

ASX Release: 21 January 2020

HUB24 posts record first half Net Inflows of \$2.5 billion

December Quarter FY20 Highlights

- Quarter Net Inflows¹ of \$1,259 million (up 67% on pcp excluding the large institutional transition in December 2018), with Gross Inflows of \$1,668 million.
- Record first half Net Inflows of \$2,497 million (up 79% on pcp excluding the large institutional transition in December 2018).
- Funds Under Administration (FUA) of \$15.8 billion at 31 December 2019 (up 58% on pcp).
- The HUB24 platform continues to grow at the fastest rate in the industry and is ranked 2nd place for both quarterly and annual net inflows in the latest available Strategic Insights data².
- 2nd place in adviser satisfaction in Adviser Ratings Financial Advice Landscape Report 2019.

Net Inflows and Growth in FUA

HUB24 continues to experience strong growth posting a December quarter with Net Inflows of \$1,259 million. This has continued the solid momentum for FY20 with FUA having increased \$3.0 billion since June 2019 and FY20 average monthly Net Inflows increasing 58% to \$416 million over FY19 (excluding the large transition in December 2018).

The company has maintained its position as the platform provider with the highest growth rate on an annual basis and has increased platform market share during the first half of FY20 from 1.3% to 1.6%². According to the latest available Strategic Insights data² to 30 September 2019, HUB24 is in 2nd place for quarterly Net Inflows and maintained 2nd place for annual Net Inflows across the Australian platform market.

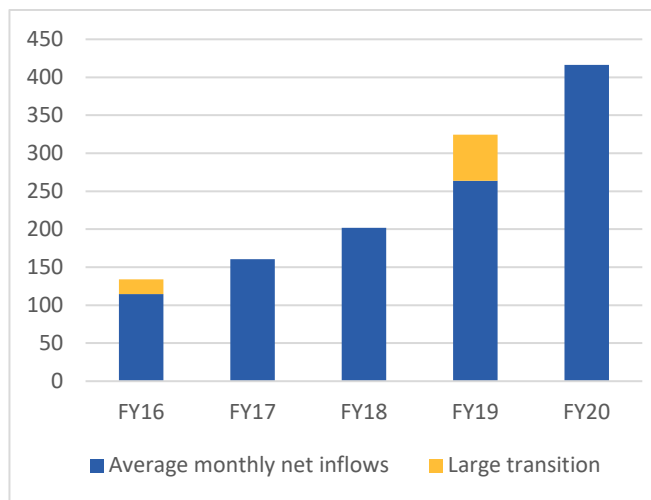
HUB24's strong FUA growth is being driven by both transition opportunities from new and existing adviser relationships, as well as organic flows from existing advisers and new business from advisers in the key account segment, self-licensed advisers and brokers. Additionally, increasing opportunities are being provided by the opening up of Approved Product Lists within the institutionally aligned licensee segment.

¹ Net Inflows represent gross inflows less outflows and do not include market movement.

² Source: Based on Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at September 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 Net Inflows and 2nd in terms of quarterly Net Inflows.

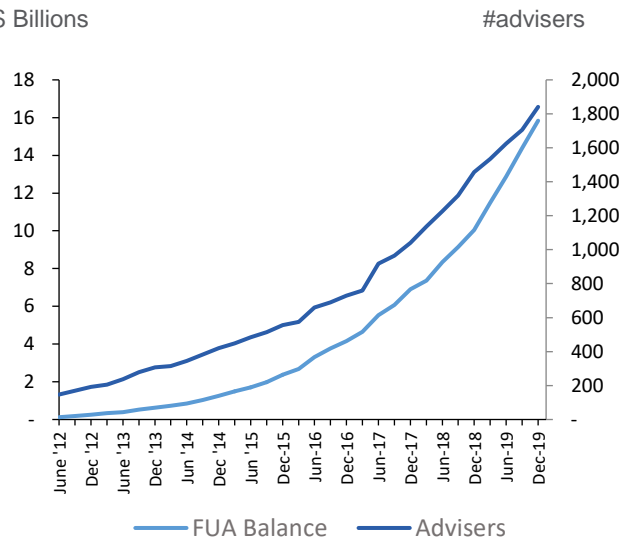
Average Monthly Net Inflows

\$ millions



FUA & Advisers

\$ Billions



During the quarter, 136 new advisers began using the HUB24 platform and 17 new licensee agreements were signed.

