Delivering platform Alpha

HUB24

Reliance and limitation

- This research has been conducted in accordance with the Statement of Work and Master Services Agreement between HUB24 and Milliman Inc.
- This report is not a recommendation for the use of one particular platform over other platforms.
- The analysis contained in this report relies on certain scenarios and data provided to Milliman by HUB24. Milliman has relied on HUB24 to define the platform features modelled in this report. Milliman has not independently verified the features of HUB24 or other platforms and the features of other platforms may differ from those provided by HUB24 because the features referred to in this document reflect the features of HUB24's platform.
- The strategies reflected in the case studies and examples may not be suitable for all platform clients, portfolio managers or advisers. Readers of this report should consider clients' unique circumstances before deciding whether or not to use an equivalent strategy. Examples and case studies in this report are provided purely for illustrative purposes. They are not exhaustive and a person's actual experience may differ from that shown in the example or case study as individual circumstances differ. Past performance is not an indicator of future performance.
- These results are dependent on underlying assumptions, in particular, portfolio composition, transaction timing and tax rates. Different assumptions would result in different results.
- The scope of this report is to model the relative performance of client accounts and managed portfolio strategies implemented on HUB24 with certain features against a platform without these features – these features are described in the next section.
- As with all investments, there are risks as well as benefits associated with managed portfolios. You should carefully examine the investment strategy, asset allocation and relevant disclosure documents before making an investment decision or implementing any of the strategies outlined in this report.
- Milliman is a firm of consultants which employs mainly actuaries and experts in capital markets, information technology and risk management. We do not employ accountants or solicitors for consulting purposes. Formal professional opinions of an accounting or legal nature (e.g. regulatory or tax matters) are outside the scope of our work, although analysis of the financial implications of these items is something we do.
- Tax outcomes modelled in this report are based on Milliman's interpretation of the relevant and existing Australian tax rules.

Introduction

Financial advisers currently face a challenging environment, with interest rates at historical lows, significant market volatility and increasing regulatory pressure to satisfy client best interests.

At the time of writing, the official cash rate in Australia sits at 0.25% and the yield on 10-year government bonds is under 1%. While Austral-

ian equities returned over 20% in 2019 (S&P/ASX 200 Index, dividends reinvested), forecast returns have continued to fall and are currently around 5% p.a. on average.

The COVID-19 pandemic is adding to the uncertainty. Periods such as these emphasise both the value of good advice and the role of technology in providing solutions to protect and create value for clients. Managed portfolios have proven to be a popular investment vehicle for advisers, providing their clients with access to cost-effective professional investment manager expertise while the client retains the benefits of beneficial ownership in IDPS and the trustee retains these benefits in super. Evidence of these benefits is the impressivegrowth in Funds Under Management (FUM). As of December 2019, FUM in managed portfolios in Australia stood at over $72 billion Australian dollars, representing a Compound Annual Growth Rate (CAGR) 11% (IMAP Managed Account Census 2019). On HUB24, managed portfolio Funds Under Administration (FUA) has been growing at a much faster compound annual growth rate of 57% over the past four years.

Adviser adoption of managed portfolios has been supported by enhanced functionality driven by innovation available on platforms, which can provide additional benefits to clients.

Over the past couple of years, competition in the broader platform and superannuation market has focussed on fees, with the emergence of flat fees combined with cut down investment menus. While product choice is critical to service the advice needs of different client segments, focussing on price alone could come at the cost of significantly increased client value driven by product capability available on platforms.

Managed portfolios are now offered by many platforms, with varying levels of integration and capability. It is important for advisers to understand the functionality provided by each managed portfolio solution so they can assess what is right for their clients and their businesses. As technology transforms the managed portfolio landscape, there is a need for continued investment to create flexibility, choice and value.

Product providers that do not continue to invest and develop are at risk of being left behind and, more importantly, missing out on the opportunity to provide additional benefits for advisers and their clients.

