

## Changes to Evolve Managed Accounts

Date: 25 September 2023

Product website: [www.xplorewealth.com.au](http://www.xplorewealth.com.au)

This Material Event Notice ('Notice') dated 25 September 2023 provides important information about the upcoming changes to Evolve Managed Accounts.

The changes outlined in this Notice will take effect on or after 27 October 2023.

This Notice is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235 150 ('Responsible Entity', 'we', 'our', 'us'), the Responsible Entity of the registered IDPS-like managed investment scheme known as Xplore Managed Account ARSN 128 111 857 ('Scheme').

This Notice relates to the classes of interest in the Xplore Managed Account known as Evolve Managed Accounts.

From 27 October 2023, your Account in Evolve Managed Accounts will be moved to and supported on a new technology platform (HUB24 Platform, powered by HUB24 Custodial Services Limited ABN 94 073 633 664 a wholly owned subsidiary of HUB24 Limited ABN 87 124 891 685 ('HUB24')). Your Account will still be with the Evolve Managed Accounts, however, some things will change. Also, effective on or around 27 October 2023, a new Product Disclosure Statement ('PDS'), Target Market Determination ('TMD') and Investment Menu (collectively 'Disclosure Documents') will be available for Evolve Managed Accounts. The Disclosure Documents will be available on or around 27 October 2023, and will be accessible through the product website, by contacting your Financial Adviser or the Administrator. The changes outlined in this Notice will automatically take effect on or after 27 October 2023 unless otherwise stated by us.

It is important you carefully read the contents of this Notice to understand how these changes may affect your Account(s) in Evolve Managed Accounts. 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 this Notice or would like further information, please contact your Financial Adviser or the Evolve Managed Accounts Client Services team by emailing [XPL-support@HUB24.com.au](mailto:XPL-support@HUB24.com.au) or calling 1300 854 994.

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').

### Why are you receiving this Notice?

You are receiving this Notice, to inform you that your Account in the Evolve Managed Accounts is being moved to a new online technology platform, powered by HUB24, on or after 27 October 2023 and as a result of this new online technology platform ('HUB24 Platform') there will be some changes to your Account that we need to update you about.

In addition, as a result of the migration of your Account in the Evolve Managed Accounts to the HUB24 platform, there will also be new Disclosure Documents issued for Evolve Managed Accounts available on or around 27 October 2023, which will apply to you.

**No action is required by you at this time. We will provide you with more information on any action required by you once your Account has moved to the HUB24 Platform.**

## Summary of changes

The below table contains a summary of the changes that will occur on or after 27 October 2023, once your Account has moved to the HUB24 Platform. The HUB24 Platform is one of the fastest growing platforms in the market and is recognised for providing choice and delivering innovative product solutions for clients and advisers. Advisers have rated HUB24 as the Best Overall Platform and Best Managed Accounts offer<sup>1</sup>.

For more detail regarding the changes outlined below, you should refer to the relevant sections (with corresponding headings) later in this Notice. You should also refer to the new Evolve Managed Accounts Disclosure Documents, which will be available on or around 27 October 2023, accessible from your Financial Adviser, on the product website at [www.xplorewealth.com.au/investment-and-superannuation-wrap-solutions](http://www.xplorewealth.com.au/investment-and-superannuation-wrap-solutions) or by contacting the Evolve Managed Accounts Client Services team by emailing [XPL-support@HUB24.com.au](mailto:XPL-support@HUB24.com.au) or calling 1300 854 994.

### Key Changes – Please refer below for more detailed information on these changes

<b>Investments</b>	<ul style="list-style-type: none"> <li>The Managed Portfolios and underlying investments you hold won't change, except if you are invested in the TMS High Conviction Portfolio. The underlying investments of the TMS High Conviction Portfolio will cease to be held within the Managed Portfolio structure and will be held in your Account as a direct investment in each of the underlying investments.</li> <li>You will also have access to a broad range of Investment Options.</li> </ul>
<b>Administration fees and costs</b>	<ul style="list-style-type: none"> <li>If you were invested in the TMS High Conviction Portfolio, the investment fees associated will no longer apply as the underlying investments will be held outside of a Managed Portfolio structure.</li> <li>The tiered administration fees and expense recovery fee will change.</li> <li>The cash holdings fee won't change.</li> </ul>
<b>Transaction and other fees</b>	<ul style="list-style-type: none"> <li>There will be some changes to some of the transaction fees that apply.</li> <li>The in specie transfer in fee will no longer apply, however there will be an in specie transfer out fee that applies.</li> <li>A foreign currency fee will apply to foreign currency held within a Managed Portfolio.</li> <li>A negative cash account fee will apply where your Cash Account balance is negative.</li> <li>Some new fees will apply, if you engage in the relevant transaction (refer to the "transaction and other fees" section for further information).</li> </ul>
<b>Advice fees</b>	<ul style="list-style-type: none"> <li>There will be no change to the fees you've agreed to pay to your Financial Adviser (unless you and your Financial Adviser agree to change them), with the</li> </ul>

