

HUB24 Limited

Annual General Meeting

Chief Executive Officer Address

Andrew Alcock

27 November 2013

Disclaimer



Summary information

The material that follows is a presentation of general background information about HUB24 Limited's ('HUB') activities current at the date of the presentation, 27 November 2013. It is information given in summary form and does not purport to be complete.

Not investment advice

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with ASIC. The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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FY 13 in Review

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FY 13 in Review



September '12	• Rights issue & placement completed raising \$8.32m.
October '12	• Board restructure.
December '12	• Agreement to Divest stockbroking to Wilsons HTM.
March '13	• Transition of stockbroking business completed & headcount reduced by 22.6 FTE.
April '13	• Share placement to institutional & sophisticated investors raising \$4.5m.
May '13	• Selection of new CEO & appointment of Head of Product & Distribution.
June '13	• Platform adds Perpetual SMA and 2 new dealer groups.



Results from Investment Trends 2012 Platform Report, based on a face to face research and audit methodology

Company Successes

- Single focus and new corporate identity.
- Growth in active advisers of 75%.
- Awarded 1st Most New Developments – Investment Trends Awards.
- Launch of new features – market access share trading / improvements to adviser interface.
- Annual growth to 30/6/2013 in FUA from \$122m to \$384m (215%, 2012: 70%).

Financial Summary



Continuing Operations

- An increase in operational revenue from \$0.226 million to \$1.228 million driven by an increase in client FUA from \$121.694 million to \$384.568 million over the Financial Year to 30 June 2013. This increase came from \$114.146 million in superannuation and \$248.729 million in IDPS.

	FY13	FY12	Movement	
FUA	383.7	121.7	+	262
Revenue	1,228,366	226,261	+	1,002,105
Platform Direct costs	2,206,481	1,992,298	+	214,183
Margin	(978,115)	(1,766,037)	+	787,922
Operating expenses	3,503,171	3,692,475	-	189,304
EBITDA (before investment resources)	(4,481,286)	(5,458,512)	+	977,226
Investment in growth*	2,966,569	2,548,281	+	418,288
EBITDA (after investment resources)	(7,447,855)	(8,006,793)	+	558,938

* FTE resources dedicated to growth in FUA. Platform Development, sales, transition, marketing.

FY14

- Investment in the Exec team has been made in FY14 to accelerate growth in FUA over the short to medium term.
- This decision will impact operating results in FY14 to target enhanced growth in FY15,16.

Corporate Information



Capital Structure – at 26/11/2013

Shares on Issue	44.75m
Share price	\$1.34
Market Capitalisation	\$59.97m
Enterprise value	\$44.91m

Substantial shareholders -

Thorney Holdings Ltd	17.23%
Ian Litster	8.02%
Pie Funds Management Ltd	6.67%

Balance Sheet (as at 30 June 2013)

Current Assets	
Current Assets	11.27m
Non-Current Assets	7.92m
Total Assets	19.19m
Current Liabilities	1.81m
Non-Current Liabilities	0.06m
Total Liabilities	1.87m
Net Assets	17.32m
Equity	17.32m

	30 June 2013	31 October 2013 (unaudited)
Cash and Cash Equivalents	9.54m	15.06m

Key Statistics as at 30 October 2013



Total FUA = \$556m

44.5% increase since 30 June 2013.

Dealer Groups actively using platform: 30.

Major customers: Ord Minnett, Matrix, Sentry, Beresford's.

Recently signed white label agreements for Interprac, Premium.

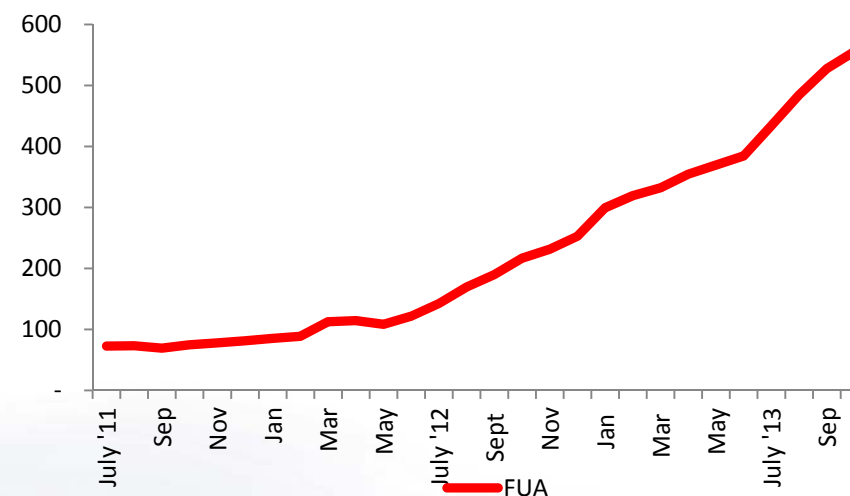
Advisers actively using platform: more than 285.

