

ASX Release: 3 July 2019

## **Comment on Australian Financial Review article**

HUB24 Limited (“HUB24”) wishes to comment on an article published in the Australian Financial Review (AFR) today that made several statements regarding HUB24 which were incorrect, and need to be clarified. We take our regulatory obligations and the interests of our clients very seriously in the design and operation of our products.

HUB24 maintains flexible fee arrangements with licensees for their clients. The fee example referenced in the article is not representative of the administration fees paid and interest rates received for the majority of our clients.

HUB24’s cash account is a working transaction account that facilitates the comprehensive capabilities that support the broad range of services provided to clients of the platform, for example investment trading, portfolio rebalancing and pension payments. The platform provides a variety of additional cash investment options including term deposits, cash ETFs and cash management funds for advisers and clients seeking cash risk/return exposure. The cash transaction account is not the sole cash investment option available. In addition, the platform offers a sophisticated range of automated investment capabilities that enable advisers and clients to appropriately manage their investment portfolio to achieve their desired outcomes, whilst ensuring the amount of funds retained in this cash transaction account remains at their chosen minimum level.

The HUB24 platform administration fee relates to the platform services provided to customers and are independent of the rates of return or performance of individual assets and investment options available on the platform.

The HUB24 cash ‘transaction’ account offers a competitive interest rate when compared to peers and when compared to similar bank products, which do not provide the same level of capability provided by the platform. All clients of HUB24 are receiving a positive interest rate on their cash account, post yesterday’s RBA rate change. The comparison to a savings account from a major Australian bank is flawed, it refers to a 5-month introductory rate of 2.20% which subsequently reverts to 0.30%.

Additionally, the article referenced research released by a Macquarie Group analyst and incorrectly quoted a target share price for HUB24 and one of our competitors. The correct HUB24 target share price referenced in the research should be \$8.65. It should be noted this is the research of one analyst only, there are an additional six active analysts who cover HUB24 with recent target share prices of between \$10.90 and \$15.95.

HUB24 is committed to delivering enhanced functionality and superior customer service to enable our clients to achieve their investment outcomes. We look forward to updating you in our next quarterly release in July.



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**About HUB24**

The Australian Securities Exchange-listed HUB24 Ltd ABN 87 124 891 685 (ASX: HUB) connects advisers and their clients through innovative solutions that create opportunities. The business is focussed on the delivery of the HUB24 platform and the growth of its wholly owned subsidiaries Paragem Pty Ltd, a financial advice licensee, and Agility Applications Pty Ltd and ConnectHUB Pty Ltd which provide data, reporting and software services to Australian stockbroking and wealth management market. HUB24's award-winning investment and superannuation platform provides broad product choice and an innovative experience for advisers and investors. Its flexible technology allows advisers and licensees to customise their platform solution to fit their individual business so they can move faster and smarter. It serves a growing number of respected and high-profile financial services companies.

This release is not financial product advice. Past performance is not indicative of future performance and any forward- looking statements in this release are not representations or guarantees as to future performance.

For further information, please visit: [www.HUB24.com.au](http://www.HUB24.com.au)