A fundamental element of financial planning is to provide solutions tailored to a client's circumstances. Innovative technology solutions enable advisers to take individual client taxation circumstances into account. The optimal tax management strategy can be implemented simply by selecting the client's preferred tax outcome; when rebalancing, the platform selects the optimal share parcel to enable that tax strategy. Furthermore, transaction fees can be minimised, potentially reducing costs for a client.

At the portfolio management level, our Progressive Portfolio Implementation (PPI) allows portfolio managers to tailor investment decisions and segregate existing client funds from new client funds to target better outcomes that reflect market conditions.

These are examples of a capability we refer to as "platform alpha" – the value that can be unlocked for clients by the enhanced technology. In some cases, the additional value created could exceed the cost of platform administration fees or the cost of the advice provided. The outcomes outlined challenge the perception that all platforms provide equal capability and emphasises the need to evaluate functionality when considering client outcomes. This paper will provide clear examples (in some cases using actual HUB24 platform data) of where capability can be leveraged by advisers to create additional value for clients.

Managed Portfolios vs Managed Funds

Managed portfolios enable clients to access professional investment management expertise whilst the client maintains beneficial ownership of the assets in HUB24 invest accounts and the trustee retains these benefits in HUB24 super accounts.

This provides a number of benefits – clients can in-specie transfer assets both in and out of managed portfolios, and minimise Capital Gains Tax (CGT) implications when switching or selling down by selecting from a variety of tax strategies. Additionally, buy/sell spreads and transaction fees can be minimised when switching between managed portfolios, as only the assets that are different between the two managed portfolios are sold and bought.

In contrast, a managed fund is a unitised structure. This means when switching between managed funds, clients must sell down the entire fund and purchase the alternative fund, incurring transaction fees and crystallising CGT.

Capabilities available within managed portfolio solutions can enhance portfolio value and reduce costs for clients.

Managed portfolios vs managed funds – Case study one

This case study was modelled using actual managed portfolios and managed funds available on our platform. The portfolio and subsequent rebalancing was simulated.

In 2010, Client A invested $100,000 in an Australian equities managed portfolio (Portfolio X). In 2015, Client A's adviser recommended switching to an alternative Australian equities managed portfolio (Portfolio Y) and switching again five years later to a different managed portfolio (Portfolio Z). For comparison purposes, we modelled the same scenario for Client A using Australian equities managed fund alternatives.

For Client A with managed portfolios, only shares that are different between two managed portfolios are bought or sold. This minimises CGT and the client only incurs the cost of the buy/sell spread and transaction fees on a smaller subset of the managed portfolio. If Client A had used managed funds, the same scenario would have resulted in a complete sell down of units in the managed fund, which would trigger a CGT event and transaction costs on the buys and sells.

The quote

The COVID-19 pandemic is adding to the uncertainty.

The quote

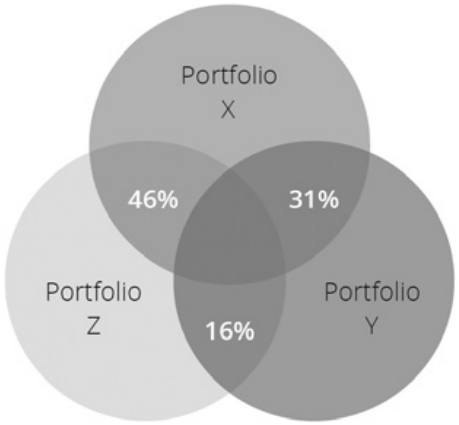
Managed portfolios are now offered by many platforms, with varying levels of integration and capability.

It is worth noting that during recent COVID-19 market volatility, buy/sell spreads widened significantly due to the increased volume of switching and trades in the market over very short timeframes, resulting in greater costs for clients who were engaging in switching.

Did you know?

