

ASX Release Date: 31 July 2019

June 2019 Quarterly Business Update

Highlights

- Group Funds under Administration (FUA) as at 30 June was \$13.593 Billion.
 - Successful integration of newly acquired Superannuation Trustee and Administrator services with DIY FUA of \$953m.
 - Launch of Xplore Wrap for Investment, Super and Pension.
 - New Approved Product List (APL) available across all products and services.
 - Rebranding to Xplore Wealth across all products and services.
 - Appointment of CEO pending and Head of Distribution and Marketing complete.
 - All Key Events and Future Plans for Q1 and Q2 2019 (see below) that were outstanding at 30 June are complete.
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Xplore Wealth Limited (ASX: XPL, the Group) one of Australia's leading independent managed account and platform administrators, provides an update on the Group's activities and business for the three months ending 30 June 2019.

The Group's acting CEO Don Sharp commented, *"The June quarter saw the execution and rollout of the new Xplore Wrap for Investment, Super and Pension. The wrap has been positively received by clients and together with the single Approved Product List (APL) across all products and services completes the suite of platform solutions offered by the Group which now includes:*

1. *Portfolio Administration Service (PAS), to be enhanced with cash and issue of HINs,*
2. *Xplore Wrap for Investment, Super and Pension,*
3. *Managed Discretionary Accounts,*
4. *Superannuation trustee and administration services."*

Group Quarterly Inflows and Funds Under Administration (FUA) Growth

Group FUA as at 30 June 2019 was \$13.593 billion up from \$13.290 billion as at 31 March 2019 mainly due to market movement.

Retail Client (Full Service) Gross Inflows for the June 2019 quarter were \$203m, down from \$227.4m in the March quarter and Net Inflows loss of (\$92m) down from \$34.4m in the March quarter.

Institutional Client (Administration Fee Only) Gross Inflows for the June 2019 quarter were \$537m, down from \$627.5m in the March quarter and Net Inflows of \$115m down from \$157.4m in the March quarter.

Net Flows in the Retail business were down where the impacts of the Hayne Royal Commission into Financial Services affected one of the larger clients in the MDA business leading to significant outflows over the quarter which are outside the control of the Group as well as a loss of one client in Melbourne.

Capability	Gross Inflows	Net Inflows	FUA
Retail Clients (Full Service)	\$203m	(\$92m)	\$5.051 Bn
Institutional Clients (Administration Fee only)	\$537m	\$115m	\$8.542Bn
Total			\$13.593 Bn

There remains significant FUA suitable for transition across all products and services from existing and new clients.

Aracon and DIY

In November 2018, the Group acquired Aracon Superannuation Pty Limited (Aracon), an RSE (Trustee) for superannuation funds and in mid-December 2018 acquired superannuation administrator DIY Master Pty Limited (DIY). The transition of the administration services for the Aracon client base to DIY was completed in June 2019.

Since acquisition the FUA for both businesses has increased through new client growth. The FUA for DIY, as at 30 June 2019 was \$953m including the \$320m FUA from Aracon and \$172m from Xplore Wealth clients.

Launch of new Xplore Wrap for Investment, Super and Pension.

The Group launched Xplore Wrap at the end of June 2019, the first new product to be launched under the Xplore Wealth brand. Promising a ‘world of investments’ the wrap delivers enhanced functionality and investment market access to advisers operating across a broad range of business model, client type and super/ non super client needs with the following features:

- All ASX listed securities,
- Direct international equities on 28 exchanges,
- SMA model portfolios,
- Managed funds,
- Bonds and fixed interest,
- Cash,
- Enhanced reporting, and
- Competitive fee structures.

New Approved Product List (APL)

The Group is currently finalising an APL that will be rolled out across all products and services including:

- Portfolio Administration Service,
- Managed Discretionary Accounts, and
- Xplore Wrap Investment, Super and Pension.

A single APL across all products and services will deliver consistency for advisers while delivering broader adviser access for fund managers.

Rebrand of the Group to Xplore Wealth Limited (ASX: XPL)

On 12 March 2019 the Group announced that it was rebranding to **Xplore Wealth**. This strong brand was chosen to reflect the company's planned growth purpose and underline its offering as one of Australia's leading independent investment platform solutions for wealth management professionals.

The addition of Xplore Wrap completes the suite of investment platform solutions to now include superannuation and non-superannuation, discretionary and non-discretionary, custodial and non-custodial, self-managed or adviser-managed portfolios and international and domestic shares.

The new brand also underpins a consolidation and simplification of the Group's market offering. Xplore Wealth intends to partner with its clients with agility, decisiveness and flexibility to deliver investment solutions that fundamentally support their businesses and growth opportunities and their own clients' needs and aspirations.

We urge shareholders to visit the new website at www.xplorewalth.com.au

New Appointments Pending

The Group is currently in negotiations with highly qualified candidates for the role of CEO and hopes to announce the appointment in August 2019. The new Head of Distribution and Marketing selection has been finalised and these details will be announced at the same time as the CEO appointment.

Key Events and Future Plans

The Group has achieved all planned events for 1Q and 2Q 2019:

1Q 2019

- Rebrand ✓
- Linking products and services to the Xplore brand ✓
- Embed client centric culture ✓

2Q 2019

- Launch Xplore Wrap ✓
- Launch new front end for Investment and Super/Pension MDA ✓
- Appoint CFO ✓

All planned items for Q3 and Q4 are being progressed:

3Q 2019

- Appoint CEO
- Appoint Head of Distribution and Marketing
- Enhance Xplore Wrap with new overlay service
- Enhance Portfolio Administration Service

4Q 2019

- One custodian across the Group
- Single front end reporting across all products

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About Xplore Wealth Limited

Xplore Wealth Limited (Xplore Wealth) is one of Australia's leading independent platform providers and investment administrators with a specialisation in managed accounts. Established in 2004, it provides platform, administration and technology solutions to some of Australia's leading stockbrokers, wealth managers, and financial advisory firms. Xplore Wealth is responsible for funds under administration of approximately \$13.593 billion as at 30 June 2019.

Authorised by:

Don Sharp
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Xplore Wealth Limited