

ASX Release: 7 February 2017

HUB24 FUA up 75% (\$1.8bn) in calendar 2016

Quarterly business update

Highlights

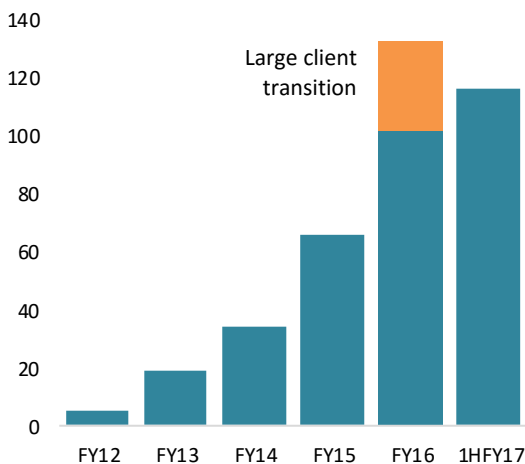
- Quarterly retail gross inflows for Q2FY17 of \$475m, an increase of 18% on pcp¹, net flows of \$328m and retail Funds under Administration (FUA) of \$4.15b at the end of the quarter
- The company expects to report its first half year of positive Profit before Tax² (PBT) for the half ended 31 December 2016
- 10 new distribution agreements signed during the quarter and 47 new advisers from 30 existing licensees now using the platform
- The acquisition of Agility Applications was completed on 3 January 2017 with integration projects for joint clients already underway
- Successful launch of International equities trading and the HUB24 Account Opening Interface for adviser desktop tools

Agility Acquisition

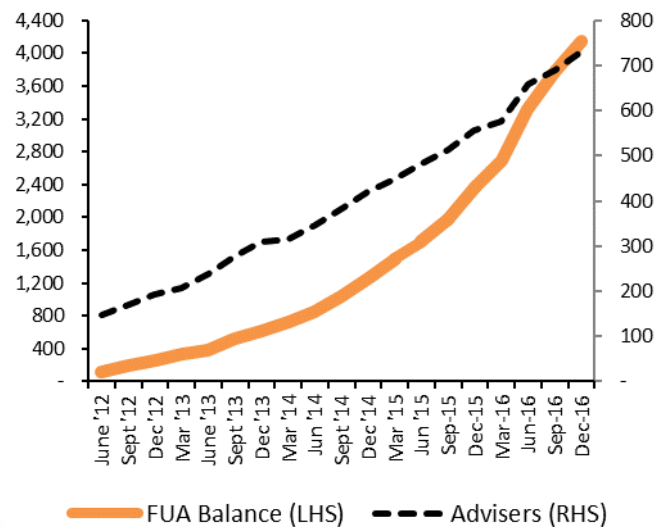
The company completed the acquisition of Agility Applications Pty Ltd (Agility) on 3 January 2017 and work has already commenced on joint development projects. Agility is a specialist provider of application, data exchange and technology solutions to the financial services industry. HUB24's investment platform, integrated with Agility's capabilities, will assist stockbrokers who are increasingly choosing to transition to a scalable and flexible wealth management model as well as provide additional client management and reporting functionality for financial advisers.

Continuing growth in FUA and net inflows

Average monthly net inflows
\$ millions



Retail FUA & advisers
\$ millions #advisers



¹ Prior corresponding period

² Unaudited

Retail net inflows for the first quarter reached \$328m, averaging \$116m per month for 1H FY17, an increase of 14% over average monthly net inflows for FY16, adjusted for the Fortnum transition in 4QY16.

The distribution range of the business continues to grow with 10 new distribution agreements signed during the quarter and 47 new advisers being introduced to the platform across 30 existing licensees.

These results reflect the increasing utilisation of HUB24 by independently owned licensees with 63% of net inflows flowing into the HUB24 branded platform and the company's 12 white label clients accounting for the remaining 37% of retail inflows.

Plans to launch the two previously announced white labels are well underway with development activity nearing completion and rollout expected to occur from early March 2017. In addition, our new business pipeline remains strong with well known licensees in advanced discussions regarding the use of HUB24's white label and retail platform offering.

Platform statistics	DEC '15	MAR '16	JUN '16	SEPT '16	DEC '16	Growth**
FUA - Retail	\$2,368m	\$2,686m	\$3,313m	\$3,770m	\$4,149m	75.2%
<u>RETAIL FLOWS</u>						
Net Fund Inflows (Qtr)	\$331m	\$363m*	\$579m*	\$366m	\$328m	-0.9%
Gross inflows (Qtr)	\$403m	\$442m	\$688m	\$496m	\$475m	17.9%
Number of Advisers	556	570	659	690	737	32.6%

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

* Includes large non-recurring client transitions.

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

Business Update

HUB24 has recorded its first positive half of profit before tax for the half year ended 31 December 2016, having been profitable on a monthly basis since June 2016³, resulting from ongoing FUA growth and strong net inflows.

We remain dedicated to providing extensive and unbiased investment choice from around the globe for advisers and their clients. HUB24 has launched 20 new domestic managed portfolios during the quarter and increased the number of international managed portfolios available on the platform to 10. In addition, advisers and their clients are now able to invest directly in individual international shares across 15 exchanges and take advantage of global investment opportunities using the same award winning platform interface.

The HUB24 Account Open API has been released which allows 3rd party applications, such as financial planning software, SMSF software, robo advice channels and licensee adviser desktops to automatically create HUB24 Investment and Superannuation accounts without the need for advisers to re-enter client information they have already captured. This will save advisers time and make it easier to implement their client recommendations.

³ Profit before tax for the half year ended 31 December 2016 and monthly profit before tax have not been audited.



Managing Director Andrew Alcock commented on the quarterly update saying “Our focus on providing exceptional products and services to our clients has resulted in HUB24 delivering its first half year of profitability. Continuing strong inflows, the ongoing enhancement of our market leading platform and the growth of Paragem have all contributed to these pleasing results.

We are excited about the future of wealth management in Australia and look forward to our expanding role as the industry continues to provide better and more valuable solutions for advisers and their clients. Our acquisition of Agility Applications underscores our commitment to continual innovation with the aim of creating enduring products that offer real choice and real benefits across the board”.

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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