Platform Statistics	DEC'18	MAR'19	JUN'19	SEP'19	DEC'19	Qtrly growth on pcp
FUA	\$10,046m	\$11,475m	\$12,870m	\$14,383m	\$15,837m	57.6%
Flows*						
Net Inflows ex. large transition	\$753m	\$793m	\$979m	\$1,238m	\$1,259m	67.1%
Large transition	\$727m	-	-	-	-	N/A
Total Net Inflows	\$1,480m**	\$793m	\$979m	\$1,238m	\$1,259m	(14.9)%***
Gross Inflows	\$1,760m**	\$1,156m	\$1,475m	\$1,673m	\$1,668m	(5.3)%***
Advisers						
Number of Advisers	1,456	1,534	1,625	1,705	1,841	26.4%

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

* Inflows exclude market movements.

** Includes large transition of \$727m.

*** December 2019 quarter Net Inflows were up 67.1% on pcp and Gross Inflows were up 61.4% on pcp excluding the December 2018 large transition of \$727m.

Business Update

HUB24's focus on providing customer service excellence with dedicated resources for specific segments has resulted in another strong quarter of FUA growth from all channels including the broker segment, key account relationships and our self-licensed channel. Transitions from incumbent platforms are continuing and the pipeline remains strong with Net Inflows from new boutique relationships and the broker channel expected during the second half.

HUB24 continues to be recognised in terms of adviser advocacy in the most recent Adviser Ratings Financial Advice Landscape Report, with advisers rating HUB24 1st place in terms of overall investment options³ and second overall in terms of adviser satisfaction.

The broad appeal of HUB24's offer has resulted in 17 new distribution agreements being signed during the quarter with a combination of institutionally-owned licensees and high quality self-licensed advisers.

The recruitment of additional members to the distribution team is now complete and having a positive impact, with new team members nationwide now providing support with onboarding new advisers and activating advisers across all client segments.

Record Net Inflows over the first half have been assisted by advisers with larger client account balances and therefore access to competitive pricing. This is a trend overall in the industry as advisers reduce client numbers but service higher balance clients³, leaving an advice gap for smaller balance clients that are finding it more difficult to source cost effective personal advice. To address this market demand for innovative solutions for advisers to use to service a wider range of clients more efficiently, HUB24 has signed an agreement with Aberdeen Standard Investments to launch a digital client engagement tool which integrates the HUB24 platform with a customised "bionic" advice and product solution for advisers to use with their clients. A pilot version is targeted for release by the end of FY20.

There continues to be strong demand for new portfolios on the platform with 39 new portfolios added during the December quarter, the majority of which were diversified portfolios, as well as fixed interest and equities. Our commitment to providing a broad range of international options, resulted in the addition of 19 international ETFs to the menu. The ability to use the managed portfolio structure with an independent external responsible entity continues to be popular with ~60 portfolios now leveraging this structure to deliver their investment management capability. The recruitment of our new IT scrum team dedicated to maintaining and growing our market-leadership position in managed portfolios is well-progressed with many of the team members now in place.

HUB24 is also pleased to announce the establishment of the HUB24 Innovation Lab, led by Craig Apps, who was previously the Managing Director of Agility Applications. The Innovation Lab will develop and deliver data management and integration solutions to HUB24 clients to provide unique competitive advantage to their advisers. We have been working closely with some of our largest licensee clients to better understand the opportunities and challenges facing them, and our Innovation Lab will focus on solutions using data integration, and in some cases artificial intelligence techniques, to improve compliance and practice management outcomes.

³ Adviser Ratings – Financial Advice Landscape Report 2019.

As part of our commitment to leveraging expertise across our segments, several changes have been implemented to optimise the group's operating model, including centralising all product development teams across the HUB24 Group, including HUBconnect, Agility Applications and the HUB24 platform, under the responsibility of our Chief Operating Officer, Craig Lawrenson. This will enable the delivery of a more cohesive approach to product development, reducing duplication and aligning product strategy to customer segments and commercial priorities.

Robert Forbes, Head of Business Development for Agility, has taken leadership responsibility for the day to day operation of the Agility Applications business.

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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 HUBconnect 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.

This announcement was authorised for release to the market by the HUB24 Limited Chairman.

For further information, please visit: www.HUB24.com.au