

ASX Release: 10 October 2017

Strong start to FY18 – FUA now \$6.1b

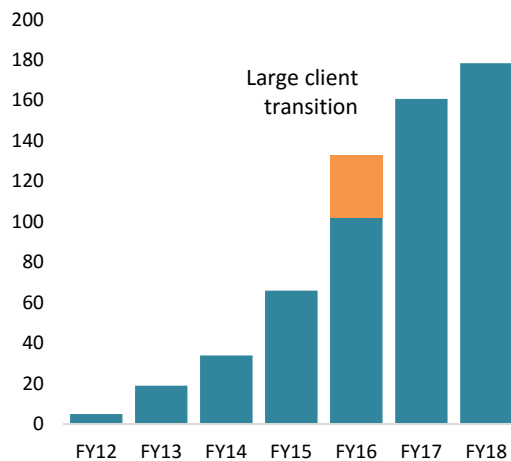
Quarterly business update

Highlights

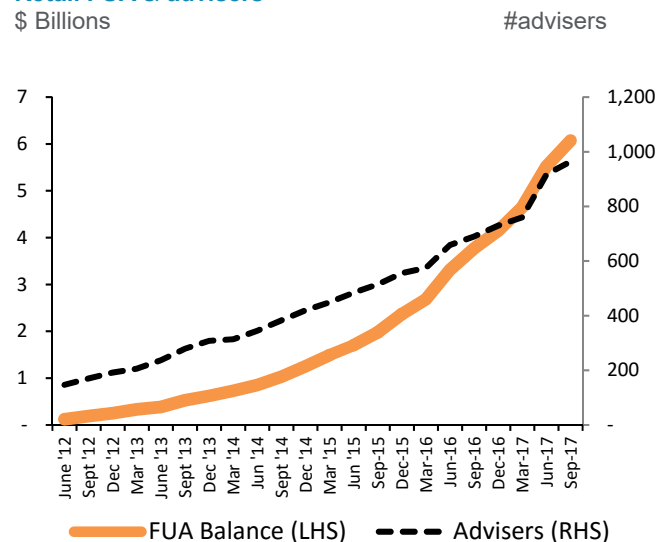
- Strong quarterly net inflows¹ for Q1FY18 of \$535m and gross inflows of \$733m
- Retail Funds under Administration (FUA) are now \$6.1b up from \$5.5b at 30 June 2017
- 8 new licensees signed distribution agreements and 47 new advisers were introduced to the platform during the quarter
- HUB24 has launched a white label super and IDPS product as a joint HUB24 / Agility solution for a well know stockbroking and advisory firm. The company and has also signed a distribution agreement with another broking business that has commenced using HUB24's retail platform
- Final consideration for the Paragem acquisition has been finalised resulting in the issue of 4,256,991 HUB ordinary shares on 10 October 2017. The shares are freely tradeable from date of issue
- HUB24 was awarded joint first in the Investment Trends 2017 Planner Technology Report² for overall satisfaction, including outright first in 16 out of 24 categories

Continuing growth in FUA and net inflows

Average monthly net inflows
\$ millions



Retail FUA & advisers
\$ Billions



¹ Net inflows represent gross inflows less outflows and do not include market movement

² Investment Trends 2017 Planner Technology Report

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Gross inflows for the quarter were the second highest result for HUB24 following the record set for Q4FY17 which included regulatory super changes and was also the strongest quarter for FUA growth for the industry since September 2007.

Net inflows for the quarter were consistent with recent trends with 65% of flows being received into HUB24's retail platform offering with the remainder of flows coming from white label versions of the platform.

The company has continued to increase its market share with the latest available data indicating for the year ended 30 June 2017, HUB24 achieved the 6th highest (or 9.37%) level of annual net inflows and the company's market share of FUA has grown from 0.62% as at 31 March 2017 to 0.72% at 30 June 2017³.

Average funds under administration per adviser increased to \$6.3 million and our sales pipeline continues to strengthen across the HUB24 platform, Paragem (licensee) and Agility business segments.

Platform statistics	SEPT '16	DEC '16	MAR '17	JUN '17	SEPT '17	Growth**
FUA - Retail	\$3,770m	\$4,149m	\$4,652m	\$5,515m	\$6,074m	61.1%
RETAIL FLOWS						
Net Fund Inflows (Qtr)	\$366m	\$328m	\$418m	\$841m	\$535m	46.2%
Gross inflows (Qtr)	\$496m	\$475m	\$568m	\$1,090m	\$733m	47.8%
Number of Advisers	690	737	802	917	964	39.7%

Statistics are for each quarter, have been rounded and are not audited. Inflows do not include market movement.

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

Business Update

Paragem

Paragem, a financial advice licensee, engages with medium to large financial planning practices and continues to experience increased interest in this segment as practices look to unwind from institutionally owned relationships and access the benefits of the managed accounts. Since the acquisition by HUB24 Paragem has continued to grow strongly with 10 new financial planning practices and 18 advisers having joined the licensee.

³ Source: Strategic Insights (Plan For Life). Analysis of Wrap, Platform and Master Trust Managed Funds at June 2017. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 6th fastest in dollar terms of net inflows.

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Final consideration for the acquisition of Paragem Pty Ltd, which was first announced to the market on 21 August 2014, has been determined based upon financial performance measured over the 3 years to 30 September 2017. 4,256,991 ordinary HUB shares have been issued to Paragem security holders on 10 October 2017 which are freely tradeable from date of issue.

Across the market we are observing an increasing number of advisers becoming self-licensed or joining more flexible dealer groups as demonstrated by Paragem recruiting five advice practices during 2HFY17. As industry leaders in both segments, HUB24 and Paragem are well positioned to maintain steady, high quality market growth while capitalising on this trend.

Awards

During the quarter, HUB24 was awarded joint first place in Overall Adviser Satisfaction in the 2017 Planner Technology Report from Investment Trends. The report examines the adviser technology and business processes through a survey of over 500 financial advisers.

HUB24 ranked outright first in 16 out of 24 categories, including User Interface, Quality of Reporting, Online Transaction Capability, Online functionality for Clients, Timeliness of Tax Reports, Ease of Use, Mobile Access, Tax Optimisation Tools, Relationship Support and Range of Investments.

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About HUB24

HUB24 is a financial services company listed on the Australian Stock Exchange (ASX: HUB). 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. The HUB24 platform supports the achievement of superior superannuation and investment outcomes for investors. It is a next-generation service with state-of-the-art portfolio management, transaction and reporting solutions for licensees, financial advisers, accountants, stockbrokers and institutions. HUB24 is not aligned to any major bank, manager or institution. HUB24 is an independent organisation with award winning technology and a growing number of respected and high profile financial services companies as its customers.

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

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