

ASX Release: 16 July 2019

## HUB24 Posts Record June Quarter & Annual Net Inflows

### Quarterly update – June 2019

- Quarter Net Inflows<sup>1</sup> of \$979 million (up 32.4% on pcp), with Gross Inflows of \$1.5 billion.
- Annual Net Inflows<sup>1</sup> of \$3.9 billion (up 60.6% on pcp).
- Funds Under Administration (FUA) of \$12.9 billion at 30 June 2019 (up 54.3% on pcp).
- HUB24 maintained its 1<sup>st</sup> place ranking for adviser primary platform advocacy and increased its overall adviser satisfaction ranking to 2<sup>nd</sup> place in the most recent Investment Trends Planner Technology Report<sup>2</sup>.
- The HUB24 platform continues to grow at the fastest rate in the industry and was ranked 2<sup>nd</sup> place for both quarterly and annual net inflows in the latest available Strategic Insights data<sup>3</sup>.
- Advisers using the HUB24 platform grew to 1,625 at 30 June 2019 (up 32.4% on pcp) and our strong business development pipeline is expected to support future adviser and FUA growth.
- New agreements secured with two large national advice groups, Madison Financial Group and Centrepoint Alliance.
- Ongoing innovation and platform enhancement including the completion of our foreign currency development for Managed Portfolios and the launch of Challenger Annuities.

### Record Net Inflows and growth in FUA

HUB24 achieved a record June quarter with Net Inflows of \$979 million and finished the financial year with record annual Net Inflows of \$3.9 billion. The company's growth in FUA continues to be driven by organic opportunities from both existing and new adviser relationships, as well as transition opportunities from other platforms with advisers and their clients seeking to benefit from using our market leading platform.

In the latest available Strategic Insights data<sup>3</sup> HUB24 was in 2<sup>nd</sup> place for quarterly net inflows and maintained its position of 2<sup>nd</sup> place for annual net inflows across the Australian platform market. Over the 12 months to 31 March 2019, HUB24 increased its platform market share from 0.9% to 1.3%.

This net inflow performance relative to other market participants, coupled with the strength of our business development pipeline and newly secured licensee agreements, presents HUB24 with ongoing opportunities to grow our market share and profitably scale the business.

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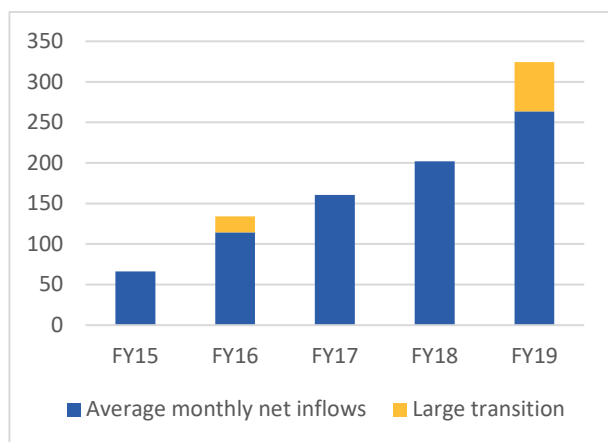
<sup>1</sup> Net Inflows represent gross inflows less outflows and do not include market movement

<sup>2</sup> Investment Trends April 2019 Planner Technology Report

<sup>3</sup> Source: Based on Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at March 2019. HUB24 is the fastest growing platform provider relative to its size in percentage terms on an annual basis, 2nd highest in terms of annual dollar based net inflows and 2nd in terms of quarterly net inflows.

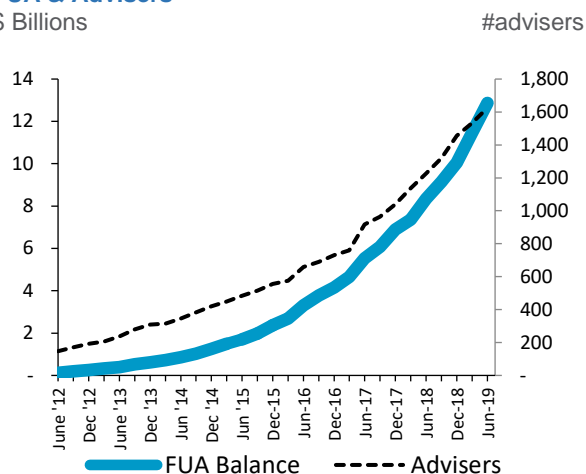
## Average Monthly Net Inflows

\$ millions



## FUA & Advisers

\$ Billions



During the quarter, 91 new advisers began using the HUB24 platform and 24 new licensee agreements were signed.