<sup>1</sup> Investment Trends 2022 Platform Competitive Analysis and Benchmarking Report

	exception of any transaction fees you've agreed to pay to your Financial Adviser in relation to transactions within Managed Portfolios, these will no longer apply.
<b>Investment and cash minimums</b>	There will be changes to: <ul style="list-style-type: none"> <li>• Minimum amounts for withdrawals</li> <li>• Minimum trade sizes</li> <li>• Minimum cash balance.</li> </ul>
<b>Online experience</b>	Evolve Managed Accounts will move from the Xplore Wealth platform to the HUB24 Platform, which will give you: <ul style="list-style-type: none"> <li>• access to a new online portal (InvestorHUB) and a mobile app</li> <li>• enhanced reporting and online functionality.</li> </ul>
<b>Standing instructions on your Account</b>	<ul style="list-style-type: none"> <li>• Any instructions regarding regular contributions plans or direct debits on your Account will need to be remade or updated. We will provide your Financial Adviser with details of any standing instruction that needs updating.</li> </ul>
<b>Capital Gains Tax calculation methodology</b>	<ul style="list-style-type: none"> <li>• Your elected Capital Gains Tax ('CGT') calculation methodology will not change, unless you have elected an optimised CGT calculation methodology.</li> </ul>
<b>Temporary transaction freeze</b>	<ul style="list-style-type: none"> <li>• A temporary freeze on transactions between 5pm on 13 October 2023 and 13 November 2023 will apply.</li> </ul>

## Transfer of your Account to the HUB24 Platform

Your Account will be transferred to the HUB24 Platform on or after 27 October 2023. To facilitate this transfer, you will be issued with a new account number, which will be provided in a welcome email, that will include:

- your new account number, and
- details of how to log in to the new online portal, InvestorHUB, where you can access your Account; and
- new bank account details for any new or additional investments.

## Investments

If you are invested in the TMS High Conviction Portfolio, the underlying investments will become directly held investments, following the transfer of your Account to the HUB24 platform, and no longer held within a Managed Portfolio structure. As a result, any investment fees that were applicable to the TMS High Conviction Portfolio will no longer be charged.

Once your Account has transferred to the HUB24 platform, you will have access to a broad range of Investment Options, including:

- Managed funds,
- Managed Portfolios,
- Australian and international listed securities,

- Term deposits, and
- Cash.

The full list of available Investment Options will be set out in the new Investment Menu, which will be available on or around 27 October 2023, online at [www.xplorewealth.com.au/investment-and-superannuation-wrap-solutions](http://www.xplorewealth.com.au/investment-and-superannuation-wrap-solutions) or via InvestorHUB.

## Administration fees and costs<sup>2</sup>

The only changes to the administration fees and costs are outlined in the following table.

