

ASX Release: 18 April 2017

Record Q3 Inflows – FUA now \$4.71b

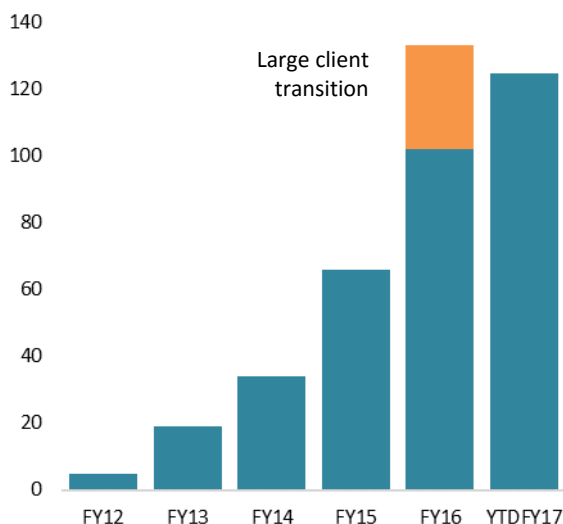
Quarterly business update

Highlights

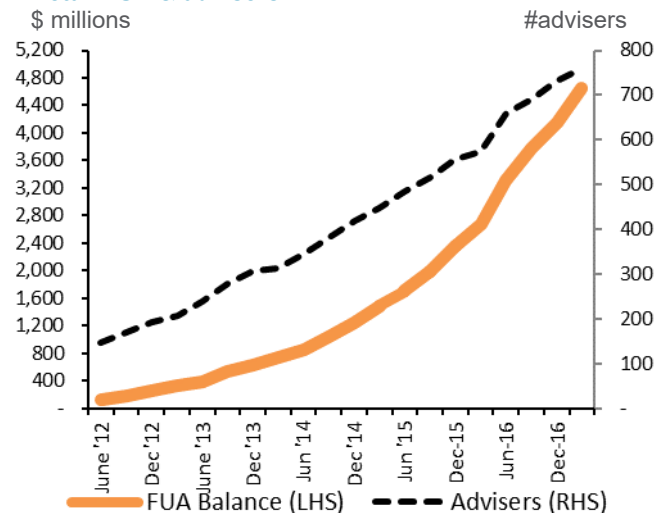
- Quarterly gross inflows for Q3FY17 of \$565m, an increase of 29% on pcp¹ and net inflows² of \$418m, both being a record for the March quarter (Q3)
- Retail Funds under Administration (FUA) are now \$4.71b up from \$4.16bn at 31 December 2016
- HUB24 awarded best platform for Managed Accounts functionality³
- HUB24 also awarded first place for User Interface, Tablet / Smartphone Access with the company winning three of the six available awards in the Investment Trends 2016 Platform Competitive Benchmarking Report
- During the quarter HUB24 launched 2 new white labels, 8 new managed portfolios, 12 ETF's and 24 managed funds. A new white label agreement for Accountable Financial Group was also signed
- Paragem has recruited 3 new practices during the quarter adding \$250m in licensee funds under advice to approximately \$3.5b

Continuing growth in FUA and net inflows

Average monthly net inflows
\$ millions



Retail FUA & advisers
\$ millions



Net inflows were a record for the third quarter of the financial year reaching \$418m and bringing the average monthly net inflows for FY17 to \$124m, an increase of 22% over FY16 adjusted for the Fortnum transition. Having recently announced our first half year of profitability, these strong inflows will further build profit momentum as HUB24 continues to benefit from increasing scale.

¹ Prior corresponding period

² Net inflows represent gross inflows less outflows during the period and does not include market movement

³ Investment Trends December 2016 Platform Competitive Benchmarking Report

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The distribution range of the business continues to grow with 9 new licensee agreements signed during the quarter and 65 new advisers being introduced to the platform. Additionally, we expect our solid new business pipeline to deliver several opportunities that will further fuel ongoing FUA growth.

Two white labels were launched to advisers during the quarter while an additional white label has now been signed with Accountable Financial Group. Accountable are an established financial services group providing licensing for approximately 60 accountants. The relationship will provide the accountants and their clients with access to a tailored version of HUB24's award-winning platform, including Accountable's own managed portfolios in both IDPS and Super.

Platform statistics	MAR '16	JUN '16	SEPT '16	DEC '16	MAR '17	Growth**
FUA – Retail	\$2,686m	\$3,313m	\$3,770m	\$4,149m	\$4,652m	73.2%
RETAIL INFLOWS						
Net Fund Inflows (Qtr)	\$363m	\$579m	\$366m	\$328m	\$418m	15.2%
Gross inflows (Qtr)	\$442m	\$688m*	\$496m	\$475m	\$568m	28.5%
Number of Advisers	570	659	690	737	802	40.7%

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

* Includes large non-recurring client transition inflow.

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

Business Update

HUB24 has won three of six available awards in the Investment Trends December 2016 Platform Competitive Benchmarking Report. Our market leading features and functionality have resulted in HUB24 now being ranked 2nd overall ahead of all traditional incumbent platforms.

HUB24's first place for Managed Accounts is a result of:

- having the largest number of managed accounts available on the one platform
- the breadth of assets available within a managed account including the ability to hold international equities
- the ability for a managed account to also hold other managed accounts providing a unique layered investment administration solution
- providing flexible portfolio customisation features and sophisticated tax modelling tools

Industry analysts⁴ expect Managed Accounts to grow rapidly and HUB24 is a recognised leader in this space providing this capability as part of our broader fully functional platform.

During the quarter we have launched 8 new domestic managed portfolios together with 12 new ETF's and 24 managed funds. The company supports the largest number of managed portfolios on a full service wrap platform and is also progressing further managed portfolios to support new and existing licensee relationships.

⁴ Morgan Stanley – Managed Accounts – Evolution or Revolution ? June 22, 2016

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There is increasing interest to join Paragem from advice practices that are looking to either self-license or partner with a wealth management group that supports investment choice and innovation. Three new advice practices were recruited during the quarter growing licensee funds under advice by \$250m to approximately \$3.5b.

Agility Applications

HUB24 completed the acquisition of Agility Applications (Agility) in early January. Agility is a specialist technology services provider to the financial services industry with a focus on the stockbroking sector.

Aligned with HUB24's strategy to support the convergence of traditional stockbroking and financial planning sectors, Agility has been engaged by a key Wealth Management and Stockbroking client to provide its Connect data warehouse and Adviser Desktop solutions. Working with HUB24, this will deliver a single consolidated view of all products and services available for their advisers including a fully integrated white label version of the HUB24 platform.

This is the first joint client initiative undertaken by HUB24 and Agility since the acquisition, with others also underway.

Finally, work is progressing well on integration activities for shared service functions across HUB24 and Agility in order to deliver future scale efficiencies as the group continues its growth.

For further information please contact:

Andrew Alcock
Managing Director
HUB24 Limited
(02) 8274 6000



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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