Another advantage of Australian listed equity managed portfolios over Australian equity unit trusts (managed funds) is that investors are not exposed to existing capital gains liabilities accumulated within the fund before they invested. For example, consider three-year data from a range of Australian equities managed funds available on our platform and where an equivalent managed portfolio was available; on average, over 28% of taxable income distributed to managed fund unitholders were the result of the fund internally crystallising existing capital gains (HUB24 analysis). This means clients who invest in a managed fund just prior to it paying a distribution are potentially paying CGT on fund performance not yet received. For clients in managed portfolios, any CGT impact is restricted to movements inside their own individual account.

Figure 1. Portfolio value overlap %



Source: HUB24.

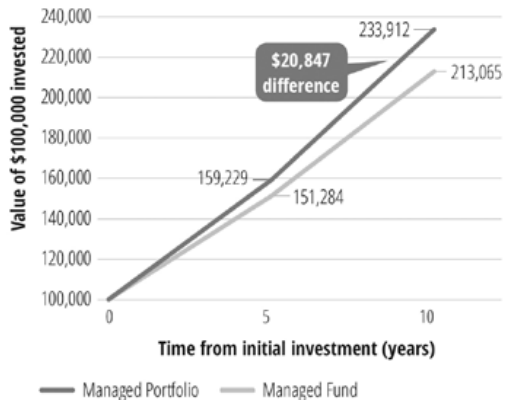
Outcome

Analysis of case study one based on an initial $100,000 investment illustrates that switching between these three Australian equity managed portfolios over 10 years, would have outperformed an alternative strategy using Australian equity managed funds over the same period by:

- $20,847 or nearly 10% of the portfolio value after 10 years, assuming a tax rate of 47% (refer to Figure 2); or
- $7,157 or nearly 3% of the portfolio value after 10 years, assuming a tax rate of 15% (refer to Figure 3).

This outperformance by the managed portfolios was primarily due to not crystallising CGT on securities held in common (as highlighted above) and subsequent savings of transaction costs. Relative performance improvements could potentially be larger for client portfolios that experience more frequent changes than illustrated in this case study.

Figure 2. Managed fund vs managed portfolio performance example (tax rate 47%)

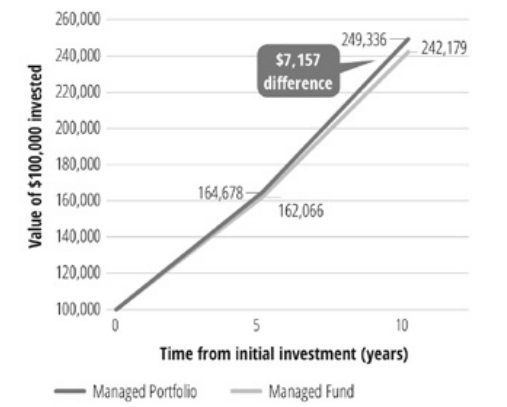


Source: HUB24.

Figure 2 is intended to illustrate the managed portfolio vs managed fund performance. The following assumptions were used in figure 2:

- The initial portfolio value was $100,000 and the portfolio valuation was calculated using historical data over a period of 10 years where the total managed portfolio or managed fund was switched for an alternative every five years.
- The tax rate is assumed to be 47%.
- This case study has been prepared for illustrative purposes only and is not intended to reflect any particular person's circumstances. Past performance is not indicative of future performance.

Figure 3. Managed fund vs managed portfolio performance example (tax rate 15%)



Source: HUB24.

Figure 3 is intended to illustrate the managed fund vs managed portfolio scenario. The following assumptions were used in figure 3:

- The initial portfolio value was $100,000 and the portfolio valuation was calculated using historical data over a period of 10 years where the total managed portfolio or managed fund was switched for an alternative every five years.
- The tax rate is assumed to be 15%.
- This case study has been prepared for illustrative purposes only and is not intended to reflect any particular person's circumstances. Past performance is not indicative of future performance.

