

ASX Release: 22 October 2018

## HUB24 posts record strong start to FY19

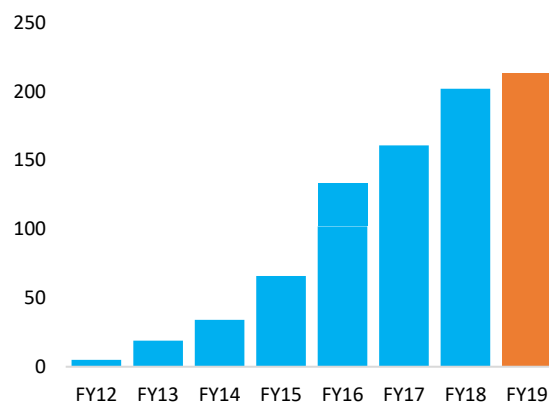
### Quarterly update – September 2018

- Quarter net inflows<sup>1</sup> of \$638m, a record for a first quarter (up 19.3% on pcp), with gross inflows of \$935m
- Funds under Administration (FUA) of \$9.1b (up 50.5% on Sept 2017)
- HUB24 maintained its position as the fastest growing platform provider on an annual basis both in percentage terms and as a ratio of net inflows to overall share of market<sup>2</sup>
- Customised products for Fitzpatricks Private Wealth have been rolled out nationally and the previously announced MDA transition for Fitzpatricks is progressing well
- The upcoming addition of Challenger Annuities to HUB24 was announced and ANZ OneCare Insurance launched as an additional insurance option on the HUB24 platform
- Agility Applications have executed an agreement to provide a suite of technology services to OpenMarkets to support their market leading digital trading platform

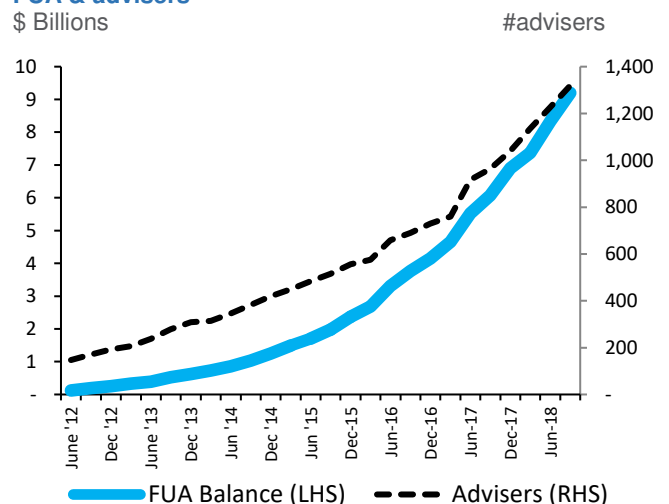
### Continuing growth in FUA and net inflows

Quarterly net inflows of \$638m are the highest on record for a first quarter, with 74% of net inflows being received into HUB24’s retail products and 26% into white label versions of the platform. Strong flows from existing advisers as well as initial flows from new relationships have contributed to this result.

**Average monthly net inflows**  
\$ millions



**FUA & advisers**  
\$ Billions



According to the latest available Strategic Insights data to 30 June 2018<sup>2</sup>, HUB24 achieved 4<sup>th</sup> place on an annual basis with a net inflow market share of 18.4%. On a quarterly basis HUB24 achieved 3<sup>rd</sup> place with 22.9% market share of net inflows. With our overall market share now reaching 1%

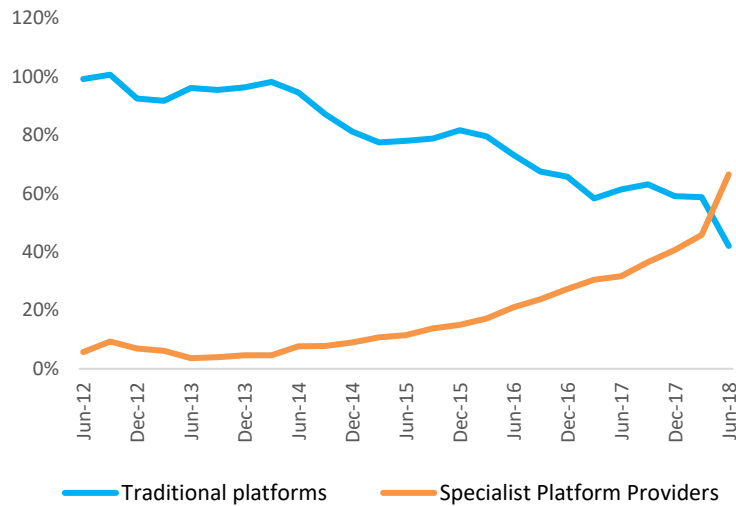
<sup>1</sup> Net inflows represent gross inflows less outflows and do not include market movement

<sup>2</sup> Source: Strategic Insights (Plan For Life). Analysis of Wrap, Platform and Master Trust Managed Funds at June 2018. HUB24 is the fastest growing platform provider relative to its size in percentage terms, 4<sup>th</sup> fastest in terms of dollar based net inflows.