Type of fee or cost	Current rate (fees are inclusive of GST)	New rate (fees are inclusive of GST)																																			
<b>Investment fee</b>	An investment fee may apply to each Managed Portfolio.	If you are invested in the TMS High Conviction Portfolio, the investment fee will no longer apply, as the underlying investments will be held directly and outside of a Managed Portfolio. Investment fees for all other Managed Portfolios will continue to apply.																																			
<b>Administration fees</b>	<table border="1"> <thead> <tr> <th rowspan="2">Tier of Account balance</th> <th colspan="3">Investment type</th> </tr> <tr> <th>Australian Listed Securities &amp; Managed Funds</th> <th>International Listed Securities, Derivatives, Fixed Interest Securities &amp; any other asset</th> <th>Cash and Term Deposits</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$500,000</td> <td>0.330% p.a.</td> <td>0.440% p.a.</td> <td>Nil</td> </tr> <tr> <td>\$500,001 to \$1,000,000</td> <td>0.165% p.a.</td> <td>0.220% p.a.</td> <td>Nil</td> </tr> <tr> <td>\$1,000,001 to \$2,000,000</td> <td>0.110% p.a.</td> <td>0.110% p.a.</td> <td>Nil</td> </tr> <tr> <td>More than \$2,000,000</td> <td>0.055% p.a.</td> <td>0.055% p.a.</td> <td>Nil</td> </tr> </tbody> </table>	Tier of Account balance	Investment type			Australian Listed Securities & Managed Funds	International Listed Securities, Derivatives, Fixed Interest Securities & any other asset	Cash and Term Deposits	\$0 to \$500,000	0.330% p.a.	0.440% p.a.	Nil	\$500,001 to \$1,000,000	0.165% p.a.	0.220% p.a.	Nil	\$1,000,001 to \$2,000,000	0.110% p.a.	0.110% p.a.	Nil	More than \$2,000,000	0.055% p.a.	0.055% p.a.	Nil	<table border="1"> <thead> <tr> <th>Tier of total Account balance*</th> <th>Fee (p.a.)</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$250,000</td> <td>0.37%</td> </tr> <tr> <td>\$250,001 to \$500,000</td> <td>0.12%</td> </tr> <tr> <td>\$500,001 to \$1,000,000</td> <td>0.10%</td> </tr> <tr> <td>\$1,000,001 to \$2,000,000</td> <td>0.04%</td> </tr> <tr> <td>More than \$2,000,000</td> <td>Nil</td> </tr> </tbody> </table> <p>*The tiered administration fees above are applicable to all Investment types.</p> <p>A maximum administration fee of \$2,125 applies to each account.</p> <p><b>PLUS</b></p> <p>If you invest in international listed securities, either directly or through a Managed Portfolio, a fee of 0.10% p.a. of the Australian dollar value of the</p>	Tier of total Account balance*	Fee (p.a.)	\$0 to \$250,000	0.37%	\$250,001 to \$500,000	0.12%	\$500,001 to \$1,000,000	0.10%	\$1,000,001 to \$2,000,000	0.04%	More than \$2,000,000	Nil
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<sup>2</sup> The benefit of any Reduced Input Tax Credits claimed on this item are passed on to the Administrator. Refer to the 'Additional Explanation of Fees and Costs' section of the PDS for further information.

		international listed securities that you hold in your Account will apply.						
<b>Expense recovery fee<sup>3</sup></b>	Expenses passed on as incurred as referred to under Expense Recoveries.	<table border="0"> <tr> <td>Account balance</td> <td>Fee rate</td> </tr> <tr> <td>\$0 to \$1,000,000</td> <td>0.01% p.a.</td> </tr> <tr> <td>More than \$1,000,000</td> <td>Nil</td> </tr> </table> <p>A maximum of \$100 p.a. applies to the expense recovery fee</p>	Account balance	Fee rate	\$0 to \$1,000,000	0.01% p.a.	More than \$1,000,000	Nil
Account balance	Fee rate							
\$0 to \$1,000,000	0.01% p.a.							
More than \$1,000,000	Nil							

## Transaction and other fees<sup>2</sup>

The following table outlines changes to transaction fees and new other fees that will apply when the relevant type of fee or cost event occurs.

Type of fee or cost	Current rate (fees are inclusive of GST)	New rate (fees are inclusive of GST)
<b>Transacting in ASX-Listed Securities</b>	<p>Within a managed portfolio: 0.11% of the transaction value, subject to a minimum fee of \$3.30</p> <p>Outside a managed portfolio: 0.11% of the transaction value, subject to a minimum fee of \$22</p> <p>Corporate actions: Nil</p>	<p>Within a managed portfolio: 0.11% of the transaction value (no minimum fee)</p> <p>Outside a managed portfolio: 0.11% of the transaction value, subject to a minimum fee of \$11 when aggregated with other trades, and a minimum fee of \$22 for direct market trades</p> <p>Corporate actions: up to 0.11% of the transaction amount</p>
<b>Transacting in Listed International Securities</b>	<p>Within a managed portfolio: 0.22% of the transaction value, subject to a minimum fee of \$5.50</p> <p>Outside a managed portfolio: 0.22% of the transaction value, subject to a minimum fee of \$35 and expense recovery of up to \$45 per exchange</p> <p>Corporate actions: Nil</p>	<p>Within a managed portfolio: 0.22% (no minimum fee)</p> <p>Outside a managed portfolio: 0.22% of the transaction value, subject to a minimum fee of \$33</p> <p>Corporate actions: up to 0.22% of the transaction amount</p>
<b>Transacting in Managed Funds</b>	<p>Within a managed portfolio: \$5.50 per transaction</p> <p>Outside a managed portfolio: \$27.50 per transaction</p>	Nil
<b>In-specie Transfer</b>	<p>Transfer in: \$33 per managed fund</p> <p>Transfer out: Nil</p>	<p>Transfer in: Nil</p> <p>Transfer out: up to \$27.50 per listed security, up to \$38.50 per managed fund</p>

<sup>3</sup> Under its Constitution, the Responsible Entity has a general right to be reimbursed for all costs incurred in the course of its administration of Evolve Managed Accounts, which it can allocate proportionately across all accounts based on the value of assets in each account. Expense recoveries are expenses generally incurred in the day-to-day operation of Evolve Managed Accounts and include, but are not limited to, legal, compliance and related administration functions, accounting, printing, and audit fees.

