



HUB24 Announces New FOFA Positioned Corporate Structure & Adds 2 New Dealer Group Clients

Friday, May 20, 2011. The **HUB24 Investment Service (HUB24)**, a service offering of ASX listed wealth management services utility and stockbroker, **Investorfirst Limited** (ASX: INQ), has announced that it will be reposition its service to operate under an Investor Directed Portfolio Service (IDPS) model, thereby positively positioning the business for the recently announced Future of Financial Advice ("FOFA") reforms.

Commenting on the repositioned HUB24 IDPS, INQ and HUB24 CEO Mr Darren Pettiona said "HUB24 supports the great majority of FOFA reforms, particularly the intention to improve fee transparency and remove potential conflicts. In anticipation of the implementation of FOFA, HUB24 has for some time planned to reposition its offering and is pleased to announce it aims to restructure its Investment Service into an IDPS. Initially, operating as a full Managed Discretionary Account service ("MDA"), we now view this operating structure as carrying higher regulatory risk, with less consumer protection than that envisaged by ASIC.

"HUB24 already provides a wide range of financial and investment products, particularly separately managed accounts and we continue to broaden the offering with several superannuation and insurance initiatives being finalised.

HUB24 continues to enjoy many marketplace advantages, as it is one of the few multi-purpose wealth management platforms that have been built in Australia from the ground up in the last ten years. In doing so, it provides professional financial services practitioners with state of the art technology and the delivery of higher service standards.

Furthermore, HUB24 stands alone as a competitive market offering, with full fee transparency and is by design not 'propped-up' by shelf space remuneration from portfolio managers.

As a result, HUB24 is ideally positioned for 'scaled advice' and has the ability to enable financial advisers, brokers or accountants to provide advice in response to an individual's singular need should it be required for investment, superannuation or insurance protection cover.

All of these services and products are already catered for within the HUB24 Investment Service.



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HUB24's new legal structure will alleviate many issues, including:

- ✓ The requirement to include an investment program in an MDA contract, which can be problematic and practically difficult to comply with in terms of business processes for advisers and for HUB24;
- ✓ Enhancing retail protection by ensuring a higher level of disclosure to clients on the underlying investments, with both financial advisers and model portfolio managers obligated to provide disclosure documents relating to the investments accessed via the Service;
- ✓ Better supporting the business processes of Adviser Groups, which are already set up for Statement of Advice ("SOA") infrastructure; and
- ✓ Relatively expanded flexibility within the legal structure, which accommodates HUB24's state of the art technology and INQ's future future strategic objectives.

In outlining HUB24's FOFA position benefits, Pettiona listed the following key advantages that will be most attractive to dealer groups and financial advisers concerned with issues in relation to volume rebates and conflicted remuneration:

- ✓ The HUB24 Investment Service is competitively priced and provides for Adviser Groups to charge a 'fee for consultation services' and the cost of the 'accessible investment offerings' are delivered at a desired, affordable price and thus allow for quality of advice.
- ✓ Increased flexibility, in terms of fee structuring design, which in turn is designed to better cater for the advisers-client relationship, particularly benefitting transparency and affordability.
- ✓ The Client and Adviser Workbench facilitates communication and on-going service to the client and significantly reduces many of the adviser's administrative activities – and in doing so, the adviser has more productive time and resources for enhanced client servicing activities and business growth.



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2 NEW DEALER GROUPS ADDED

HUB24 is also pleased to confirm the addition of **Premium Wealth Management Ltd** and **Spectrum Wealth Advisers** to HUB24's rapidly growing list of dealer groups.

Brenton Tong, Head of Strategy for Spectrum Wealth Advisers said, "Spectrum has grown to nearly 100 advisers on a foundation of understanding that each individual practice is unique and off the shelf generic support is inappropriate to their needs in the rapidly evolving financial services marketplace."

"Spectrum required a platform that is capable of facilitating Spectrum Wealth's growth objectives whilst providing our advisers the freedom to operate their practices in line with their individual operations and HUB24 filled the mandate better than any other – and by a long way!"

Pettiona concluded, "HUB24 is one of the only platforms that doesn't charge 'shelf space fees' to fund managers or offer rebates to dealer groups and in doing so, is perfectly positioned to assist our clients to address pending changes forecast in FOFA.

"HUB24's unique structure is enabling dealer group clients to build sustainable revenue streams and participate within the manufacturing process with no legacy constraints. Moreover, HUB24's technology lead, empowers advisers to utilise the latest in mobile technologies, such as an iPhone app."

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