

ASX Release: 16 January 2024

## HUB24 achieves record quarterly platform net inflows of \$4.5 billion

### December Quarter FY24 Highlights

- Record Platform net inflows of \$4.5 billion (up 60.4% on pcp) including \$1.8 billion from a large client transition
- Platform net inflows for 1HFY24 of \$7.2 billion (up 25.9% on pcp)
- Total Funds Under Administration (FUA) of \$91.2 billion as at 31 December 2023 (up 25.0% on pcp), comprising Platform FUA of \$72.4 billion (up 29.8% on pcp) and Portfolio, Administration and Reporting Services (PARS) FUA of \$18.8 billion (up 9.4% on pcp)
- In the latest Plan for Life data, HUB24 ranked 1<sup>st</sup> place for quarterly and annual net inflows<sup>1</sup>
- HUB24 awarded SMSF Advice Platform of the Year and Class Super awarded SMSF Software Platform of the Year in the 2023 SMSF Adviser awards

### Platform Net Inflows and FUA

HUB24 delivered strong growth over the quarter, with record net inflows of \$4.5 billion (up 60.4% on pcp), including a \$1.8 billion transition from the incumbent administrator to Insignia Financial's private label (Rhythm) administered on HUB24. The FUA from the transition has been included as institutional in the composition of Platform FUA. Excluding the large transition, Q2 FY24 platform net inflows were \$2.7 billion (down 4.0% pcp) and average monthly net inflows for 1HFY24 of \$912 million, up 15.6% from 1HFY23.

Platform FUA was \$72.4 billion as at 31 December 2023, which included positive market movement of \$2.9 billion for the quarter. Market volatility during 1HFY24 resulted in non-linear FUA growth with some months impacted by negative market movement.

During Q2 FY24, 29 new distribution agreements were signed and the total number of advisers using the platform increased to 4,297 (up 16.4% on pcp). New advisers from the Insignia Financial transition represented just over half of the quarterly increase.

In the latest available Plan for Life data, HUB24 ranked 1<sup>st</sup> place for quarterly and annual net inflows and increased market share to 6.7% (up from 5.7% as at 30 September 2022). HUB24 is ranked in 7<sup>th</sup> place overall and continues to have the fastest growth rate as a percentage of FUA based on annual net inflows.<sup>2</sup>

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<sup>1</sup> Plan for Life Master Trusts, Platforms and Wraps September 2023 rankings for continuing operations.

<sup>2</sup> Rankings and growth rate terms are based on internal analysis of Plan for Life Master Trusts, Platforms and Wraps September 2023 data for HUB24's continuous business operations, excluding HUB24's discontinuation of the Xplore Wealth Super Admin business during FY23.

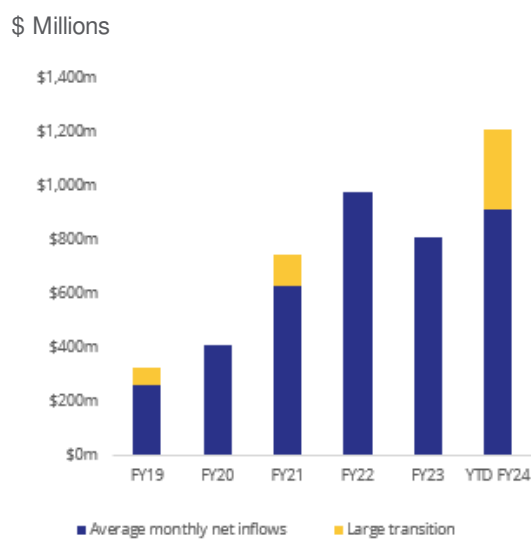
HUB24's proposition continues to resonate with licensees, advisers and their clients driving strong growth in net inflows and a solid opportunity pipeline across all customer segments. This includes large national licensees, aggregators, brokers, boutique advice practices and self-licensed advisers. The Company remains on track to meet our Platform FUA target range of \$92 billion to \$100 billion for FY25.<sup>3</sup>

As previously announced, the EQT transition of approximately \$4 billion of FUA continues to progress with a bulk transition of \$2.5-\$3.75 billion expected in 2HFY24 and the balance in FY25.

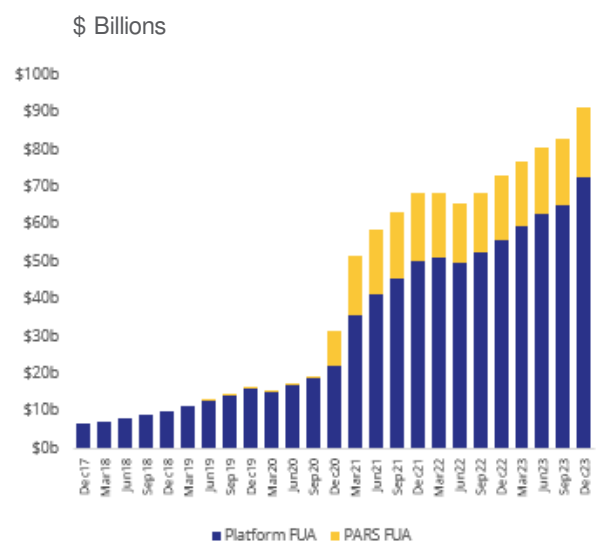
## PARS FUA

PARS FUA was \$18.8 billion at 31 December 2023. During the quarter, the number of PARS accounts increased to 8,262 (up 3.4% on pc).