No. of Managed Portfolios = 170 ... and growing.

Net inflows of \$30m per month for first 4 months of FY14 (FY13 average of \$19m).

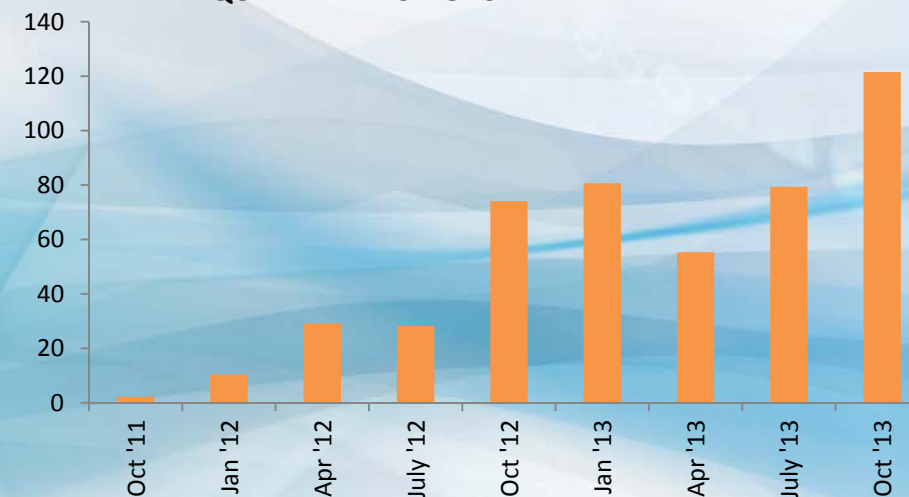
A '\$M

TOTAL FUNDS UNDER ADMINISTRATION



A '\$M

QUARTERLY FUA GROWTH TREND



Who we are

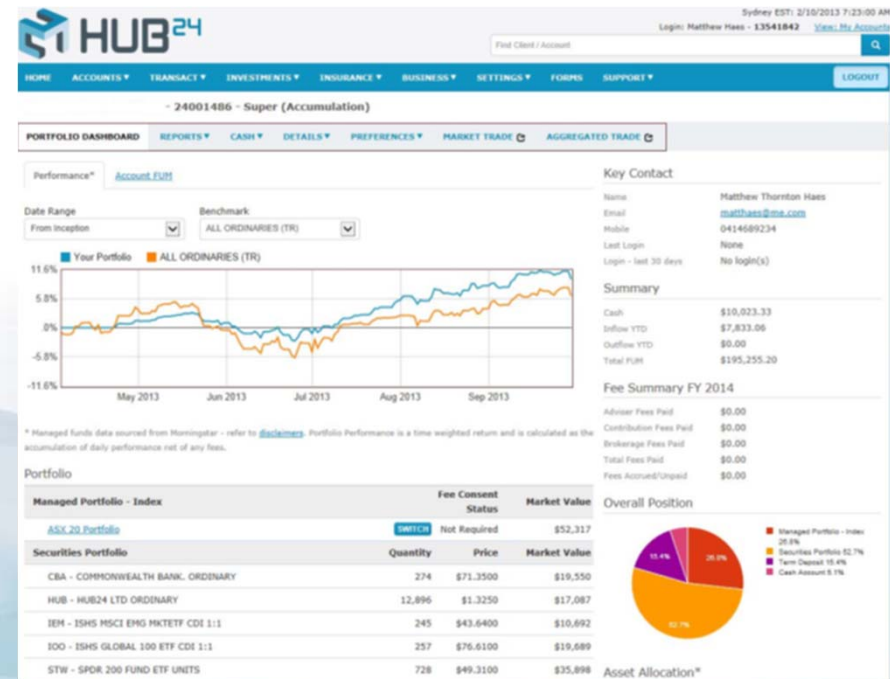


- HUB24 is a full featured Wrap Platform incorporating Investor Directed Portfolio Service (IDPS) and Super/Pension services.
- Market leading Managed Portfolio functionality.
- Very wide investment choice including Managed Portfolios, listed securities, managed funds, term deposits and cash.
- We build the platform in-house and own the IP.
- Highly experienced team in commercialising wrap platforms. Members of our team helped found successful financial planning and wrap platforms including Visiplan (now IRESS), COIN (Macquarie), Navigator (MLC) and Avanteos (Colonial FirstWrap).

What we do



- We develop, distribute and operate the HUB24 Investment and Superannuation platform.
- Our customers are financial advisers, accountants, stockbrokers and institutions.
- We allow our larger corporate customers to white label the platform under their own brand.
- We are independently owned and not aligned to a fund manager or bank.



Market Environment



- The personal investments market was \$2,124bn as at 30 June 2012 and is expected to grow at 8% p.a. (4.8% in real terms) over the next 15 years.*
- Wrap platforms, including separately managed accounts (SMA) and model portfolio products will be the fastest growing segment of the personal investment market with market share growing from 1.6% to 6.6% over the 15 years to 30 June 2027.*
- Within wrap platforms, directly held assets will grow to become 74% of assets, compared to 57% currently.* HUB24 is well positioned to capitalise on this growth having market leading technology supporting model portfolios with directly held assets.
- The value of superannuation assets was \$1,401bn as at 30 June 2012 and is expected to grow at 5.5% in real terms over the next 15 years.* Progressive rise in employer superannuation (SG) to 12% will further fuel net flows to platforms.
- FOFA - HUB24 is attracting customers looking for solutions in order to meet client best interests duties and avoid remuneration conflicts.
- Regulatory capital requirements – potential opportunity for HUB24 as small providers will find it difficult to meet the increasing regulatory capital requirements imposed by ASIC effective 1 July 2014.

* (Rice Warner – Media Release March 2013 – Personal Investments Market Projections Report 2013)

Our Advantage



