

ASX Company Announcement
Date of Release: 23rd April 2015

Managed Accounts Holdings Limited to invest into Financial Planning Businesses

Managed Accounts Holdings Limited (ASX: MGP) MGP has announced today that it has established a wholly owned subsidiary Planner Holdings Limited (PHL).

The board of MGP proposes to fund PHL with up to \$5 million from MGP's cash reserves to provide expansion capital to selected financial advisory firms. This announcement sets out the MGP board's current intentions regarding the proposal. The MGP board notes that these intentions may change over time.

The MGP board proposes that PHL will hold up to a 25% interest in the advisory firms as an initial investment and expects the purchase price for such interest to be an after tax PE of 8.57. It is intended that the advisory firms will use the funds from the investment by PHL and consider matching the new capital with bank borrowings to fund their acquisitions.

It is expected that the type of advisory firms that will be attracted to PHL will be those who have a large existing SMSF client base or clients that are suitable for a SMSF and who wish to maximise efficiencies and profitability in their business.

It is intended that, if PHL is successful, the board of PHL will seek to list the company separately on the ASX within two years of the initial investment in an advisory firm.

As part of an initial investment in an advisory firm, it is proposed that PHL will be granted an option to acquire additional shares to a maximum of 50.1% of the advisory firm. Exercise of the option is subject to the listing of PHL. It is also proposed that the consideration paid for the second investment instalment will be based on the net profits at the end of the two year period. It is intended that the second payment will be by way of scrip in PHL.

The board of MGP intends that PHL will not control the board of the advisory firms in which it invests and each business will remain independent. MGP proposes to assist the advisory firms by establishing a shared services capability to negotiate such key services as PI insurance, audit services, software and other core functions.

MGP's intention is to retain a minimum 25% interest in PHL. It is intended that existing shareholders in MGP will be entitled to participate in a pro rata offer of PHL ordinary shares based on their holdings of MGP ordinary shares if PHL is listed.

If the requirement for additional capital to meet the proposed ASIC NTA (Net Tangible Asset) requirements occurs earlier than the MGP board currently expects, the board believes there a number of options to finance the required capital of up to \$5 million.

This announcement contains forward looking statements that are subject to risks and uncertainties that may cause actual results to be materially different from those set out above.



To view the announcement in video format, please click on the following link below:

<http://www.managedaccounts.com.au/Media>

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About Managed Accounts Holdings Limited

Managed Accounts Holdings Limited is listed on the Australian Securities Exchange (ASX: MGP) and is a financial services company established in 2004. Its focus as a specialist managed account provider allows it to create, operate and administer customised managed discretionary account solutions for a growing number of Australia's leading financial advisers, Australian Financial Services Licensees and fund managers using best-of-breed globally sourced technology and custodian. The Company was previously known as Investment Administration Services. For further information, please visit: www.managedaccounts.com.au