a. to 0.035% p.a.

So, if for example you have an account balance of \$50,000, the amount you pay as an expense recovery will increase by \$12.50 p.a. ($\$50,000 \times 0.025\%$) from 1 May 2019.

It's important to note that expense recovery rate now applies to the first \$1,000,000 of your account balance only.

For more information refer to the section 'Additional explanation of fees and costs' under the heading **Administration fee – Expense recovery** within the PDS Part II – Information on fees and other costs.

Updates to disclosure in relation to Adviser fees relating to you

We've updated the disclosure for Ongoing adviser fees, Adviser portfolio management fees and, if applicable, Licensee fees, giving you better clarity on the percentage based limits which apply. For example, where you specify an Ongoing adviser fee as a percentage figure, the fee will be calculated on your total account balance, **up to a maximum of 2.2% p.a.** You may also agree to a dollar based fee amount, however, the Trustee has the right to reject the fee amount. The amount payable is agreed between you and your adviser.

For more information refer to the section 'Additional explanation of fees and costs' under the heading **Adviser fees relating to you** within the PDS Part II – Information on fees and other costs.

Updates to disclosure for netting in relation to managed fund investments accessible through the Fund

When carrying out a managed fund transaction, the Administrator may offset your instructions to buy or sell assets against both your and other members' instructions to buy or sell those assets, so that only net transactions are acted on. This process is known as 'netting'.

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

Updated examples that illustrate how the total fees and costs incurred in the first year of investment vary depending on the investments you choose

We've improved the fee and costs examples within our disclosure documents. The new examples more accurately reflect how an account is invested, by showing how the fees and costs for the product are incurred across a range of different investment options.

To see the new fee examples, refer to the section 'How do the fees for the product and the underlying investments work?' within the PDS Part II – Information on fees and other costs.

Updates to disclosure within the Additional Information Booklet

We have also made updates in the Additional Information Booklet in relation to:

- Group insurance in Section 6 – Insurance in your super
- 'What will happen if you no longer have an authorised adviser?' in Section 8 – Additional information
- Protecting Your Super Act changes

For more information about these updates refer to the latest Additional Information Booklet available by contacting your adviser, the administrator or via InvestorHUB.

General advice warning

The information contained in this update 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 Fund, you should consider the PDS and other information incorporated by reference, which is referred to in the PDS. The PDS and the documents incorporated by reference are available from your adviser, on the product website or by contacting the HUB24 Client Services team by calling 1300 854 994.

For more information

- Obtain the updated disclosure documents for the Fund from your adviser, us or InvestorHUB.
- Contact your financial adviser.
- Contact HUB24 Client Services team on 1300 854 994 or email us at admin@hub24.com.au for further general information about these changes.