

ASX Release: 19<sup>th</sup> July 2022

## HUB24 posts record platform annual net inflows

### June Quarter FY22 Highlights

- Record platform annual net inflows of \$11.7 billion (up 31.7% on pcp)
- Platform net inflows of \$2.5 billion for Q4 FY22 (broadly flat on pcp excluding large transitions)
- Total Funds Under Administration (FUA) of \$65.6 billion as at 30 June 2022, comprising of Platform FUA of \$49.7 billion (up 19.9% on pcp) and Portfolio, Administration and Reporting Services (PARS) FUA of \$15.9 billion (down 7.7% on pcp due to market movement)
- Class had its strongest June quarter for total account growth since 2019
- HUB24 ranked 1<sup>st</sup> in terms of annual FUA growth in percentage terms<sup>1</sup>
- HUB24 ranked 1<sup>st</sup> for primary platform advocacy<sup>2</sup>
- Class Limited (Class) CEO appointment and implementation of a new client-centric operating model is underway

### Net Inflows and Growth in FUA

#### **Platform Net Inflows and FUA**

HUB24 has achieved record platform net inflows for FY22 of \$11.7 billion (up 31.7% on pcp) with Platform net inflows of \$2.5 billion for the quarter (broadly flat on pcp excluding large transitions). Average monthly net inflows for FY22 were \$0.98 billion, up 56% (excluding large transitions). Platform FUA of \$49.7 billion as at 30 June 2022, was impacted by negative market movement of \$3.8 billion for the quarter (negative market movement for FY22 was \$3.5 billion).

During the quarter advisers have been focussed on supporting their clients through recent market volatility as well as ensuring they have met their regulatory obligations for ongoing advice fee consent requirements which are now in force.

HUB24's market-leadership and flexible approach to supporting advisers to create efficiencies in their business continues to result in a strong pipeline of new opportunities across all customer segments including large licensee clients, brokers, boutique advice practices and self-licensed advisers. This quarter 33 new distribution agreements were signed and the total number of advisers using the platform is now 3,486 (up 13.8% on pcp).

In the latest available Strategic Insights data HUB24 has maintained second place for annual net inflows. HUB24's market share has increased to 5.1% as at March 2022 (up 1.2% from 3.9% as at March 2021) and is ranked in 7<sup>th</sup> place. HUB24 was ranked 1<sup>st</sup> in terms of percentage growth in Platform FUA year on year.<sup>1</sup>

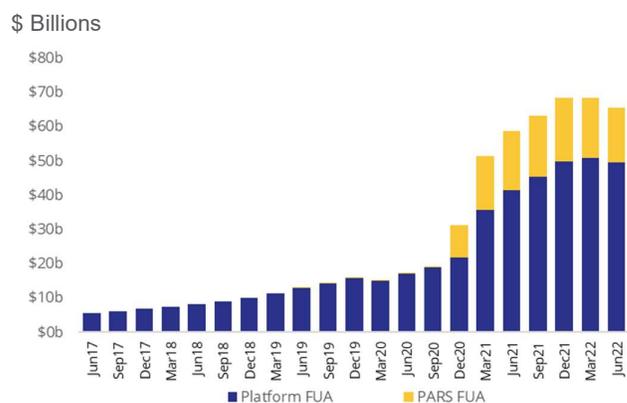
#### **PARS FUA**

During the quarter the total number of PARS accounts grew to 8,341 (from 8,020 at 31 March 2022) with PARS FUA of \$15.9 billion, impacted by negative market movement of \$1.4 billion for the quarter and down from \$17.2 billion as at 30 June 2021.

