

June 2014 Quarterly Update – MGP exceeds 2014 Prospectus targets with record inflows

ASX Announcement

Date of Release to ASX: 30th July 2014

Managed Accounts Holdings Limited (ASX: MGP) is pleased to announce it has expanded its distribution footprint into the independent financial advisory (IFA) market, bolstered by record inflows for the June 2014 quarter which exceeded Prospectus targets.

Highlights

- Funds Under Administration ('FUA') and Adjusted Net Profit Before Tax ('NPBT') as at 30 June 2014 exceeded target forecasts set in the Prospectus;
- Four new private label managed account services implemented in the six months to 30 June 2014;
- Strong inflows from MGP's existing client base; and
- Acquisitions made by MGP's existing client base will lead to further inflows to MGP underlying FUA in 2014/15.

In detail

The Board of MGP is pleased to announce that the Prospectus FUA and Adjusted NPBT forecasts for 30 June 2014 have both been exceeded. This represents a clear validation of MGP's strategy for its shareholders, and highlights the attractiveness of MGP's business model and service offering.

Performance Indicator	30 June 2014 Prospectus Target	30 June 2014 Results (unaudited)*
FUA	\$1.043bn	\$1.053bn
Adjusted NPBT	\$317,000	\$336,000

MGP's growing client base

In the six months to 30 June 2014, MGP saw four (4) new Australian Financial Services License (AFSL) Licensees implement and commence using a private label managed account service provided by MGP, taking the total number of licensees using MGP to 23.

New Licensees	Total Licensee FUA
Redgum Wealth	\$200m
Affinity Wealth	\$180m
GPS Wealth	\$650m
Moran Howlett	\$160m

As at 30 June 2014, \$90m of the total potential FUA from these new Licensees had been transferred to the private label managed account services. MGP is working closely with all groups to maximise the transition of FUA in the 2014/15 financial year.

Two further AFSL Licensees have signed a Memorandum of Understanding to proceed with the implementation of a private label managed account service with MGP, with inflows expected to commence over the following two months.

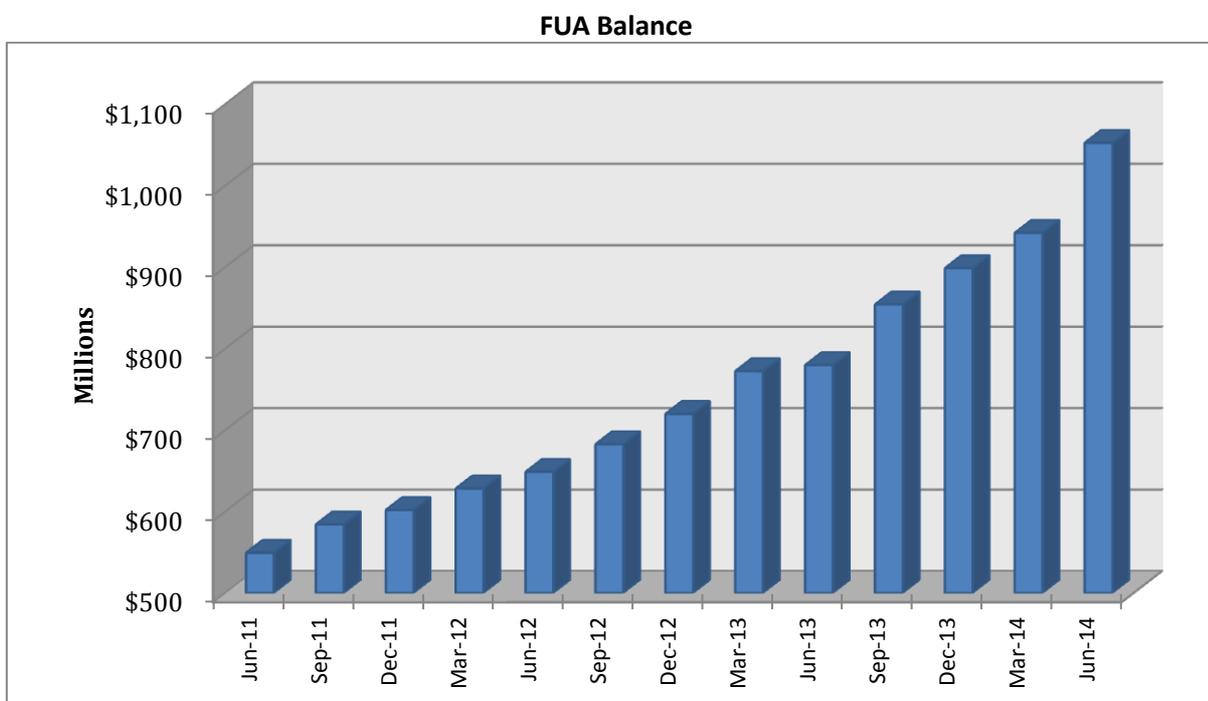
Existing clients

MGP has successfully helped a number of AFSL Licensees transition their client base into private label managed account services delivered by MGP. This support and vote of confidence from our clients has further boosted MGP's reputation in the marketplace, evident by a number of new firms selecting MGP over other providers and platforms.

The efficiencies AFSL Licensees gain through the use of our managed account service has lead several to now consider acquiring further businesses. Three such transactions have recently been conducted representing FUA in excess of \$200m.

Growth in funds under administration

The graph below highlights the strong growth in FUA over three consecutive years to 30 June 2014, with over 70% of flows emanating from Self Managed Super Funds (SMSFs).



ASIC Proposed Changes to MDA Capital Requirements

As disclosed in the MGP Prospectus (which achieved above minimum subscription), 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.

Forecast FUA Year Ended 30 June 2015

The Board of MGP expects to exceed its 2015 FUA forecast of \$1.562bn assuming normal market conditions.

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**30 June 2014 Actual figures are based on unaudited financials*