

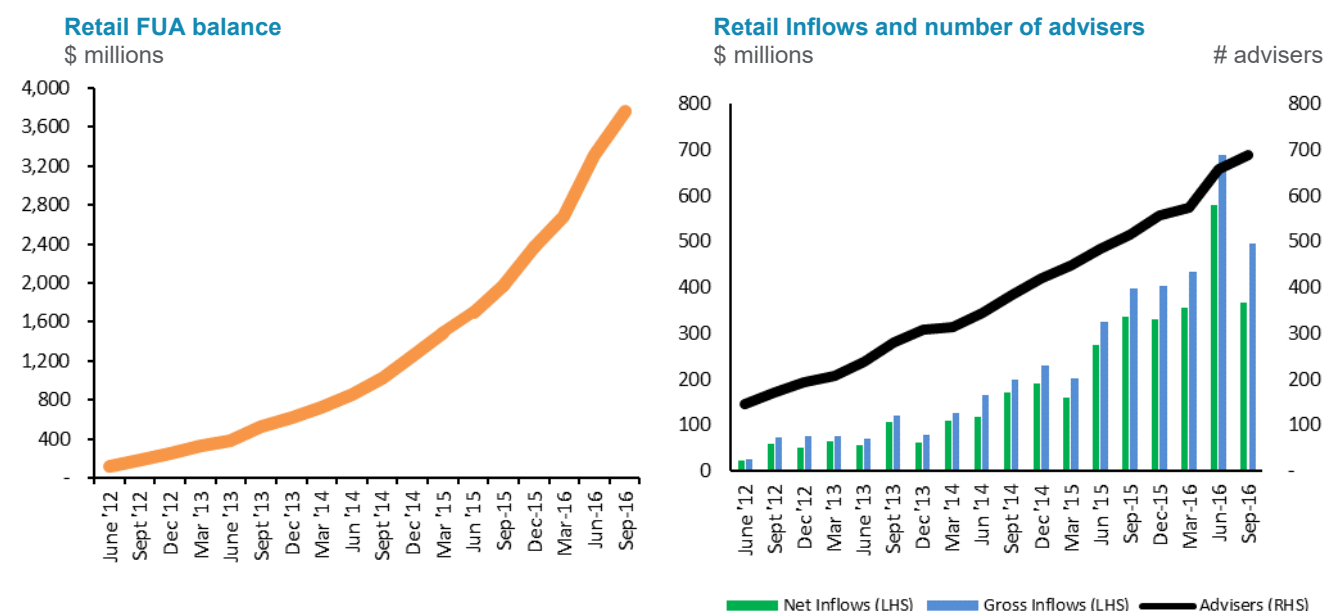
ASX Release: 26 October 2016

## PROFITABILITY AND GROWTH CONTINUES INTO FY17

### Quarterly business update

#### Highlights

- Quarterly retail gross inflows for Q1FY17 of \$496m, an increase of 25% on pcp<sup>1</sup>, resulting in retail Funds under Administration (FUA) of \$3.77b at the end of the quarter
- Monthly profit before tax<sup>2</sup> since June 2016 as momentum continues with increasing FUA
- Two new white labels contracted during the quarter and expected to launch early next year
- 17 new distribution agreements signed during the quarter with 31 new advisers using the platform
- HUB24 received the Fast Mover award at the 2016 Super Ratings Fund of the Year Awards.



Platform statistics	SEPT '15	DEC '15	MAR '16	JUN '16	SEPT '16	Growth**
<b>FUA - Retail</b>	\$1,979m	\$2,368m	\$2,686m	\$3,313m	\$3,770m	90.5%
<b>RETAIL FLOWS</b>						
<b>Net Fund Inflows (Qtr)</b>	\$337m	\$331m	\$363m	\$579m	\$366m	8.6%
<b>Gross inflows (Qtr)</b>	\$397m	\$403m	\$442m	\$688m*	\$496m	24.9%
<b>Number of Advisers</b>	522	556	570	659	690	32.2%

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

Total FUA of \$4.172b comprises Retail FUA, Wholesale FUA and Reporting Services FUA.

\* Includes a large client transition of \$208m.

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

<sup>1</sup> Prior corresponding period

<sup>2</sup> Monthly Profit before tax not subject to audit. The group has unutilised tax losses in excess of \$13m.

### **Continuing growth in FUA and net inflows**

Retail gross inflows for the first quarter reached \$496m demonstrating strong and consistent underlying growth.

Net inflows from HUB24's 12 white label clients accounted for 39% of retail inflows with the remaining 61% flowing into HUB24's own branded product. This trend reflects the increasing distribution range of the business and the attractiveness of HUB24 for smaller independently owned licensees seeking to utilise our market leading platform to create real value for their clients.

Seventeen new distribution agreements were signed during the quarter and 31 new advisers were introduced to the platform, bringing additional opportunities for inflows and growth.

Two of these new agreements are for customised white labels, including Beacon Financial Group, which we expect to launch early next year. The other new white label client is a prominent independently owned financial advisory group who will be leveraging their extensive research capability to offer in-house managed portfolios for their advisers and utilising HUB24's non-custody reporting services.

Sornem Private Wealth, a highly skilled Victorian based licensee with \$350m under advice, selected HUB24's retail platform to implement a range of managed portfolios for their clients.

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 results are continuing to strengthen with the company recording its first positive quarter of profit before tax for the quarter ended 30 September 2016, having been profitable on a monthly basis since June 2016<sup>3</sup>, resulting from ongoing FUA growth and strong net inflows.

In the rapidly growing managed portfolio arena, FUA on the platform has now reached \$1.8b and is continuing to grow strongly. HUB24's leadership in this area remains clear with 34 new portfolios launched since 1 July for a variety of managers, licensees and investment strategies. There are now 9 international equity managed portfolios available on the platform including the recent addition of portfolios managed by Geneva Advisers, AllianceBernstein and Watershed Funds Management.

The company is preparing to launch the ability to invest in individual international stocks. This new service makes available the same major markets and exchanges utilised by HUB24 to administer international managed portfolios, providing new opportunities for advisers and their clients.

Development is well advanced on application interfaces that will allow HUB24 accounts to be established via financial planning software, robo advice channels and licensee adviser desktops. The company is currently working with a number of licensees to create an integrated solution for advisers

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<sup>3</sup> Profit before tax for the quarter ended 30 September 2016 and monthly profit before tax have not been audited.

that will improve their service proposition and make it easier to implement their client recommendations.

HUB24's super fund was also recognised at the 2016 SuperRatings Fund of the Year Awards, which acknowledged the highest achieving superannuation funds. HUB24 received the Fast Mover award, for demonstrating the fastest growth in FUA and was also a finalist for the Rising Star award.

HUB24 Managing Director Andrew Alcock said: "Our business has well and truly come of age. We continue to demonstrate strengthening growth and profitability, underpinned by a solid pipeline of distribution agreements and white label opportunities.

"HUB24's market leading technology and commitment to innovation is propelling us to the forefront of the market as we provide real value for advisers and their clients who seek to maximize their financial outcomes."

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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](http://www.HUB24.com.au)