Foreign currency	Nil	A foreign currency fee of up to 0.75% p.a. applies to the value of any foreign currency held within a Managed Portfolio.
Negative cash	Nil	The amount of the fee is equal to the interest rate applicable on positive Cash Account balances.

## Advice fees

Any existing adviser fee arrangements that you have currently agreed to with your Financial Adviser will continue when your Account is transferred to the HUB24 Platform. Where you have agreed to pay your Financial Adviser transaction fees on transactions within a Managed Portfolio, these will cease once your Account has been transferred to the HUB24 Platform.

## Investment and cash minimums

Following the transfer of your Account to the HUB24 Platform, the following minimums will apply.

Minimums	Current amount/date	New amount/date
Minimum contribution and withdrawal amounts, and key dates	Minimum contribution amount: \$100 per month, debited on the 15th of each month or the next Business Day Minimum withdrawal amount: no minimum, will be automatically credited to your nominated bank account as cleared funds on the 15 <sup>th</sup> day of each month (or nearest earlier Business Day)	Minimum contribution amount: \$100 per transaction, debited on the 20th of each month or the next Business Day Minimum withdrawal amount: \$100 per transaction, paid on the 10th of each month or the next Business Day
Minimum trade size	no minimum	ASX-listed securities: \$100 Managed funds: \$250 International listed securities: \$500 No minimum applies to trades within a Managed Portfolio
Minimum cash balance	1% <sup>4</sup> of your Account's total value	0.75% <sup>5</sup> of your Account's total value

## Online experience

<sup>4</sup> Where the Cash Account percentage falls below the minimum cash percentage required, we may sell some of the investment in your Account. We may continue to sell investments until your cash holding is brought up to the target percentage level as permitted by the Constitution. This will be done in line with your Account Instruction or any subsequent Account Instruction received from you (if you have provided one)

<sup>5</sup> If the balance of your Cash Account falls below the minimum, investments in your Account may be sold to restore the cash balance to the minimum requirement, without seeking your instruction or consent. A negative cash account fee may also apply in limited circumstances.



## New investor portal

On or after 27 October 2023, your investments within Evolve Managed Accounts will be accessible online via a new investor portal (InvestorHUB). You will receive a welcome email with details of how to log in to your Account via InvestorHUB. In the meantime, you can continue using the old Xplore portal to view, but not transact on, your investments.

You will not be able to view your transaction history in InvestorHUB immediately. You will be able to view your Account in InvestorHUB by 10 November 2023. Until then, you will still be able to view your transaction history in the old Xplore portal.

## New mobile app

On or after 27 October 2023, you will also be able to access your account via the HUB24 mobile app. Your welcome email will provide details on how to download and log into the app.

You can use the app on your mobile device to:

- access a snapshot of your account
- check portfolio performance and asset valuations
- download your statements
- stay up to date with important notifications.

## Standing instructions on your Account

Any regular contributions plans or direct debits on your Account will need to be remade or updated. We will provide your Financial Adviser with details of any standing instruction that needs updating.

## Capital Gains Tax calculation methodology

Your chosen CGT calculation methodology will continue to apply, unless you have elected an optimised calculation methodology. The optimised CGT calculation methodologies will no longer be supported.

If you have elected maximise capital losses/minimise capital gain (optimised), your Account will be updated to maximise capital losses/minimise capital gain.

If you have elected maximise capital gains/minimise capital losses (optimised), your Account will be updated to maximise capital losses/minimise capital gain.

Please speak with your Financial Adviser if you would like to update this election or if you have any questions.

## Temporary transaction freeze

Before and during the transfer of your Account to the HUB24 Platform, there will be a temporary transaction freeze on some types of transactions between 5pm on 13 October 2023 and 13 November 2023, unless otherwise notified by us.

Transactions impacted by the temporary transaction freeze include:

- Withdrawals from your Cash Account
- Sell or buy investment transactions



- Account closures.

**What this means for you:**

- Any instructions for the above transaction types received after 13 October 2023 will be processed after 13 November 2023.
- Any at limit trades not fulfilled by 13 October 2023 will be cancelled.
- You can still make contributions to your Account during the temporary freeze period, but the monies will not be invested until after 13 November 2023.

## **Important information**

This Notice has been issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235 150. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a Financial Adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. You should consider the Product Disclosure Statement ('PDS') for the Evolve Managed Accounts as well as the Target Market Determination ('TMD'). The PDS and TMD for Evolve Managed Accounts are available free of charge from your Financial Adviser, on the product website or by contacting the Administrator.