Tax optimisation by HUB24

Portfolio tax optimisation tools on HUB24 invest enable advisers to tailor specific tax outcomes, including:

- The ability to estimate and model CGT outcomes under a variety of scenarios for planned transactions;
- The choice of tax management methods including Minimum Gain (Min Gain), First In First Out (FIFO), or Maximum Gain (Max Gain) and the ability to apply these rules across assets within an entire account rather than just within a specific managed portfolio, and
- The ability to in-specie transfer securities into and out of a managed portfolio. Besides minimizing transaction costs and the risk of time out of the market, this feature can reduce CGT events when transferring assets, which is particularly important when clients have held a range of securities with low cost bases.

Managed portfolios available through HUB24 super offer similar benefits, however assets cannot be transferred in specie into the managed portfolio from outside of HUB24 super.

In contrast, other platforms in the market may only offer a FIFO tax outcome and may only take into consideration the assets within a specific managed portfolio rather than selecting appropriate tax parcels from across an investor's whole account.

The following two case studies demonstrate the value that can be created by leveraging tax optimisation functionality. These case studies are based on a client portfolio on HUB24 invest (Personal tax rate of 47% excluding Medicare levy).

Tax optimisation case study one – Client B sells down part of their portfolio into cash

This case study is modelled using an actual client portfolio, including pricing and valuation data on HUB24 invest and covers a period of just over three years.

Client B opened an account on HUB24 invest on 16 February 2017, making an initial investment of $536,000 in an Australian equities managed portfolio. Part of that initial investment included an in-specie transfer of $110,000 in existing shares (approximately 20% of the portfolio), which included BHP, CBA, Westpac, TCL and WOW.

Over three years, the portfolio manager rebalanced several times and some minor corporate actions were actioned over the period.

The account balance grew to $638,084 as at 31 May 2020, and on 1 June 2020 a sale of $320,000 was made.

The following assumptions were used in figure 4:

- In Tables 1 and 2, capital gains calculations have been made for two of the three tax methods available on HUB24's platform – FIFO Gain and Min Gain (Max Gain has not been included in these calculations).
- Min Gain uses sophisticated algorithms to make optimal parcel selections to achieve the best result.
- The capital gain advantage is the difference between FIFO and Min Gain tax outcomes (Capital Gain Advantage). The percentage advantage shown in both tables is the dollar advantage divided by the portfolio value of $638,084 shown as a percentage.
- In Table 1, discounted capital gains have been applied where assets were held for longer than 12 months, and based on the personal (50%) and SMSF (66.66%) discounted CGT rates.
- In Table 2, tax has been applied at three different rates for comparison purposes. A personal tax rate of 47% (excluding Medicare levy), a company tax rate of 26%, and an SMSF tax rate of 15%.
- This case study has been prepared for illustrative purposes only and is not intended to reflect any particular person's circumstances. Past performance is not indicative of future performance.

Outcome

In tax optimisation case study one, the tax payable under the FIFO method is $12,973 (for a client paying 47% tax), however is reduced to only $6,914 when the Min Gain tax methodology is used, saving $6,059 in tax.

The saving for a client paying the company tax rate of 26% is $6,703, and in an SMSF (for a client paying 15% tax), they save $2,578.

Note: If the cash redemption was in turn invested into an equivalent managed fund, the full transaction cost of buy/sell spreads would be incurred, equating to approximately $1,600 based on a typical fund spread of 50 basis points. Equally, for a switch into another managed portfolio as described in case study two, only a proportion of the transaction cost would apply as common holdings across the existing and new portfolio will not need to be sold, saving clients unnecessary additional transaction costs.

Figure 4. Tax optimisation - case study one

Table 1. Pre-tax Min Gain vs FIFO capital gain advantage (on $320,000 sale)

Tax structured and discounted capital gain	Company No discounted capital gain	Personal 50% discounted capital gain	SMSF 66.66% discounted capital gain
FIFO Gain	$55,200	$27,600	$36,800
Min Gain	$29,420	$14,710	$19,613
Min Gain vs FIFO capital gain advantage	$25,782	$12,891	$17,187
Min Gain vs FIFO capital gain advantage (ratio)	0.47	0.47	0.47
Min Gain vs FIFO capital gain advantage (as a % of the portfolio)	4.04%	2.02%	2.69%

