

December 2016 Quarter update

OneVue achieves record Platform Services inflows of \$310m, is ahead of schedule driving Diversa synergies and delivers third consecutive quarter of positive operating cash flow

Key Highlights:

- The Diversa acquisition was successfully completed in October 2016 and synergies are tracking ahead of schedule with a \$4m per annum run rate to impact in the last quarter of this financial year
- Net cash flow from operations of \$1m for the quarter (excluding acquisition and integration costs of \$0.6m), with cash balances at quarter end of \$26.3m

Fund Services

- Unit registry Funds Under Administration (FUA) increases to \$436b with \$8.6b in FUA added in the quarter
- Transaction volumes increased by 49% over the prior year corresponding quarter
- NAB's National Asset Servicing (NAS) signed a 5-year outsourced unit registry contract with OneVue potentially doubling the number of fund managers and funds in the next 18 months
- OneVue has now secured long term contracts with 4 of the 6 leading custodians in Australia
- New contracted clients are forecast to generate \$7.7m in annualised revenue as they transition over the next 18 months, with a further new client organic revenue pipeline of over \$5m
- Superannuation Services FUA reached a record \$1.7b at 31 December 2016, an increase of 119% (\$939m) on the previous quarter
- Praemium appointed OneVue as its outsourced superannuation administrator adding \$471m in FUA and 2,915 members to OneVue Superannuation Services

Platform Services

- Record gross inflows of \$310m for the quarter, up 38% on the prior year corresponding quarter, taking inflows to \$1b for the past 12 months and reaching \$3.8b in total FUA

Superannuation Trustee Services

- Funds under trusteeship (FUT) increased by \$443m for the quarter driven by growth in assets of existing clients
- Total FUT at 31 December 2016 closed at \$8.9b, a growth rate of 27% over the past 12 months (increase of \$1.9b)

Fund Services

Unit Registry FUA closed at \$435.9b at the end of the quarter up \$8.6b on the previous quarter and \$23b for the year. Transactions processed in the quarter were up 49% on the prior year corresponding quarter, but down slightly compared to the previous quarter, simply reflecting seasonality of transactions.

The unit registry team added 51 new funds in the quarter, with one new client adding \$6b of FUA and 16 funds. New funds added in the last twelve months total 136 and OneVue is now administering over 530 funds on behalf of 34 fund managers, further cementing OneVue as Australia's #1 outsourced unit registry provider.

The key focus for the quarter was securing and planning new client transitions. Service levels (SLA's) for existing clients continue to track above 99%.

On 23 November 2016 National Australia Bank (NAB) Asset Servicing appointed OneVue to provide outsourced unit registry services to NAB's clients. NAB Asset Servicing is one of the largest custodians in Australia, supporting a significant pool of investment managers. The 5-year contract positions OneVue's unit registry to potentially double the number of fund managers and funds it administers.

OneVue has now secured long term contracts with 4 of the 6 leading custodians in Australia and as it continues to scale will benefit from the efficiencies of new scale thresholds achieved.

Contracted client transitions planned over the next 18 months are forecast to generate \$7.7m in annualised revenue and a further new client organic pipeline now stands in excess of \$5m in annualised revenue.

Superannuation Services FUA at 31 December 2016 reached \$1.7b, an increase of 119% (\$939m) on the previous quarter due to:

- growth from new and existing funds of \$524m
- the integration of Diversa superannuation funds of \$415m (with 55,125 members)
- Praemium, one of Australia's fastest growing managed account providers transitioned from its current member administration provider to OneVue's Superannuation Service during the quarter adding \$471m in FUA and 2,915 members to OneVue's Super Services

Superannuation Services now administers 23 funds, with over 90,000 members and has cemented its' position as a leading provider of contemporary investment solutions.



Fund Services key statistics

	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15
Unit Registry FUA \$b	435.9	427.4	410.0	402.2	413.2	354.3
Unit Registry transactions	45,400	46,882	44,543	38,496	30,570	21,977
Super Services FUA \$m	1,728	789	1,139	1,091	1,126	*
Super Services members	90,395	33,146	36,744	33,724	33,422	*

Notes: * ~ not applicable as the business was acquired in December 2015.
Diversa Superannuation services added from October 2016.

Platform Services

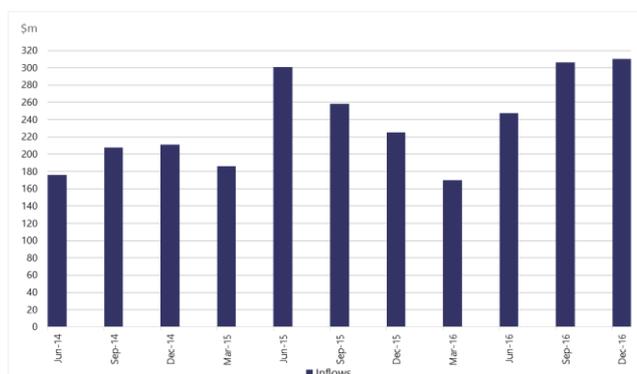
Record gross inflows of \$310m were achieved both from existing client transitions and new client transitions.

