

ASX Release: 11 October 2019

Record Q1 Net Inflows of \$1,238m – up 94% on pcp

September Quarter FY20 Highlights

- Quarter Net Inflows¹ of \$1,238 million (up 94% on pcp), with Gross Inflows of \$1,673 million.
- Funds Under Administration (FUA) of \$14.4 billion at 30 September 2019 (up 57% 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.
- Benefitting from the trend of advisers moving away from institutions, Paragem has now completed onboarding of 11 new practices.
- Recruitment has commenced to expand our distribution team and establish an additional managed portfolio technology team to execute on HUB24's strategy.

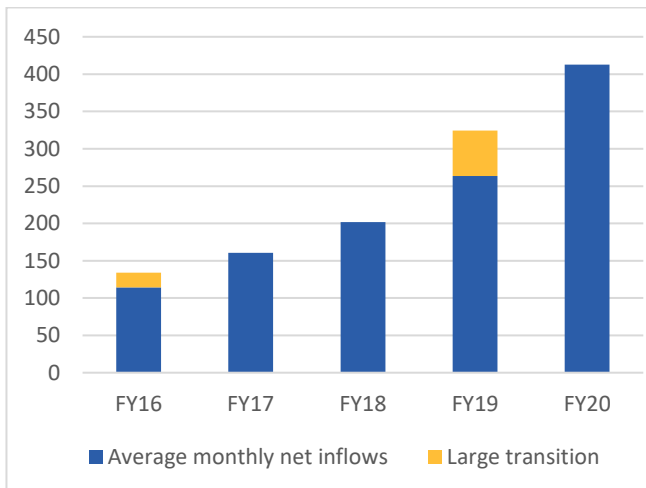
Record Net Inflows and Growth in FUA

HUB24 is experiencing strong growth posting a record September quarter with Net Inflows of \$1,238 million. This is a solid start to FY20 with average monthly inflows of \$413 million already ahead of the FY19 average of \$324 million per month which included a significant client transition.

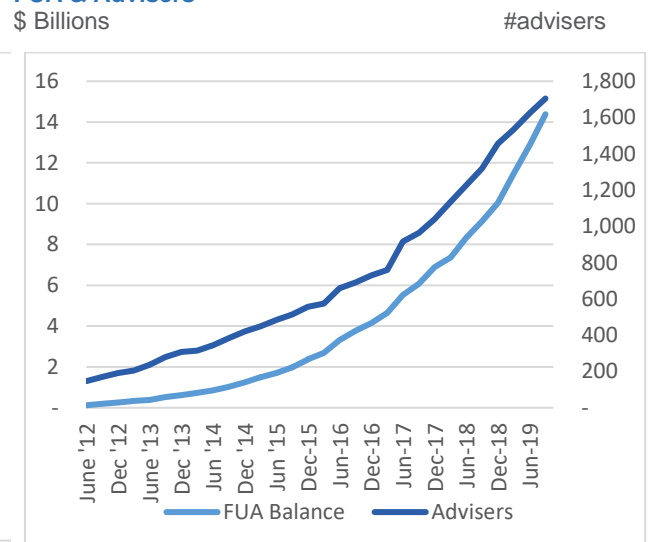
According to the latest available Strategic Insights data² to 30 June 2019, HUB24 is in 2nd place for quarterly Net Inflows and also maintained 2nd place for annual Net Inflows across the Australian platform market. HUB24 increased platform market share during the June quarter from 1.3% to 1.5%.

Growth in FUA is a result of inflows from a combination of existing and new adviser relationships, whilst structural change across the industry is continuing to provide opportunities for assisted transitions of FUA from competitor platforms.

Average Monthly Net Inflows
\$ millions



FUA & Advisers
\$ Billions



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 June 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.

During the quarter, 80 new advisers began using the HUB24 platform and 22 new licensee agreements were signed.

Platform Statistics	SEP'18	DEC'18	MAR'19	JUN'19	SEP'19	Growth on pcp
FUA	\$9,140m	\$10,046m	\$11,475m	\$12,870m	\$14,383m	57.3%
FLOWS*						
Net Inflows	\$638m	\$1,480m**	\$793m	\$979m	\$1,238m	93.9%
Gross Inflows	\$935m	\$1,760m**	\$1,156m	\$1,475m	\$1,673m	78.9%
Advisers						
Number of Advisers	1,319	1,456	1,534	1,625	1,705	29.3%

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

* Inflows exclude market movements.

** Includes large transition of ~\$725m.

Business Update

The activation of new advisers from existing licensee relationships and the broker channel, as well as ongoing flows from established platform users, has driven a 57.3% increase in FUA year on year to \$14.4 billion reflecting the quality of HUB24's products and customer service. Given HUB24's success in securing new licensee relationships during FY19 the company announced in August plans to invest in additional distribution staff to leverage the unprecedented market opportunities for increasing growth. Recruitment has now commenced with new team members expected to progressively join HUB24 by the end of calendar year 2019.

HUB24's pipeline of opportunities is growing, and the platform offer continues to resonate with licensees and advisers across a diverse range of advice models, with 20 new agreements signed during the quarter including large boutiques licensees, brokers, self-licensed and advisers operating within an aggregator model.

As the market-leader in managed portfolios HUB24 is committed to continually enhancing the investment options available to advisers and their clients. During the quarter 20 new managed portfolios were added to the menu including diversified, fixed interest and equity portfolios. Given the ongoing growth in the managed portfolio segment, and in order to extend our current leadership position, HUB24 is also recruiting an additional managed portfolio technology scrum team which will be in place by the end of calendar year 2019. HUB24 is committed to ongoing managed portfolio innovation that will create further opportunities for advisers and their clients to enhance their investment outcomes.

Paragem has now successfully completed the onboarding of 11 new practices representing the largest annual growth in practice numbers to date. The new practices have in the majority transitioned from the institutional space and pipeline remains strong with continued growth in practices expected. When combined with the previously announced departure of 3 related practices which given their size have decided to self-license, we anticipate Paragem's financial result for FY20 to be similar to FY19 (comprising a reduction in gross revenue offset by a comparable reduction in direct costs). This growth in practices reflects confidence in the Paragem leadership team and the evolving adviser service offer designed to meet the future needs of financial advice practices.

Commenting on the results Managing Director Andrew Alcock said “We are pleased with the great start to FY20, with Net Inflows of \$1.2 billion almost double the level of the first quarter of FY19. We’re continuing to grow our pipeline by securing new relationships and remain focussed on continuing to invest to further consolidate our industry leading position.”

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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 ConnectHUB 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.

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