Table 1. After-tax Min Gain vs FIFO capital gain advantage

Tax type and rate	Company 26%	Personal 47%	SMSF 15%
FIFO tax payable	$14,352	$12,973	$5,520
Min Gain tax payable	$7,649	$6,914	$2,942
Min Gain vs FIFO after tax advantage	$6,703	$6,059	$2,578
Min Gain vs FIFO capital gain advantage (ratio)	0.47	0.47	0.47
Min Gain vs FIFO after-tax advantage (as a % of the portfolio)	1.05%	0.95%	0.40%

Tax optimisation case study two – Client C switches $320,000 of their managed portfolio assets into an alternative Australian equities managed portfolio rather than selling down

This case study is modelled using an actual client portfolio, including pricing and valuation data on HUB24 invest. The purchase of the alternative portfolio is simulated. This case study does not include the transaction costs that may have been saved.

The same scenario was modelled as described in tax optimisation case study one for Client C, however instead of selling down and removing $320,000 from the account, Client C switches to a different Australian equities managed portfolio. As both portfolios contained a range of similar stocks, only a proportion (approximately 40%) of the existing shares were sold or bought as needed in order to mirror the holdings of the new portfolio.

The following assumptions were used in figure 6:

- In Tables 3 and 4, capital gains calculations have been made for two of the three tax methods available on HUB24's platform – FIFO and Min Gain (Max Gain has not been included in these calculations).
- Min Gain uses sophisticated algorithms to make optimal parcel selections to achieve the best result.
- The capital gain advantage is the difference between FIFO and Min Gain tax outcomes (Capital Gain Advantage). The percentage advantage shown in both tables is the dollar advantage divided by the portfolio value of $638,084 shown as a percentage.
- In Table 3, discounted capital gains have been applied where assets were held for longer than 12 months and based on the personal (50%) and SMSF (66.66%) discounted CGT rates.
- In Table 4, tax has been applied at three different rates for comparison purposes. A personal tax rate of 47% (excluding Medicare levy), a company tax rate of 26%, and an SMSF tax rate of 15%.
- This case study has been prepared for illustrative purposes only and is not intended to reflect any particular person's circumstances. Past performance is not indicative of future performance.

Figure 5. Summary of tax optimisation case study one

Source: HUB24.

Outcome

In tax optimisation case study two, CGT has been eliminated altogether and in fact, a loss of $921 (for a client paying 47% tax) can be carried forward.

For an SMSF, the loss of $1,227 (for a client paying 15% tax) can be carried forward to offset future capital gains within the fund.

Progressive portfolio implementation on HUB24

Progressive Portfolio Implementation (PPI) on HUB24 invest and HUB24 super provides portfolio managers with the ability to tailor investment decisions to the current market conditions:

- Managers can implement alternative portfolios for new investments, whether from new or existing clients. This allows portfolio managers to unlock value for clients that is not possible with a managed fund structure. This feature could be used to retain existing clients invested in managed funds which have been

Figure 6. Tax optimisation – case study two

Table 3. Pre-tax Min Gain vs FIFO capital gain advantage (on $320,000 switched to another managed portfolio)

Tax structured and discounted capital gain	Company No discounted capital gain	Personal 50% discounted capital gain	SMSF 66.66% discounted capital gain
FIFO Gain	$19,832	$9,916	$13,221
Min Gain (carry forward loss)	($1,842)	($921)	($1,227)
Min Gain vs FIFO capital gain advantage	$21,674	$10,837	$14,449
Min Gain vs FIFO advantage (ratio)	1.09	1.09	1.09
Min Gain vs FIFO capital gain advantage (as a % of the total portfolio)	3.40%	1.70%	2.26%

Table 4. After-tax Min Gain vs FIFO capital gain advantage

Tax type and rate	Company 26%	Personal 47%	SMSF 15%
FIFO tax payable	$5,156	$4,660	$1,983
Min Gain tax payable (carry forward loss) (loss after tax value)	($1,842) ($479)	($921) ($433)	($1,227) ($184)
Min Gain vs FIFO after tax advantage	$5,635	$5,093	$2,167
Min Gain vs FIFO advantage (ratio)	1.09	1.09	1.09
Min Gain vs FIFO after-tax advantage (as a % of the portfolio)	0.88%	0.80%	0.34%

Figure 7. Summary of tax optimisation case study two

Source: HUB24.