Total FUA closed at \$3.8b at 31 December 2016, resulting from transitions, market performance and the inclusion of \$363m of funds from the Diversa acquisition.

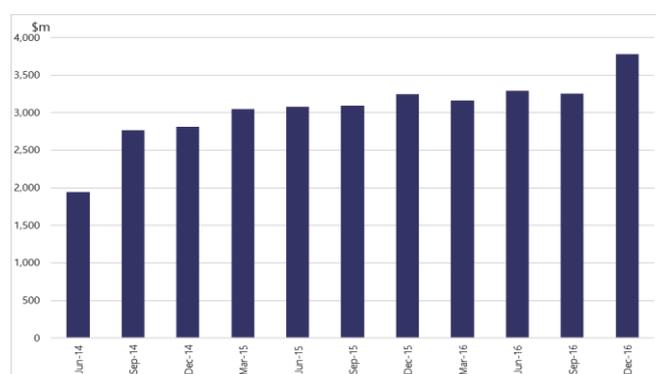
Gross inflows were up 38% on the prior corresponding quarter continuing the strong recent momentum and taking inflows to \$1b for the last 12 months. Two new white labels were signed in the quarter and will launch before the end of the financial year. Net inflows were up strongly to a record \$202m for the quarter. Positive markets also helped returns for the quarter with the ASX200 up 4.2% for the quarter.

Performance fees earned in the quarter amounted to \$36k (\$667k in the prior quarter).

Gross Funds flows (\$'m)



Funds Under Administration (\$'m)



Platform Services FUA growth

Total FUA \$m	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15
Retail FUA	3,781	3,252	3,289	3,158	3,247	3,094
Gross Inflows	310	306	248	170	225	259
Net Inflows ¹	202	(67)*	101	103	116	94

Notes: ¹ Net inflows exclude market movements

* Includes \$225m transition out of one client.

The FUND.eXchange marketplace was “soft” launched in late November with 90 funds being made available to participating OneVue white labels. Momentum is building with existing and potential new white labels and the FUND.eXchange was instrumental in the signing of a new white label client in the quarter.

The FUND.eXchange is a digital gateway that connects distributors to a more efficient fund marketplace.

Superannuation Trustee Services

Superannuation Trustee Services represents the recently acquired Diversa Trustees business, the #1 provider of retail superannuation trustee services in Australia, being the leading Trustee for the fast growing disruptive managed accounts providers.

Funds under trusteeship (FUT) increased by \$443m for the quarter driven by growth in assets of existing clients. FUT at 31 December 2016 closed at \$8.9b. Funds have grown by \$1.9b or 27% over the past 12 months.

Superannuation Trustee Services key statistics

Total FUT \$m	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15
FUT	8,882	8,439	7,796	7,200	6,994	6,493

Notes: The business was acquired on 6 October 2016, prior statistics provided by Diversa Limited are provided for information.

Diversa Synergies Update

The Diversa acquisition was completed on 6 October 2016 and is delivering strong growth and synergies. OneVue is tracking ahead of schedule to achieve the forecast \$4m annualised operating cost savings within this financial year.

Appendix 4C cash flow

Cash at the end of the 31 December 2016 quarter of \$26.3m was up on the prior quarter (\$18.7m at 30 September 2016) primarily due to \$8m of net cash inflow from the acquisition of Diversa (including cash acquired).

Net cash from operations amounted to \$1m and included the Diversa operations from 6 October 2016. After acquisition and integration costs of \$562k net cash from operating activities was \$462k.

Investing cash inflows of \$7.1m included the net cash inflow from the acquisition of Diversa of \$8m (being \$10.6m of cash acquired offset by the scheme cash consideration of \$2.5m and related deal costs) as well as outflows of \$758k for ongoing development of software and capitalisation of major contract establishment costs for Fund Services.

Estimated cash outflows for the next quarter include planned restructuring and redundancy costs.

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About OneVue Holdings Limited (ASX: OVH)

OneVue Holdings is an Australian listed company on the All Ordinaries Index. OneVue is a fintech company that partners to disrupt the superannuation value chain. OneVue was winner in 2014 for Best Online SMSF and winner in 2013 for SMSF Providers Premium Service. In 2015, OneVue was a finalist for SuperRatings Rising Star.

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