

For personal use only

ASX Release: 24 January 2018

## HUB24 platform FUA now at \$7bn after strong 2<sup>nd</sup> quarter

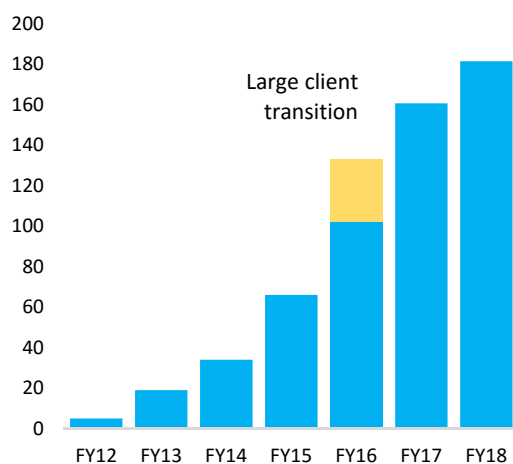
### Quarterly business update

#### Highlights

- Strong quarterly net inflows<sup>1</sup> for Q2FY18 of \$554m and gross inflows of \$771m
- Funds under Administration (FUA) of \$6.9bn at 31 December 2017 and now \$7.0bn (up from \$5.5bn at 30 June 2017)
- 14 new licensees signed distribution agreements during the quarter representing significant growth opportunities
- HUB24 and Agility's joint development initiative has been released to a select number of pilot clients
- Release of new platform enhancements that create adviser efficiency and support their compliance obligations
- HUB24 head office team now residing in new premises supporting productivity and future growth
- Paragem has licensed an additional advice practice and now comprises 32 advice practices and 76 authorised representatives

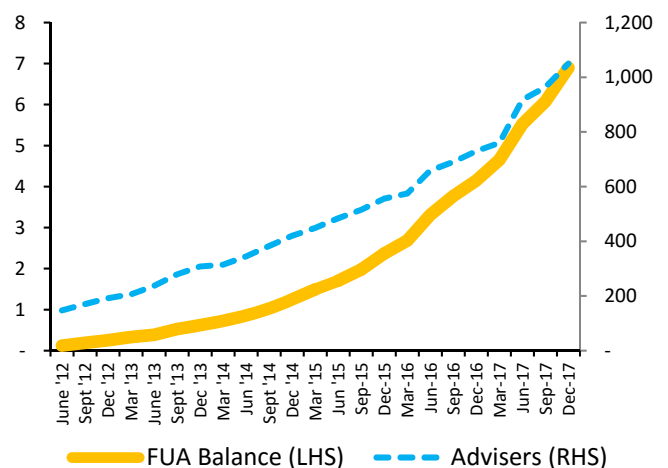
#### Continuing growth in FUA and net inflows

**Average monthly net inflows**  
\$ millions



**FUA & advisers**  
\$ Billions

#advisers



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

For personal use only

Gross inflows for the quarter were 62% higher than the prior corresponding period and represent the second highest inflow result for HUB24, following the record set in Q4FY17 (where regulatory change created increased superannuation activity across the industry leading up to 30 June 2017). The result was characterised by strong flows from new and existing advisers and reflects the company's investment in our sales and relationship team to support ongoing adviser take up whilst continuing to secure new opportunities.

In terms of market share of annual net inflows, HUB24 achieved 5<sup>th</sup> place across the industry having received 9.8% at 30 September 2017 and achieved 4<sup>th</sup> place for the September quarter with 13.5% of net inflows. This latest available data also indicates that the company's market share of FUA has grown from 0.7% as at 30 June 2017 to 0.8% at 30 September 2017<sup>2</sup>. These results illustrate the ongoing shift in wealth management towards market leading and innovative platform solutions.

Average funds under administration per adviser increased to \$6.6 million and our sales pipeline continues to strengthen across the HUB24 platform, Paragem (licensee) and Agility business segments.

Hub24 platform statistics	DEC '16	MAR '17	JUN '17	SEPT '17	DEC '17	Growth**
<b>FUA</b>	\$4,149m	\$4,652m	\$5,515m	\$6,074m	\$6,899m	66.3%
<b>FLOWS</b>						
<b>Net Fund Inflows (Qtr)</b>	\$328m	\$418m	\$841m	\$535m	\$554m	68.9%
<b>Gross inflows (Qtr)</b>	\$475m	\$568m	\$1,090m	\$733m	\$771m	62.3%
<b>Number of Advisers</b>	737	802	917	964	1040	41.1%

Statistics are for each quarter, have been rounded and are not audited. Inflows do not include market movement.

\*\* Growth is the percentage increase on prior year corresponding quarter.

### Business update

During the quarter, 76 new advisers were introduced to the platform and 27 new managed portfolios were established covering a range of investment styles across 7 investment managers.