'hard' closed but allocate new client funds to alternative open funds without the need to sell down and incur transaction and CGT implications for existing clients.
- Managers can cease investing new client funds in securities which the portfolio manager believes have approached a peak in terms of their market price/valuation, while retaining existing client funds invested to avoid triggering CGT and transaction costs.
- Portfolio managers can hold new funds in cash or other investment options, rather than investing in assets which the portfolio manager believes will be removed from portfolios in the near future.
- Managers can hold shares to qualify for franking credits, whilst investing new funds in alternative shares.

PPI example one – 'Hard' closed fund

This is a simulated example showing how PPI can be used to allocate new client funds into an alternative managed fund (switching out a 'hard' closed managed fund), within a managed portfolio at a particular point in time.

A portfolio manager holds a managed fund in a portfolio which subsequently 'hard' closes to new client funds. By leveraging PPI functionality available on HUB24, the portfolio manager can retain existing investments in the 'hard' closed managed fund, but allocate new client funds to a new alternative managed fund within the managed portfolio.

To illustrate this example, the following was modelled:
- A micro-cap managed fund was modelled on an initial investment of $100,000, with performance illustrated in Figure 8.
- This managed fund closes and no longer accepts new investments. However, the manager would still like to keep existing client funds invested in this managed fund while allocating new client funds to another fund alternative.
- With PPI, no CGT is crystallised for existing clients invested, as the portfolio manager was not forced to sell the 'hard' closed managed fund.

Figure 8. PPI example one

Source: HUB24.

Outcome

In this example, by leveraging PPI, a portfolio manager has saved existing clients 724 basis points or $7,240 in CGT (47% tax rate), or 231 basis points or $2,310 (15% tax rate) on $100,000. This is due to the CGT saved by not switching current clients out of the closed fund.

The following assumptions apply to PPI example one:
- The initial investment amount was $100,000 and tax was calculated at 47% and 15%, respectively.
- Funds were invested for four years and five months.
- Fund performance data was sourced from http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html
- Transaction costs of 10 basis points were applied (IDPS and Super).
- Share price data was sourced from finance.yahoo.com.
- This example has been prepared for illustrative purposes only and is not intended to reflect any particular person's circumstances. Past performance is not indicative of future performance. A client's actual experience may differ.

PPI example two – Shares reach a target price

This is a simulated example showing how PPI can be used to allocate new client funds into an alternative asset, once the portfolio manager believes certain securities within a managed portfolio have reached a target price.

A portfolio manager may determine that certain shares or sectors have reached a target value for existing client investments but not to the point where the manager is prepared to sell holdings. In this example, they may prefer to gradually reduce their position as they

The quote

Managers may intend to hold certain shares only until the next ex-dividend date, at which point they will be removed from portfolios.

consider the CGT implications. Ideally, the portfolio manager would not invest new client funds in these securities as they believe there is limited growth potential. PPI provides the portfolio manager flexibility to keep existing client funds invested, while investing new client funds in an alternative asset (for example equities or an Exchange Traded Fund (ETF)).

To illustrate and quantify this example, the following modelling was conducted:

- Portfolio A is a global equity managed portfolio equally weighted to the 25 stocks in the MSCI World Index, illustrated in the table below (Figure 9).
- Technology stocks Apple, Google (Alphabet), Amazon, Facebook, and Microsoft represent 20% of the total portfolio.
- The manager determined September 2018 was a peak for these tech stocks.

From September 2018, the portfolio manager decided to allocate new funds invested to the S&P500 ETF rather than continuing to invest in the tech stocks, which they believe had reached their target price.

