

ASX Release: 17 April 2018

HUB24 delivers record third quarter flows

Quarterly business update

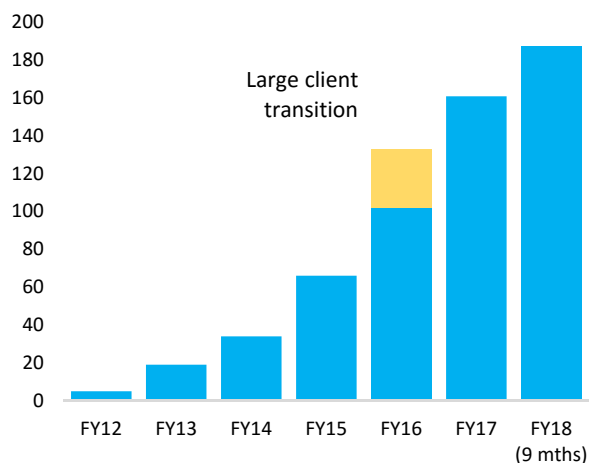
Highlights

- Strongest third quarter net inflows¹ for Q3FY18 of \$595m (growth of 42% on pcp) and gross inflows of \$820m
- Funds under Administration (FUA) of \$7.4b at 31 March 2018 (growth of 58% on pcp)
- 17 new licensees signed distribution agreements during the quarter representing significant growth opportunities
- HUB24 recognised as the market leader managed accounts being awarded first place² by Investment Trends for the 2nd year running
- A new white label was launched during the quarter for a boutique private wealth licensee with flows commencing
- Client led development for new opportunities is continuing with the launch of our next generation model portfolio capability to occur in the coming weeks

Continuing growth in FUA and net inflows

Average monthly net inflows

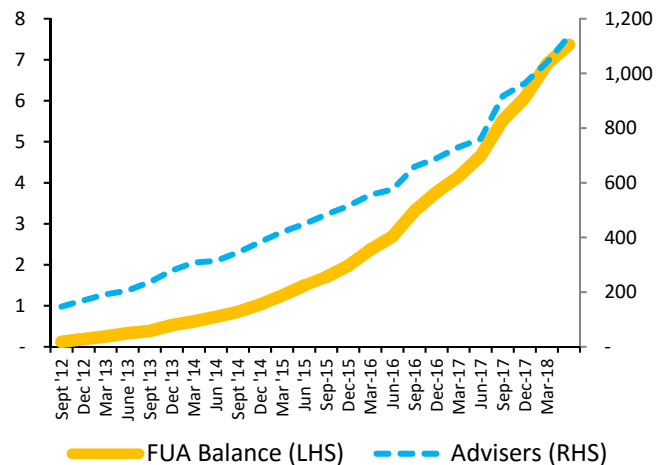
\$ millions



FUA & advisers

\$ Billions

#advisers



Net inflows, a record for the third quarter, were 42% higher than the prior corresponding period and are the second highest quarterly inflow result for HUB24. This strong result from a third quarter, which is seasonally softer, augurs well for expected strong flows for the remainder of FY18. Inflows were well spread across both new and existing advisers reflecting the company's high quality service

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

² Awarded First for Managed Accounts in the December 2017 Platform Competitive Analysis and Benchmarking Report based upon extensive reviews of 19 platforms across 526 functional points.

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delivery and the ongoing investment in our sales and relationship team. 72% of net inflows were received into HUB24's retail products with 28% into white label versions of the platform.

According to the latest available market share data, HUB24 achieved 5th place for annual net inflows across the industry having received 11.0% at 31 December 2017 and jumped to 3rd place for the December quarter with an increase to 13.9% of net inflows. The company's market share of FUA has grown from 0.7% as at 30 June 2017 to 0.8% at 31 December 2017³ further illustrating the ongoing shift in wealth management towards market leading and innovative platform solutions.

During the quarter, 96 new advisers were introduced to the platform across all licensees while 17 distribution agreements were signed with new licensees.

Our sales pipeline continues to strengthen across the HUB24 platform and Agility business segments particularly on the back of client led development initiatives that will extend the company's market leadership.

Platform statistics	MAR '17	JUN '17	SEPT '17	DEC '17	MAR '18	Growth*
FUA – Retail	\$4,652m	\$5,515m	\$6,074m	\$6,899m	\$7,363m	58.3%
RETAIL FLOWS						
Net Fund Inflows (Qtr)	\$418m	\$841m	\$535m	\$554m	\$595m	42.3%
Gross inflows (Qtr)	\$568m	\$1,090m	\$733m	\$771m	\$820m	44.4%
Number of Advisers	802	917	964	1,040	1,136	41.6%

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

A new white label version of the HUB24 platform was launched during March for a private wealth licensee. Net inflows have already commenced and this new licensee will shortly commence using HUB24's next generation managed portfolio capability which will be launched to market in the next few weeks. The release allows asset managers to better leverage their investment expertise and mass customise client portfolios with the aim of delivering enhanced investment returns.

A 'heads of agreement' has also been signed for another new white label client which is expected to be launched in August 2018. Subject to final execution of a distribution agreement, this will bring the total number of white labels to 17.

HUB24 and Agility's joint development initiative is continuing with several new client opportunities arising. This new capability will be marketed as 'ConnectHUB' at the upcoming Stockbrokers and Financial Advisers Association conference in May 2018. Development is extending beyond the single

³ Source: Strategic Insights (Plan For Life). Analysis of Wrap, Platform and Master Trust Managed Funds at December 2017. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 5th fastest in terms of dollar based net inflows.

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client view which links underlying financial provider accounts to a comprehensive multi account opening facility. This will be the industry's most functional online account opening facility using a single client identification process and electronic signatures resulting in significantly reduced administration for advisers.

Leadership changes at Paragem

Paragem has now been part of the HUB24 Group for over three years and is continuing to grow with 31 practices with 76 advisers assisting Australians with their financial advice planning needs. The business founders will be stepping away from operational involvement over the next few months with Ian Knox taking on the role of Chairman for Paragem. Since founding the business both Ian Knox and Charlie Haynes have successfully grown Paragem to be one of the country's premier boutique licensees and we wish them both well in their future endeavours.

Ian Knox will remain available to Paragem practice principals and will continue to be involved with the ongoing growth of the business as Chairman whilst Charlie Haynes will be taking on a new role in a different part of the wealth management industry.

The company looks forward to appointing new leadership to Paragem and investing in the business to further the remarkable efforts of the founders and continue to develop the licensee to meet the changing needs of practices.

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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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