

ASX Company Announcement
Date of Release: 15th October 2014

SEPTEMBER 2014 QUARTER UPDATE

Quarterly Dividend Declared

As disclosed in the Prospectus and Annual Report, it was the Board's intention to pay the first quarterly dividend for the September quarter. The Board is pleased to declare a quarterly dividend payment of \$0.002 per share payable in November 2014.

September Quarter Highlights

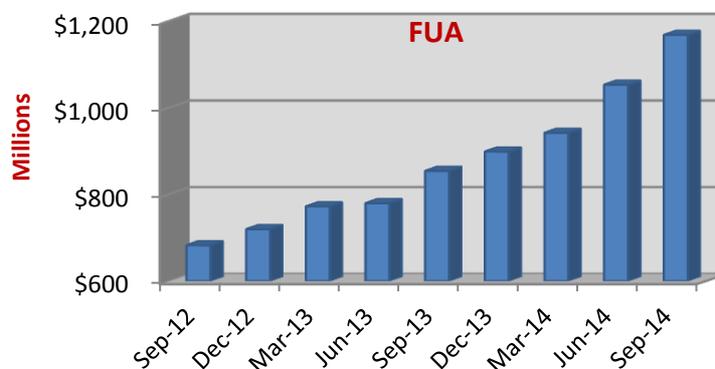
- ✚ Continued strong inflows with record quarterly net inflows¹ of \$107m despite volatile market
- ✚ Maintaining a strong cash and cash equivalent position of \$6.4m
- ✚ Acquisitions made by MGP's existing client base beginning to flow through to underlying Funds Under Administration ("FUA") of MGP and expected to accelerate over the financial year
- ✚ Consistent growth in FUA in line with Prospectus targets
- ✚ Industry Recognition of managed accounts with the launch of "The Journal for Managed Accounts Professionals"

Strong FUA growth with record net inflows

Despite the S&P/ASX 200 Index falling for the quarter, MGP is pleased to announce a record net inflow of \$107 million for the September quarter. As a result of this, overall FUA of MGP increased to \$1.168bn as at 30 September 2014.

Inflows are expected to further increase over the next quarterly periods as:

- ✚ new private label Services are launched
- ✚ recently launched private label Services transition clients from existing administration arrangements
- ✚ inflows from MGP's existing client base (organic or via recent corporate activities)



¹ Net inflows is a representation of gross inflows less outflows during the period. It does not take into account market movement

ASIC Proposed Changes to MDA Capital Requirements

It is the Board's understanding that ASIC still remains committed to considering proposed changes to its policy on MDA's. MGP is well positioned to meet capital requirements proposed on MDA Operators, and is equally well placed to assist those MDA Operators who may be unable to meet the proposed Consultation Paper 200 Net Tangible Asset (NTA) requirements. These changes could lead to a number of the 190 MDA licensees looking to outsource to a specialist MDA Operator such as MGP leading to the potential for significant increases in FUA.

Industry Recognition

Financial Standard (a leading publication for the financial services advisory profession) has recognised the need for better education of managed accounts for advisors by recently launching "The Journal for Managed Accounts Professionals" in addition to a dedicated website www.fsmanagedaccounts.com.au. We believe this to be a significant step as it stamps the managed accounts concept as a mainstream solution, and will also assist in improving advisor's understanding of managed accounts which the Directors believe may increase the demand for managed accounts and MGP's solution.



Pipeline of clients

As at time of writing, MGP are in discussions with a number of Licensees that are closely considering the managed account service delivered by MGP. Memorandums of Understanding (MoU) are currently being reviewed by several of these Licensees and we are confident these will be executed shortly.

Existing client acquisition

Recent press highlighted Melbourne based advisory firm Paradigm Wealth Management making a \$200m acquisition of self-licensed advice firm Portfolio Managers, with substantial portion migrating to Paradigm's MDA Service in the next 12-18 months. Paradigm's MDA Service is facilitated by MGP.

A number of other advice firms that have implemented our MDA Service are mooting interest in acquiring like-minded businesses which could drive further benefit to MGP's FUA over time.

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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