HUB24 has achieved inflows of over 18 times our current market share which is the highest rate of growth in the industry.

The data also indicates that specialist platforms collectively have overtaken traditional institutional platforms by achieving 67% share of market inflows annually. HUB24 is well positioned to continue to benefit from this trend as advisers choose platforms with market leading features and broad product choice that support the delivery of superior client outcomes.

**Market share of Annual Net Flows**



During the quarter, 92 new advisers were introduced to the platform while 18 new licensee agreements were signed. These new agreements and advisers underpin our strong new business pipeline which is also supported by an increased focus by AFSL’s and advisers to diversify their platform solutions to include contemporary and cost-effective platforms like HUB24. Given our expanding market opportunities we have further enhanced our sales capability with a new Strategic Sales Account Director role reporting into Shane Muscat who joined HUB24 as Head of Strategic Sales in May this year.

<b>Platform Analysis (Qtrly)</b>	<b>SEPT '17</b>	<b>DEC '17</b>	<b>MAR '18</b>	<b>JUN '18</b>	<b>SEPT '18</b>	<b>Growth**</b>
<b>FUA – Retail</b>	\$6,074m	\$6,899m	\$7,363m	\$8,341m	\$9,140m	50.5%
<b>RETAIL FLOWS*</b>						
<b>Net Fund Inflows</b>	\$535m	\$554m	\$595m	\$739m	\$638m	19.3%
<b>Gross inflows</b>	\$733m	\$771m	\$820m	\$1,019m	\$935m	27.6%
<b>Number of Advisers</b>	964	1,040	1,136	1,227	1,319	36.8%

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

\*Inflows exclude market movements.

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

### **Business update**

During the quarter we completed the rollout of a customised offer for Fitzpatricks Private Wealth resulting in strong adviser interest and early adoption across Fitzpatricks advisers. In addition, the transition of \$700m from the current Fitzpatricks MDA is progressing well and on track for delivery before the end of this calendar year.

HUB24 has again enhanced its ability to support the different needs of licensees, advisers and their clients across a broad range of legal and product structures. During the September quarter we

launched functionality which enables licensees and portfolio managers to work with a range of third-party Responsible Entities to offer managed investment scheme (MIS) portfolios to their clients. In addition, we now offer Tailored Portfolios for MDA providers that choose to operate their MDA within HUB24's IDPS and Superannuation products. Several MIS portfolios have already been launched to market by two boutique licensees with initial flows being received onto the platform.

The company also added 39 portfolios to the investment menu during the quarter with 22 diversified options and 17 sector specific portfolios covering a broad range of asset classes. A number of these are customised portfolios for licensees who recently began using the platform.

In August we announced the launch of our new Core investment menu providing advisers and their clients the option of a select range of investments coupled with lower minimum administration fees and no account keeping fee. This initiative allows HUB24 to support a broader range of clients across the market including those who can more simply achieve their goals without requiring the full HUB24 platform solution. Already 12 licensees are actively using the Core offer, two of which have their own tailored version in market with a third to follow this quarter. Additionally, we added ANZ OneCare Life as a new insurance option on the platform bringing the number of insurers available to four.

Our ConnectHUB development is progressing well and is now moving beyond the initial pilot. This technology underpins a new version of InvestorHUB which will commence rollout in November including expanded external data aggregation and reporting capabilities encompassing cash providers, stockbrokers and platforms. ConnectHUB is resonating well with the stockbroking community as these businesses look for ways to leverage their client relationships and transition towards the provision of integrated wealth management and financial advice services.

Additionally, HUB24 announced a partnership with Challenger to provide Challenger Annuities on the HUB24 platform leveraging the ConnectHUB technology. Joint development is underway and the Challenger and HUB24 teams expect the solution to be available during the second half of the 2019 financial year.

Agility Applications has signed a new agreement with OpenMarkets to provide a suite of technology services that includes adviser dashboards and software to support the provision of international equities trading by OpenMarkets. This initial collaboration will enhance OpenMarkets capability as a market leading digital trading platform and is expected to form the basis of a long-term relationship between the two companies.

Finally, Nathan Jacobsen commenced as Managing Director of Paragem in September and is focusing on meeting the adviser network and building out the long-term strategy for Paragem to take advantage of industry opportunities.

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**About HUB24**

The Australian Stock Exchange-listed HUB24 (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, a financial advice licensee, and Agility Applications which provides data, reporting and software services to Australian stockbroking and wealth management market. HUB24's award-winning investment and superannuation platform offers 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.

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