Market leading managed portfolio capability

- Enables dealer groups to offer advisers and their clients fully implemented SMA's and model portfolios made up of a range of asset types and classes.
- Dealers can earn ongoing portfolio management fees and provide a more efficient implementation model for their advisers.
- Dealer groups can white label disclosure documents, online portal, reports and branded iphone app.

Independence

- Independently owned, not reliant or influenced by in-house products.
- Responsive to dealer group and adviser service needs.
- Offering a wider choice of product and service providers (e.g. insurance, term deposits).

Technology

- Proven internal technology development team that has taken prior projects through to successful commercialisation.
- HUB24 owns the IP.

ASX listed

- Maximum transparency of the performance of our operation for shareholders and customers.
- Proven shareholder support and capital raising ability places the company in a strong position relative to its peers to compete for capital in this restricted regulatory environment.

FY 14 Business progress



Technology	• Product improvements – insurance calculator, enhanced pensions reporting, SMA reporting improvements.
Customers	• Interprac white labels HUB Platform. • Premium white labels HUB Platform.
Personnel	• Commencement of new CEO, Jason Entwistle secured as Director – Strategic Developments. Strengthened Executive team now in place. • Staff incentive program relaunched. All staff are now shareholders.
Funding	• \$1.1m R&D incentive received from the ATO. • Share placement to institutional and sophisticated investors raising \$10.6m.
Cost Control	• Change of registered offices to Exchange Centre, Bridge St, Sydney reducing monthly rent by \$30k. • Reduction of Melbourne office.
Other	• Company changes name to HUB24 Limited.

1. FUA growth trend expected to continue.
 - Leverage existing adviser and dealer relationships.
 - Ongoing business development including white labels for dealer groups, stockbrokers and accountants.
 - Promote our unique managed portfolio capability as a FOFA compliant solution for advisers.
 - Enhance sales capability.
2. Continuing investment to maintain and enhance position as leading independent platform.
 - Increase current product range and expand capabilities.
 - Enhance adviser and client experience.
3. Harness our IT development capability to innovate and extend our leadership as a full featured investment and superannuation platform.
4. Efficiently develop and grow our high calibre talented team to support our future success.