

ASX Release Date: 31 October 2019

September 2019 Quarterly Business Update

Highlights

- Group Funds under Administration (FUA) as at 30 September up 4.2% to \$14.987 Billion
- New CEO and Head of Distribution & Marketing commenced
- Contract renewal of a new long-term arrangement with Software Securities & Consulting (SS&C)
- Launched our new front-end user portal for advisers and investors

Xplore Wealth Limited (ASX: XPL, the Group), one of Australia's longest serving managed account and platform administrators, provides an update on the Group's activities and business for the three months ending 30 September 2019.

The Group's new CEO Mike Wright commented, "Since starting with the Group in September I have been meeting with our clients, partners and staff to hear first hand what they think we are doing well and where we can improve. The insights gathered have helped to finalise our FY20 key priorities and have assisted us to start formulating the refreshed business strategy for the medium term. I am excited by the opportunity to lead Xplore Wealth during a time when the wealth management sector is transforming, creating new business and growth opportunities."

Group Quarterly Inflows and FUA Growth

Group FUA as at 30 September 2019 was \$14.987 billion up from \$14.379 billion as at 30 June 2019. The 30 September 2019 FUA figure includes FUA for DIY Master and Aracon Superannuation Pty Ltd, not previously reported. The 30 June 2019 FUA figure has been rebased to include these entities.

Retail Clients Gross Inflows for the September 2019 quarter were \$422m, up from \$203m in the June quarter and Net Inflows of \$13m, up from -\$92m in the June quarter.

Institutional Clients Gross Inflows for the September 2019 quarter were \$570m, up from \$537m in the June quarter and Net Inflows of \$219m, up from \$115m in the June quarter.

Business segments	Gross Inflows	Net Inflows	FUA
Retail Clients (Including Aracon Superannuation Pty Ltd)	\$422m	\$13m	\$5.571 Bn
Institutional Clients (Including DIY Master)	\$570m	\$219m	\$9.415 Bn
Total	\$992m	\$232m	\$14.987 Bn

September Quarter Highlights

- During the quarter the Responsible Entity (RE) of the Linear Managed Account scheme received a private ATO ruling on the scheme's eligibility for Reduced Input Tax Credits (RITC). The outstanding RITC claim has been lodged with the ATO.
- Various initiatives have been undertaken during the September quarter to reduce operating costs. One such initiative was finalising the contract renewal with SS&C on favourable terms for both parties.
- The Group launched a new front end portal for advisers and investors in August. The new front end portal will allow for regular and timely upgrades in an agile manner to enhance the user experience.
- During the quarter, one new sub plan for Aracon Superannuation Pty Ltd was added and a new Managed Discretionary Account (MDA) partner commenced onboarding their clients.

Key Appointments

During the quarter the Group appointed Mike Wright as CEO and Anne Hamieh as Head of Distribution & Marketing.

FY20 Priorities

The Group will be focussing on three main priorities over the medium term with the purpose of positioning the business for long term sustainable growth. These are:

1. Deliver on our One Platform program – to create one technology back-end, one custodian, one client portal, one team and one set of policies and procedures.
2. Upgrading the business – creating a refreshed winning ambition, culture, values and three year strategy, all anchored to strong client experience and confidence.
3. Drive hard on our Take to Market Plan – delivering on a distribution plan with an aim to sustainably grow our business and in doing so support our existing and new clients.

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About Xplore Wealth Limited

Xplore Wealth Limited (Xplore Wealth) is one of Australia's longest serving 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 independent financial advice (IFAs) firms. Xplore Wealth is responsible for FUA of approximately \$14.987 billion as at 30 September 2019.