Figure 9. Global equity portfolio

Percentage	Company name			
25%	Alphabet (Google)			
	Amazon.com			
	Apple			
	Facebook A			
	Microsoft Corp			
80%	AT&T	Disney (Walt)	JPMorgan Chase & Co	Roche Holding Genuss
	Bank of America Corp	Exxon Mobil	Mastercard A	UnitedHealth Group
	Berkshire Hathaway B	Home Depot	Merck & Co	Verizon Communications
	Chevron Corp	Intel Corp	Nestle	Visa A
	Coca Cola (The)	Johnson & Johnson	Proctor & Gamble Co	Wells Fargo & Co

Outcome

In this example, by leveraging PPI the portfolio manager can enhance performance by 468 basis points or $4,681 on a $100,000 investment portfolio of funds (gross of tax). This is due to the increased portfolio performance from switching to the S&P500 ETF.

In this example, investing new client funds in an alternative portfolio delivers better performance than if they were invested in the current portfolio.

The following assumptions apply to figure 10:

- The portfolio value is assumed to be $100,000 at the peak in September 2018.
- The performance was modelled for a period of six months.
- Transaction costs of 10 basis points were applied (IDPS and Super).
- Share price data was sourced from finance.yahoo.com.
- This example study has been prepared for illustrative purposes only and is not intended to reflect any particular person's circumstances. Past performance is not indicative of future performance. A client's actual experience may differ.

PPI example three – holding for dividends

This is a simulated example showing how PPI can be used to substitute securities in a managed portfolio, until a particular security passes its ex-dividend date.

Managers may intend to hold certain shares only until the next ex-dividend date (the day on which the stock begins trading without the subsequent dividend value), at which point they will be removed from portfolios.

On a platform that does not offer PPI as a feature, this may be problematic as the manager would ideally avoid investing new clients in these shares, particularly if clients have not held shares for long enough to qualify for franking credits (45-day rule).

To illustrate and quantify this example, we modelled:

- The manager of an Australian equity managed portfolio with a 10% allocation to NAB, decides to hold these shares only until the next dividend of $0.83c on 14 November 2019.
- For new investors on 14 October 2019, they will not qualify for franking credits if they haven't held the shares for more than 45 days.
- Without PPI, the portfolio must invest new client funds in NAB and then sell the NAB holdings once the dividend is paid.
- With PPI, clients can invest new funds in the ASX200 ETF (or cash or another security as the manager decides appropriate) as a substitute for holding NAB shares.

Outcome

In this example, by using PPI, performance would have been enhanced by 18 basis points for the new client funds invested in the alternative portfolio, or $182 on a $100,000 portfolio due to the performance of the ASX200 ETF vs NAB (ex-dividend) and transaction cost savings from not having to sell the NAB shares.

The following assumptions apply to figure 11:

- The initial investment amount was $100,000
- Performance was modelled for 50 days
- Transaction costs of 10 basis points were applied (IDPS and Super)
- Share price data sourced from finance yahoo.com
- This example has been prepared for illustrative purpose only and is not intended to reflect any particular person's circumstances. Past performance is not indicative of future performance. A client's actual experience may differ.

Summary

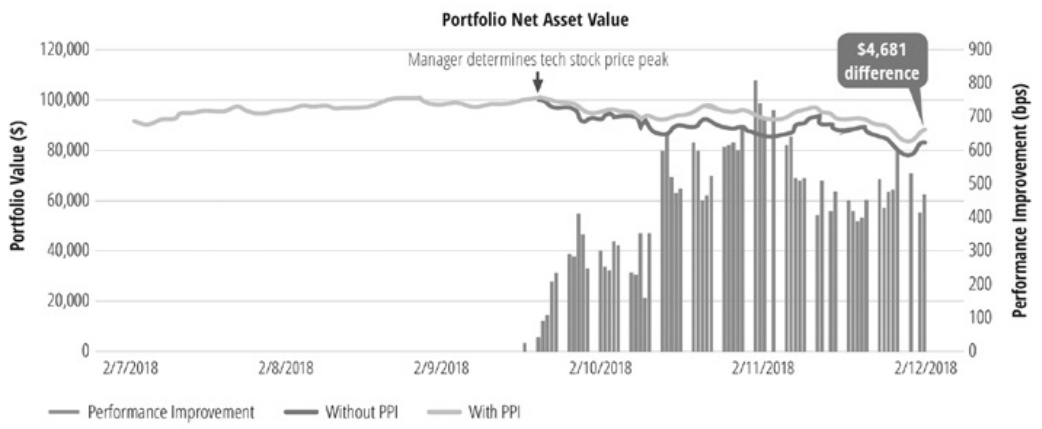
This paper delivers several case studies and examples that illustrate the potential benefits advisers can generate for their clients by leveraging capabilities available on our platform.