## Platform Average Monthly Net Inflows



## Total FUA

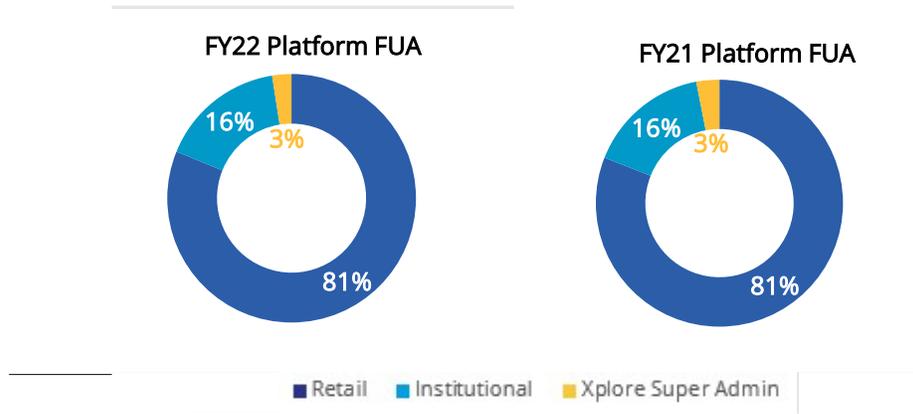


Platform Statistics*	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Growth on pcp
Platform FUA	\$41,446m	\$45,364m	\$49,992m	\$51,028m	\$49,703m	19.9%
PARS FUA	\$17,197m	\$17,756m	\$18,329m	\$17,307m	\$15,871m	(7.7)%
<b>Total FUA</b>	<b>\$58,643m</b>	<b>\$63,120m</b>	<b>\$68,321m</b>	<b>\$68,335m</b>	<b>\$65,574m</b>	<b>11.8%</b>
<b>Platform Flows</b>						
Platform Net Inflows	\$3,908m <sup>^</sup>	\$3,034m	\$3,630m	\$2,618m	\$2,454m	(37.2)%
Platform Gross Inflows	\$5,102m	\$4,314m	\$4,937m	\$3,878m	\$4,219m	(17.3)%
<b>Platform Advisers</b>						
Number of Advisers	3,063	3,221	3,402	3,432	3,486	13.8%

\*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.

<sup>^</sup>Including large transition of \$1.4bn.

## Composition of Platform FUA



## Class

Class completed the year with the strongest June quarter since 2019 with growth in total net accounts across Class Super, Class Portfolio and Class Trust products. Nowinfinity also performed well finishing the quarter with document orders up 4% on pcp and an increase of 5% on pcp for companies using the Corporate Messenger service.

Momentum is expected to continue into FY23.

Metrics <sup>1, 2, 3</sup>	Mar-22	Jun-22	Growth on pcp
No. of accounts	196,298	198,397	1.1%
Document Orders	164,212	171,309	4.3%
Companies on Corporate Messenger	567,518	597,989	5.4%

<sup>1</sup> Number of Class accounts consists of Class Super, Class Portfolio and Class Trust licenses

<sup>2</sup> Documents paid for by PAYG and subscription customers

<sup>3</sup> Number of active companies

## Business Update

### HUB24

In the recent Investment Trends Planner Technology Needs report, HUB24's commitment to providing advisers with innovative product solutions and customer service excellence has resulted in being ranked 1<sup>st</sup> in terms of adviser advocacy by advisers who use HUB24 as their main platform.<sup>2</sup>

HUB24's market-leading digital reporting feature which enables advisers to customise client presentations in real-time, delivering engaging and efficient client reviews is now live. Advisers who took part in the pilot have cited a reduction in time spent consolidating data for client reviews and increased client engagement as key benefits of the new feature.

Throughout the June quarter HUB24 has continued to support advisers in meeting the new advice fee consent regulatory requirements providing flexible options for obtaining client consent and solutions to enable advisers to track and manage ongoing obligations.

During Q4 FY22 a range of ETFs and listed managed funds available on CBOE Australia (formerly Chi-X) were added as investment options on HUB24 Invest, and an additional international markets trade processing window was implemented providing advisers with more flexibility in accessing US and European markets.

At the Investor Day held in June, the company announced the first joint product development initiative leveraging the combined capability of HUB24, Class and NowInfinity. The new SMSF product solution is designed for advisers to meet the needs of aspirational accumulators who are keen to access the benefits of a cost-effective SMSF solution.

The solution provides advised clients with a cost-effective, fully integrated end-to-end service bringing together SMSF establishment, administration and investment administration. A cross-business project team is in place preparing for a pilot launch during Q1 FY23.

The Xplore migration is progressing with the migration from Xplore Wealth to HUB24 completed on 1<sup>st</sup> July 2022 with product migrations continuing throughout FY23.

## Class

HUB24 recently announced the appointment of Mr. Tim Steele as CEO of Class Limited. Mr. Steele has extensive executive experience across strategic and leadership roles most recently as Group Executive, Retirement and Investment Solutions at MLC and prior to that as general manager of NAB Financial Planning. Mr. Steele will join the HUB24 Group Executive reporting to the Group's Chief Executive Officer and Managing Director, Andrew Alcock, starting 1 August 2022.

In June we finalised the Class operating model with business lines now aligned to Class and NowInfinity client propositions, and responsibility for distribution of HUBconnect offers also now transitioning into the Class business unit, centralising the Group's software and data solutions. The Class technology, marketing, HR, legal and finance teams will now report into the relevant HUB24 Group Executives.

The new structure is expected to deliver greater focus on customer propositions, enhance engagement and leverage scale and expertise across HUB24 Group, to enable us to better deliver on our growth strategy.

As announced as part of the acquisition Class will continue to operate as a business unit within the HUB24 Group with its own brand and leadership team.

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1 Strategic Insights Master Funds Platforms and Wraps March 2022

2 Investment Trends May 2022 Planner Technology Needs Report



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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 Platform and Class Limited.

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 Limited is a pioneer in cloud-based wealth accounting and is recognised as one of Australia's most innovative technology companies. Class delivers trust accounting, portfolio management, legal documentation and corporate compliance solutions to over 3,500 financial professionals across Australia who depend on Class to drive business automation, increase profitability and deliver better client service.

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)