Platform Statistics	JUN '18	SEPT '18	DEC '18	MAR '19	JUN '19	Growth on pcp
<b>FUA</b>	\$8,341m	\$9,140m	\$10,046m	\$11,475m	\$12,870m	<b>54.3%</b>
<b>FLOWS*</b>						
<b>Net Inflows</b>	\$739m	\$638m	\$1,480m**	\$793m	\$979m	<b>32.4%</b>
<b>Gross Inflows</b>	\$1,019m	\$935m	\$1,760m**	\$1,156m	\$1,475m	<b>44.7%</b>
<b>Advisers</b>						
<b>Number of Advisers</b>	1,227	1,319	1,456	1,534	1,625	<b>32.4%</b>

Statistics are for each quarter, have been rounded and are not audited.

\* Inflows exclude market movements.

\*\* Includes large transition of ~\$725m.

## **Business Update**

During the quarter HUB24 was chosen to provide platform services by three large licensees who each undertook a platform selection process. Agreements have been secured with these licensees and our team is actively working with these groups to rollout the HUB24 platform to their advisers:

- Madison Financial Group, a national advice network with 100 financial advisers;
- Centrepont Alliance, a national advice network with over 350 advisers; and
- One of Australia's largest stockbroking and wealth management networks which will be formally launched in the coming weeks.

Investment Trends released their latest Planner Technology report during the quarter in which HUB24 maintained its 1<sup>st</sup> place ranking for adviser primary platform advocacy. Our platform ranked in the top 2 places for 23 out of 32 categories and ranked in first place for our range of investments, client portal, portfolio management tools and for helping advisers to demonstrate value to their clients<sup>2</sup>. We improved our overall adviser platform satisfaction ranking by moving up to 2<sup>nd</sup> place from 3<sup>rd</sup> place last year.

The April launch of Challenger annuities available via the HUB24 platform coincided with the live release of our ConnectHUB data aggregation capability. Advisers can now seamlessly manage and transact Challenger annuities via their HUB24 platform desktop, with clients also able to view their annuities alongside other assets in their portfolio.

This ConnectHUB capability is also enabling our new historical performance reporting functionality which aims to remove a significant barrier to changing platforms for advisers and their clients. The functionality has been delivered to the first licensee group seeking to import historic client portfolio data into ConnectHUB. As a result, client portfolio reporting can be provided from inception of the client's relationship with their adviser (which often predates their use of the HUB24 platform). This functionality will be a market differentiator for advisers and their clients transitioning to HUB24.

In June we completed the development of our foreign currency capability for managed portfolios. This is a significant enhancement to HUB24's already market leading functionality and investment managers are now able to improve portfolio performance by reducing foreign exchange costs when transacting international assets in their managed portfolios. Additionally, they are better able to manage currency risk by holding foreign currency in these portfolios. As a result, HUB24 now provides an enriched international managed portfolio solution. Clients have improved access to overseas markets and are better able to take advantage of the underlying managed portfolio benefits our leading solution provides domestically.

We continue to broaden our managed portfolio menu to support the needs of our clients. This quarter we launched 21 new portfolios on the platform, 6 of which were tailored for specific advice groups. The new portfolios are a combination of both global and Australian equities, as well as diversified portfolios. Additionally, we increased our investment menu to now include 50 international listed ETFs. When combined with HUB24's new foreign currency capability this significantly improves access to international markets for advisers and their clients.

Our commitment to provide investment solutions for all segments of the market has resulted in the launch of the Sargon Small APRA Fund Service utilising HUB24's platform technology. This innovation provides a solution for self-managed superannuation fund (SMSF) clients seeking the flexibility of their own fund whilst utilising the services of a professional trustee.

During the quarter Paragem has been successful in recruiting new advice practices as part of the increasing migration of advisers away from institutional licensees. Our investment in the new



Paragem leadership team and enhancing our service offering is receiving positive market feedback and we expect further growth moving forward.

Finally, Agility Applications have agreed with Cashwerkz to integrate their term deposit and cash management platform into Agility's functionality. Cashwerkz provides a comprehensive menu of products from leading banks and this integration will enhance the utility of Agility's stockbroker software solution.

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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)