

ASX Release: 20<sup>th</sup> July 2021

## Record June quarterly and annual net inflows for FY21

### June Quarter FY21 Highlights

- Record platform quarterly net inflows of **\$3.9 billion**, incorporating \$2.2 billion from the HUB24 platform, \$1.4 billion from the completion of the ClearView Wealth bulk transition and \$0.3 billion from Xplore Wealth (Xplore)
- Record platform annual net inflows of **\$8.9 billion** (an increase of 80% on pcq)
- Total Funds Under Administration (FUA) is now **\$58.6 billion**, including Xplore, with platform FUA of \$41.4 billion as at 30 June 2021 (up 141% on pcq) and Portfolio, Administration and Reporting Services (PARS) FUA of \$17.2 billion
- Ranked No.1 overall by advisers in the recent Wealth Insights Platform Service survey and 1<sup>st</sup> in 5 out of 9 platform service categories<sup>1</sup>
- Private Label IDPS and Super offers for IOOF launched to their adviser network.

### Net Inflows and Growth in FUA

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

HUB24 has achieved a strong quarter of growth with the HUB24 platform delivering record quarterly net inflows of \$2.2 billion, before the inclusion of the \$1.4 billion bulk transition from ClearView Wealth, and \$0.3 billion Xplore platform net inflows, resulting in total platform net inflows of \$3.9 billion.

With record net inflows during the last three quarters, HUB24 finished the financial year with annual record net inflows of \$8.9 billion, with \$8.6 billion annual net inflows on the HUB24 platform and \$0.3 billion on the Xplore platform.<sup>2</sup> Average monthly net inflows, excluding large transitions, for FY21 of \$627 million are up 52% from \$412 million for FY20.

Platform FUA reached \$41.4 billion as at 30 June 2021, (up \$5.8 billion, or 16%, including positive market movement of \$1.9 billion for the quarter across both the HUB24 and Xplore platforms). This result is up 141% from \$17.2 billion as at 30 June 2020. Trading volumes were lower than expected for the quarter in line with the broader market.

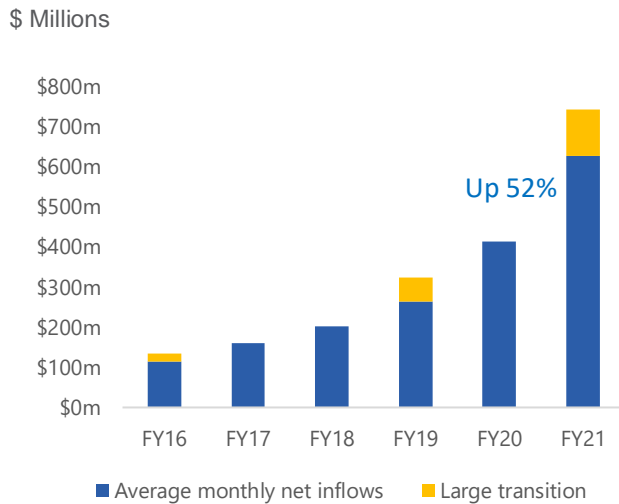
HUB24's continued recognition as the platform market-leader and focus on providing innovative solutions to empower better financial futures has continued to resonate with strong net inflows across all client segments during the June quarter. HUB24's new business pipeline continues to grow with 26 new licensee agreements signed during the quarter, predominantly with self-licensed advisers or advice practises who are part of advice aggregators. The total number of advisers using the platform grew by 48% during FY21.

According to the latest available Strategic Insights data for the Australian platform market, HUB24's market share has increased to 3.9% from 2.5% at March 2021 and now includes Xplore platform FUA.<sup>3</sup>

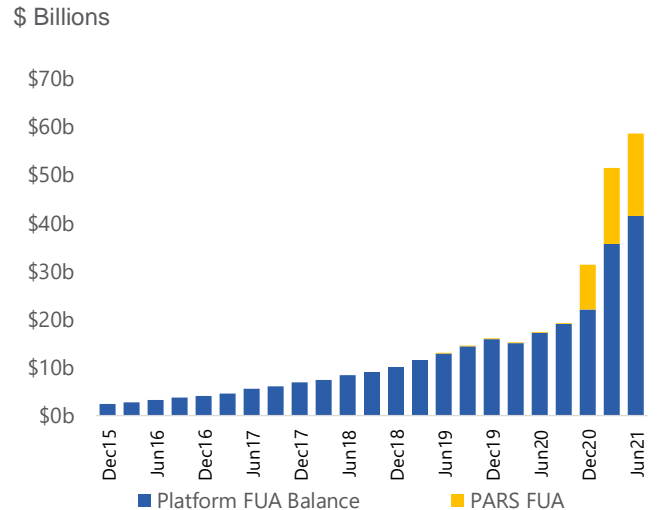
## PARS FUA

PARS FUA is now \$17.2 billion up from \$15.8 billion as at March 2021, with both Ord Minnett PARS and Xplore experiencing growth in FUA and number of accounts.