HUB24 also signed 14 new distribution agreements. Included in these agreements are some significant boutique advice firms representing some 110 advisers nationally and total FUA, not currently held on the platform, of over \$1.5bn. Flows have already commenced with transition activities also underway in several of these licensees. Together these new relationships represent a significant growth opportunity.

<sup>2</sup> Source: Strategic Insights (Plan For Life). Analysis of Wrap, Platform and Master Trust Managed Funds at September 2017. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 5th fastest in terms of dollar based net inflows.

On Monday, HUB24 announced via a media release (see annexure) new platform enhancements aimed at helping support advisers with business efficiency and compliance. An integrated Records of Advice (ROA) solution has been launched which allows licensees to upload their own template and advisers to generate an ROA when they trade on their client's account.

In addition, a superannuation contributions tracker is now available to assist advisers using HUB24's platform to track their clients' contributions and check how they are progressing towards their contribution cap limits.

These enhancements are in direct response to adviser demand for the industry to provide innovations which create efficiency and assist with alleviating the increasing compliance burden on advisers.

### ***HUB24 and Agility development***

HUB24 and Agility's joint development initiative has been released into production for a select group of pilot clients representing a combination of both stockbroking and more traditional wealth adviser practices.

This initiative allows advisers to link together HUB24 platform accounts, stock broking accounts and direct bank accounts via direct data interfaces to the underlying financial product providers. Investors, advisers and back-office users will benefit significantly from this single aggregated view of multiple accounts through a new and improved user interface.

### **For further information please contact:**

**Andrew Alcock**  
Managing Director  
HUB24 Limited  
(02) 8274 6000



### **About HUB24**

HUB24 is a financial services company listed on the Australian Stock Exchange (ASX: HUB). The business is focussed on the delivery of the HUB24 platform and the growth of its wholly owned subsidiaries Paragem, a financial advice licensee, and Agility Applications which provides data, reporting and software services to Australian stockbroking and wealth management market. The HUB24 platform supports the achievement of superior superannuation and investment outcomes for investors. It is a next-generation service with state-of-the-art portfolio management, transaction and reporting solutions for licensees, financial advisers, accountants, stockbrokers and institutions. HUB24 is not aligned to any major bank, manager or institution. HUB24 is an independent organisation with award winning technology and a growing number of respected and high profile financial services companies as its customers.

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

For personal use only

## Annexure

### Media Release

22 January 2018

#### HUB24 launches integrated Records of Advice solution

**Sydney, 22<sup>nd</sup> of January 2018** – Leading platform provider HUB24 today announced its latest platform enhancements, including an integrated Records of Advice (ROA) solution for advisers and a super contributions tracker.

The new ROA functionality allows licensees to upload their own template and store it in the system. Advisers can then generate an ROA from the platform when they trade on their client's account.

The super contributions tracker enables advisers using HUB24's platform to track their clients' contributions to their superannuation, allowing them to generate reports and check how they are progressing towards their contribution cap limits.

"As with previous improvements, these new features are focused on creating efficiencies for advisers, freeing their time to deliver advice and build their client relationships," says Jason Entwistle, Director of Strategic Development at HUB24.

These specific enhancements are the result of innovations presented at HUB24's first internal hackathon, which took place in July 2017.

"Teams made up of staff members from different areas of the company were given 24 hours to develop an idea and prototype an improvement to the platform," explains Mr Entwistle.

"Through our culture of continuous innovation we are able to constantly improve the way we service our clients."

Other platform enhancements HUB24 plans for this year include:

**Foreign currency assets** – Enabling portfolio managers and investors to buy and sell investments in foreign currencies, as well as hold foreign currencies themselves. This will significantly increase the range of investment available to local investors.

**Online account applications** – Allowing advisers to open multiple accounts through one account opening process and linking clients' HUB24 and broking accounts. This will be the

For personal use only

industry's most functional electronic multi-account opening facility and will significantly reduce administration for advisers.

**Third party account linking** – An interface for advisers and clients to link available third-party accounts to their HUB24 account for a holistic view of their wealth management as well as integrated reporting.

### **Innovation driven by demand**

These developments are all in response to adviser demand. According to the *Investment Trends 2017 Planner Technology Report*, the leading challenge facing advisers is the compliance and reporting burden, with 34% of advisers indicating they would change their main platform for one which generated Records of Advice.

Andrew Alcock Managing Director, says these trends are transforming the wealth management industry. "Our industry is increasingly using technology to support advisers in enhancing their value proposition whilst improving client experience and client outcomes."

"Additionally, advisers using HUB24 can use these tools to improve practice management, increase efficiency and reduce costs in an industry that is transforming and where customer outcomes are paramount."

– Ends –

For personal use only