

ASX Release: 14 July 2016

102% NET INFLOW GROWTH AND 122% FUA GROWTH FOR FY16

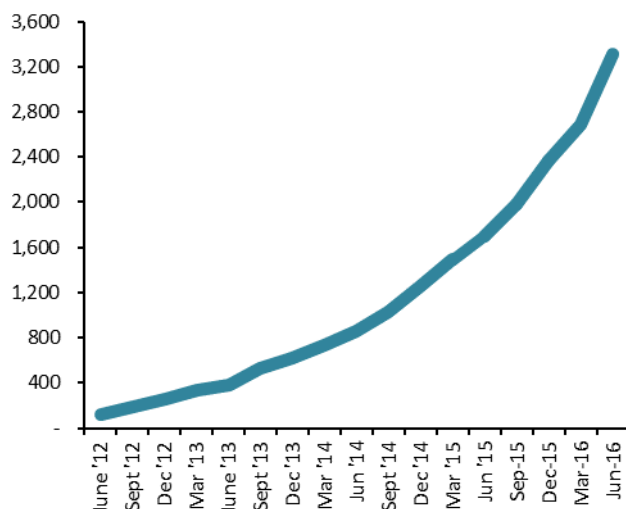
Quarterly business update

Highlights

- Record annual retail net inflows¹ for FY16 of \$1.610b, an increase of \$813m or 102% on FY15;
- Record quarterly retail net inflows of \$579m - up 112% on pcp²;
- Total Funds under Administration (FUA)³ of \$3.776b at 30 June 2016 - up 122% on pcp. Comprises Retail FUA (\$3,313b), Wholesale FUA (\$313m) and Reporting Services FUA (\$150m);
- Platform annual revenue growth (unaudited) of 90% on prior year;
- The Company achieved positive EBITDA⁴ for the half year ended 30 June 2016 and positive EBIT for the fourth quarter (unaudited);
- Fortnum transition successfully completed in June with transfer of retail super and non-custody reporting service assets;
- Ranked 2nd place in the Investment Trends May 2016 Planner Technology Report⁵ which measures adviser satisfaction across the industry. Achieved 1st place in the Value for Money category.

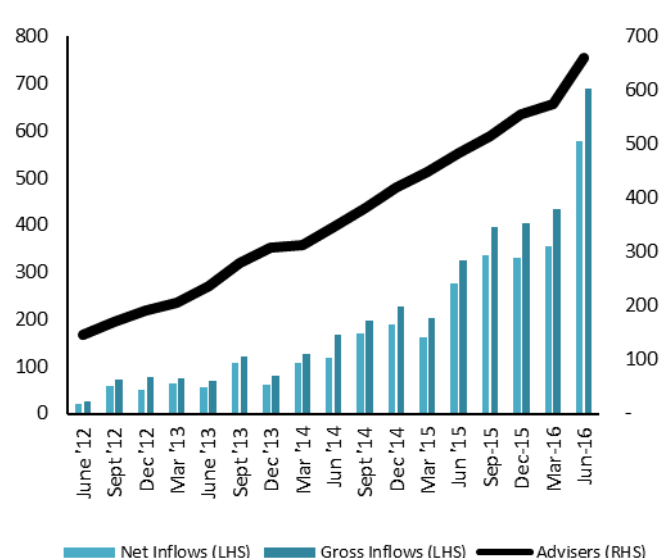
Retail FUA balance

\$ millions



Retail Inflows and number of advisers

\$ millions



¹ Retail net inflows represent retail gross inflows less outflows during the period and does not include market movement.

² Pcp is prior corresponding period ie quarter ending 30 June 2015.

³ FUA comprises Retail FUA - HUB24's core retail investment and superannuation custody platform service, Wholesale FUA and Reporting Services FUA.

⁴ EBIT and EBITDA excludes other significant items

⁵ Results from Investment Trends May 2016 Planner Technology Report, based on an online survey of over 878 financial planners.

Retail platform statistics	JUN '15	SEPT '15	DEC '15	MAR '16	JUN '16	Growth*
FUA						
FUA - Retail	\$1,704m	\$1,979m	\$2,368m	\$2,686m	\$3,313m	94.1%
RETAIL FLOWS						
Net Fund Inflows (Qtr)	\$273m	\$337m	\$331m	\$363m	\$579m	112.1%
Gross inflows (Qtr)	\$325m	\$397m	\$403m	\$442m	\$688m	111.7%
Number of Advisers	484	522	556	570	659	36.2%

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.

Continuing growth in FUA and net inflows

HUB24 reports record retail net inflows for the FY16 fourth quarter of \$579m, including the Fortnum transition, taking Retail FUA to \$3.313b. Retail net inflows for the quarter are at record levels prior to the inclusion of the Fortnum FUA transfer at \$343m demonstrating strong and continuing underlying growth.

Total platform FUA stands at \$3.776b, including Wholesale FUA (\$313m) and Reporting Services FUA (\$150m). Wholesale FUA is derived from providing custody and administration services to wholesale clients, including operating wholesale managed portfolios. Reporting Services FUA represents retail client accounts held outside of custody for which the platform provides portfolio and tax reporting.

During the quarter HUB24 launched the WealthGuard white label for Lifespan, signed eight new distribution agreements with licensees and 89 new advisers were introduced to the platform providing new opportunities for additional inflows and growth.

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.

Business update

Financial Update

Strong FUA growth during FY16 has accelerated positive financial results for HUB24 (subject to year-end audit) :

- Platform annual revenue growth of 90% derived from Retail FUA growth of 94% during a period of volatile market movements. This also reflects timing of FUA growth with significant inflows received towards the end of the financial year and overall margin mix.
- On a group basis we expect to report revenues of \$42.6m, including our licensee business. This strong performance is driven by our platform segment revenue trend with revenues of FY14 \$3.2m, FY15 \$8.1M and FY16 \$15.4m;
- Operating cash flow positive on a monthly basis commencing November 2015;
- Positive EBITDA for the half year ended 30 June 2016;
- Positive EBIT for the fourth quarter; and
- Net Assets of \$18.0m

Platform Development

HUB24 has developed a market leading investment “exclusion and substitution capability” that provides advisers with the ability to customise portfolios for individual clients or groups of clients based on their preferences. Exclusions can be based on nominated GICS sectors, investment types or individual investments and may be substituted with cash, other investments or rebalanced across portfolios at the discretion of the client. This new functionality allows advisers to create very efficient and automated Individual Managed Accounts (IMAs).

During May, the Adviser Portfolio Dashboard was upgraded to provide additional support for clients owning multiple accounts including non-custody cash management and stockbroking accounts. Advisers can now view information on a single account or combination of accounts basis within a family group.

HUB24 continues to add additional international equities managers to its international managed portfolio capability and intends to offer direct investing in individual international shares during the next quarter.

Investment Trends Planner Technology Report

The Investment Trends May 2016 Planner Technology Report examines the technology and processes used by Australia’s financial planners including satisfaction with current platform offerings. The data is derived from a survey of over 878 financial planners.

HUB24 achieved outstanding results, including 2nd place for overall Platform satisfaction for the second year running. It also achieved the highest score for “Value for Money”, regarded by the publishers of the report as the most important driver of platform satisfaction.

HUB24 was also identified as the most successful platform in capturing new planner relationships, having attracted the greatest share of “switchers” and new users relative to its market share.

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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 financial advice licensee, Paragem. 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