Platform Average Monthly Net Inflows



Total FUA



| Platform Statistics               | Jun-20    | Sep-20    | Dec-20    | Mar-21    | Jun-21    | Growth on pcg |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|---------------|
| <b>Platform FUA</b>               | \$17,217m | \$19,015m | \$21,966m | \$35,613m | \$41,446m | 140.7%        |
| <b>PARS FUA</b>                   | \$162m    | \$162m    | \$9,322m  | \$15,774m | \$17,197m | Large         |
| <b>Total FUA</b>                  | \$17,379m | \$19,177m | \$31,288m | \$51,387m | \$58,643m | 237.4%        |
| <b>Platform Flows*</b>            |           |           |           |           |           |               |
| <b>Platform Net Inflows</b>       | \$1,089m  | \$1,362m  | \$1,722m  | \$1,920m  | \$3,908m  | 258.9%        |
| <b>Platform Gross Inflows</b>     | \$1,583m  | \$1,927m  | \$2,225m  | \$2,592m  | \$5,102m  | 222.3%        |
| <b>Xplore custody acquisition</b> |           |           |           | \$11,209m |           |               |
| <b>PARS transitions</b>           |           |           |           |           |           |               |
| <b>Ord Minnett PARS</b>           |           |           | \$9,008m  |           |           | N/A           |
| <b>Xplore non-custody</b>         |           |           |           | \$5,963m  |           | N/A           |
| <b>Platform Advisers</b>          |           |           |           |           |           |               |
| <b>Number of Advisers</b>         | 2,066     | 2,167     | 2,280     | 2,758**   | 3,063     | 48.3%         |

\*Statistics are for each quarter, have been rounded and are not audited. Inflows exclude market movements. The large PARS transition relates to the Ord Minnett PARS acquisition which completed on 28 November 2020. \*\*includes 293 as part of the Xplore acquisition.

## **Business Update**

Financial advisers have rated HUB24's platform first for Overall Satisfaction in the 2021 Wealth Insights Platform Service Level Report, recognising HUB24's customer service excellence and innovative product solutions. Completed by more than 600 financial advisers, HUB24 ranked highly across all categories, taking out 1<sup>st</sup> place in 5 of the 9 survey categories including platform offering, administrative support, ease of doing business, communications and reporting, and IT and Web functionality.<sup>1</sup> This adviser recognition follows the Investment Trends 2020 Platform Benchmarking and Competitive Analysis Report released earlier this year, which ranked HUB24 Best Platform Overall and Best Platform Managed Accounts Functionality for the 5th year running.<sup>4</sup>



HUB24 ranked #1 by advisers for  
**Overall Satisfaction** in the Wealth  
Insights Platform Service Level  
Report 2021

Additionally, in the recent Investment Trends Adviser Needs Report (previously called Planner Technology report) HUB24 maintained its 2<sup>nd</sup> place ranking in both adviser satisfaction and adviser advocacy and has consistently ranked in the top 2 platforms for the last 6 years. HUB24 was ranked first in seven categories including administrative accuracy, client portal, tax optimisation tools, helpfulness of contact centre staff, contact centre support, follow-up with problems, and complaints handling.<sup>5</sup>

As well as continuing to focus on growth and supporting our clients, the team is delivering on our strategic objectives. During the quarter, the private label investment and superannuation offer for IOOF was launched and the HUB24 and IOOF teams are continuing to work together to rollout the solution across the IOOF adviser network. The bulk transition of \$1.4 billion from ClearView was also completed during the quarter, demonstrating the teams' ability to deliver record organic growth whilst also managing large scale projects.

The integration of Xplore is well-progressed as teams work together to develop the future operating model and continue to engage and service customers. The Xplore team have now moved onto HUB24's corporate technology environment and a property consolidation strategy is underway. The combined distribution and product teams are working together to engage with clients resulting in growth in both platform and PARS FUA.

The separation of PARS from Ord Minnett systems to HUB24 is continuing and is on track for completion by the end of Q2 FY22.

Given HUB24's significant growth in FY21, the expansion of our product and service offerings and the opportunities available in the market, HUB24 is investing to support future growth. The company will be expanding the executive team, hiring additional distribution team members and investing in technology infrastructure to support scale and ongoing innovation. Further detail will be provided in the FY21 results update in August.

As part of this investment and to support our strategic objectives, HUB24 has announced the appointment of Darren Stevens as Chief Product Officer reporting directly to the Managing Director. Darren will join HUB24 in August, to lead the Group's combined product functions across platform

and HUBconnect and will focus on delivering market-leading integrated platform and technology solutions that deliver customer value and shape the future of wealth management. Yesterday,

HUB24 has also announced the appointment of Catherine Kovacs as Non-Executive Director, effective 19<sup>th</sup> July 2021. Ms Kovacs' broad skillset and experience will expand and complement the existing board expertise. Ms Kovacs will initially also serve as a member of the Audit, Risk and Compliance Committee.

#### **Additional metrics to be included in FY21 reporting**

Given the business transformation resulting from recent strategic transactions, HUB24 will be including additional metrics in FY21 financial reporting to support market understanding of the combined business. The table below outlines the new metrics which will be included in the FY21 annual reporting and results commentary.

| GROWTH INDICATORS AND FINANCIAL METRICS                     |  |
|---|--|
| HUB24 Group growth indicators                               |  |
| Spot Custodial Fee Paying FUA %                             |  |
| Number of non Custody accounts                              |  |
| CUSTODIAL PLATFORM PERFORMANCE ANALYSIS                     |  |
| Custodial Revenue and FUA Composition Basis Points          |  |
| Retail revenue / average retail FUA                         |  |
| Institutional revenue / average Institutional FUA           |  |
| Xplore Super Admin revenue / average Xplore Super Admin FUA |  |

1 2021 Wealth Insights Platform Service Level Report

2 Xplore Wealth included from March 2021

3 Strategic Insights Master Funds Platforms and Wraps December 2020

4 Investment Trends Platform Competitive Analysis and Benchmarking Report December 2020

5 Investment Trends Adviser Needs Survey

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

**Kitrina Shanahan**  
Chief Financial Officer  
HUB24 Limited  
0478474590

**Fiona Harris**  
Media & Public Relations  
HUB24 Limited  
0466012434

#### **About HUB24**

HUB24 Limited is a company listed on the Australian Securities Exchange. The company consists of the award-winning HUB24 platform, HUBconnect business and Xplore platform. HUB24 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 licensees and advisers and enable the delivery of professional advice to more Australians.

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)

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