**Platform Average Monthly Net Inflows**

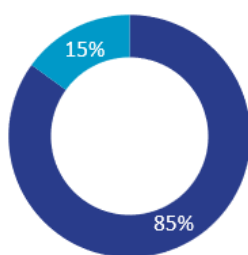


**Total FUA**

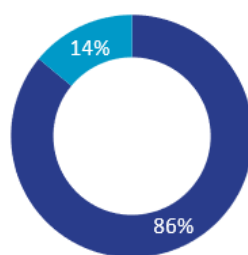


## Composition of Platform FUA

**FY24 Q2 Platform FUA**



**FY23 Platform FUA**



■ Retail ■ Institutional

<sup>3</sup> The Company expects strong growth and increasing profitability moving forward, subject to consistent and stable investment markets and HUB24 terms of business that may affect platform FUA and revenue.

Platform Statistics*	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Growth on pcp
Platform FUA	\$55,822m	\$59,438m	\$62,710m	\$65,085m	\$72,438m	29.8%
PARS FUA	\$17,172m	\$17,481m	\$17,636m	\$17,638m	\$18,790m	9.4%
Total FUA	\$72,994m	\$76,919m	\$80,346m	\$82,723m	\$91,228m	25.0%
Platform Flows						
Platform Net Inflows**	\$2,774m	\$1,870m	\$2,092m	\$2,798m	\$4,451m	60.4%
Platform Gross Inflows	\$4,372m	\$3,626m	\$4,586m	\$4,979m	\$6,761m	54.6%
Xplore Super Admin - discontinued operations***	(\$944m)		(\$15m)			
Platform Advisers						
Number of Advisers	3,692	3,748	4,011	4,026	4,297	16.4%

\* Statistics are for each quarter, have been rounded and are not audited. Platform FUA refers to custodial administration services and PARS FUA refers to non-custodial administration services.

\*\* Platform net inflows of \$2.8 billion (Dec 22 quarter) and \$2.1 billion (Jun 23 quarter) from continuing business operations (excluding the Xplore Super Admin discontinued operations).

\*\*\* Successor Fund Transfer (SFT) from Xplore Super Admin discontinued operations of \$944 million during Dec 22 quarter and \$15m during Jun 23 quarter.

## Class Statistics

The number of accounts across Class Super, Class Portfolio and Class Trust products increased during the quarter to 203,860 (up 2.6% on pcp), with Document Orders on NowInfinity increasing to 182,204 (up 2.0% on pcp). The number of companies using Corporate Messenger increased to 697,573 during the quarter (up 12.2% on pcp).

Metrics	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Growth on pcp
No. of accounts*	198,619	200,247	202,149	203,153	203,860	2.6%
Document Orders**	178,638	176,425	178,644	179,420	182,204	2.0%
Companies on Corporate Messenger***	621,478	636,996	645,190	666,432	697,573	12.2%

\* Number of Class accounts at the end of each quarter consists of Class Super, Class Portfolio and Class Trust licenses.

\*\* Documents paid for by PAYG and subscription customers during the last 12 months. Prior periods have been adjusted to reflect an updated methodology.

\*\*\* Number of active companies at the end of each quarter.



## **Business Update**

During the quarter, the HUB24 Platform continued to receive industry recognition and was awarded SMSF Advice Platform of the Year in the 2023 SMSF Adviser Awards, which acknowledges excellence in the SMSF segment.

To continue to drive productivity for advisers, the HUB24 Platform was enhanced with additional functionality during the quarter, including improvements to the Rollover and Account Tracking dashboards, which provide advisers with greater transparency and flexibility when managing client rollover requests and account transitions.

As previously announced, HUB24 launched the new Discover offer in November 2023, which complements HUB24's Core and Choice offers and creates opportunities to meet the needs of advised clients with less complex needs. Additionally, in collaboration with Allianz Retire+, HUB24 launched AGILE (Allianz Guaranteed Income for Life), an innovative longevity product designed to support the growth of clients' retirement assets and deliver a guaranteed retirement income stream. Both offers have been well-received by licensees and advisers.

Class's continued focus on delivering innovative functionality and customer service excellence was recognised during the quarter as SMSF Software Provider of the Year in the 2023 SMSF Adviser Awards (Class Super).

Class product enhancements, which aim to drive productivity for Class customers, were also delivered in Q2 FY24. This included a new audit console for Class's workpapers solution, enabling administrators to track, manage and submit funds for audits, and the extended rollout of integrated electronic signature functionality to provide document signing for all Class customers more efficiently.

Further, to provide accountants with greater automation for investment tracking, data feeds were enhanced to include foreign securities and term deposits during the quarter.

Over the course of 1HFY24, the HUB24 Group has experienced a decline in employee vacancy rates which are below average levels experienced over the last three years. While hiring plans for FY24 remain in line with the full year expectations, FTE growth is expected to be skewed towards the 1HFY24. A more detailed update will be provided on 20 February 2024 when 1HFY24 Financial Results are announced.



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#### **About HUB24**

HUB24 Limited is listed on the Australian Securities Exchange, and includes the award-winning HUB24 platform, HUBconnect, the Xplore Wealth platform, Class and myprosperity.

The HUB24 platform offers advisers and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality. As one of the fastest growing platforms in the market, the platform is recognised for providing choice and innovative product solutions that create value for advisers and their clients. HUBconnect focuses on leveraging data and technology to provide solutions to common challenges for stockbrokers, licensees and advisers and enable the delivery of professional advice to more Australians.

Class is a pioneer in cloud-based wealth accounting software and is recognised as one of Australia's most innovative technology companies. Class delivers SMSF administration, trust accounting, portfolio management, legal documentation and corporate compliance solutions to financial professionals across Australia who depend on Class to drive business automation, increase profitability and deliver better client service.

myprosperity is a leading provider of client portals for accountants and financial advisers, enabling streamlined service delivery, increased productivity and enhanced customer experience for finance professionals and their clients.

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 Managing Director.

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