Three capabilities that can enhance value

Managed portfolios

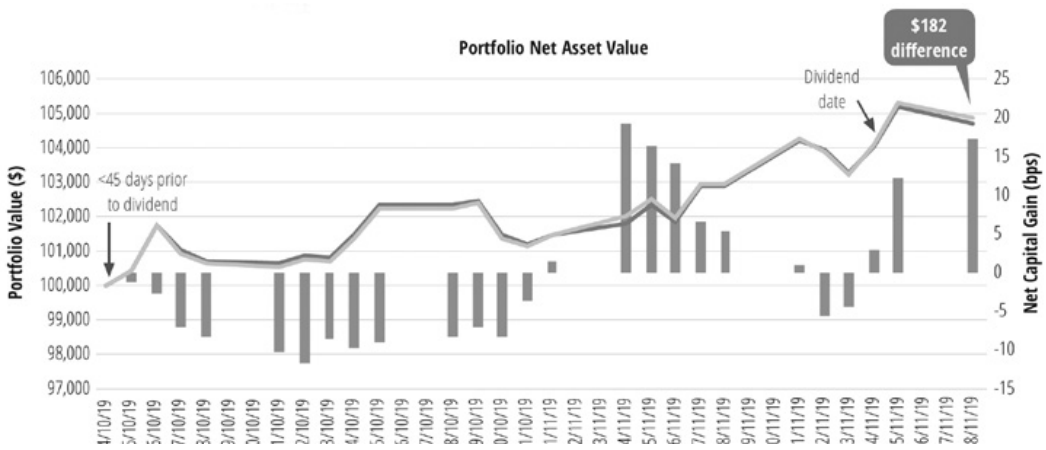
This research illustrates the potential benefits provided by managed portfolios in contrast to managed funds, including the ability to managed CGT implications and minimise buy/sell spreads and transaction costs (through in-specie transfers and minimising transactions when rebalancing.)

Figure 10. Shares reach a target price



Source: HUB24.

Figure 11. Holding for dividends example



Source: HUB24.

Tax optimisation

Case studies in this paper demonstrate the ability to enhance client portfolio value by leveraging tax optimisation options available on HUB24 Invest. This can enable an adviser to select the required tax outcome, and the platform then selects the tax parcels to sell to achieve that outcome.

Progressive portfolio implementation (PPI)

Examples in this paper highlight the flexibility provided by HUB24's PPI functionality which enables a portfolio manager to adjust portfolio weightings for new client funds to take into consideration current market and economic conditions, and potentially add value to client portfolios.

The case studies and examples illustrate how innovative solutions on platforms can be used to provide long-tem value in the form of 'platform alpha', which can have a significant impact on a client's portfolio value over time. Each of the examples can independently enhance client outcomes and have the potential to have a compounding effect when these scenarios play out multiple times over the lifetime of a portfolio, potentially resulting in significant benefits for clients.

The case studies and examples highlight how enhanced technology can support advisers by unlocking value for clients, challenging the perception that all platforms are the same and emphasising the need to evaluate platform capability when considering client outcomes. **FS**

The quote

Managed portfolios has been supported by enhanced functionality driven by innovation available on platforms.