

December 2016 Quarterly Update

Quarter Highlights

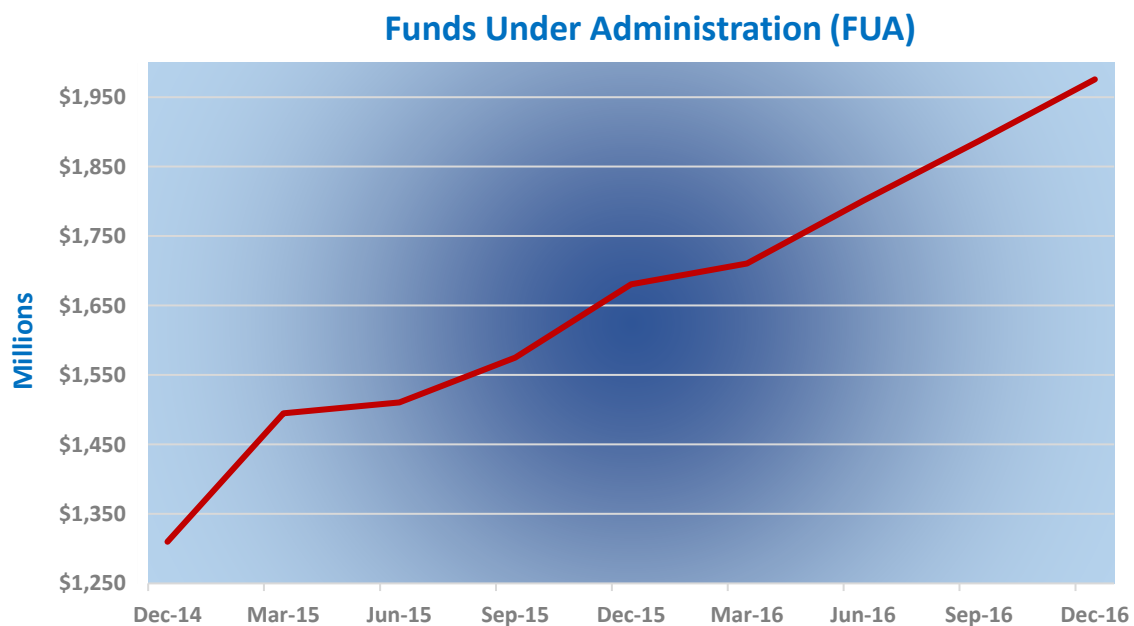
- Unaudited FY17 half year Net Profit Before Tax up 62% on FY16 first half to \$609,218
- Funds Under Administration (FUA) of \$1.979bn as at 31 December 2016
- Memoranda of Understanding executed with one (1) Licensee to implement a new MDA Service in the December 2016 quarter
- Quarterly net inflows of \$66m for the quarter ended 31 December 2016
- Mature Licensee using MDA Service acquires another wealth management practice with over \$125m in FUA
- First Superannuation Service live
- Quarterly Dividend declared for the December 2016 quarter

FY17 First Half Earnings Update

The company confirms that unaudited Net Profit Before Tax (NPBT) for first half FY17 of \$609,218 was an increase of 62% on NPBT for the same period in FY2016. As highlighted in the September 2016 Quarterly Update, this increase is as a result of a combination of new product initiatives which have increased margins and the scalability of the operating model.

Funds under Administration (FUA)

FUA as at 31 December 2016 was \$1.979bn. The chart below highlights FUA growth for the two years to December 2016.



New MDA Service Sign-ups

MGP executed Memoranda of Understanding (MoU) with one (1) Licensee during the December 2016 quarter. MoUs were executed with three (3) Licensees for the first half FY17.

Live MDA Services

On execution of a Memorandum of Understanding with a Licensee, an implementation process is completed in conjunction with the Licensee to build the MDA Service. As at the end of December 2016, there were live MDA Services with 43 Licensees, with 3 MDA implementations in progress.

Outlined below is a summary of the MDA Services in place.

Phase	Description	Number of Services
Mature	MDA Service in place and majority of Licensee clients transitioned	23
In Transition	MDA Service in place and transition of Licensee clients actively in progress	16
Recent Live*	MDA Service in place and recently live with transition of Licensee clients recently commenced	4
Build	MDA Service Implementation in progress	3

*Recent Live are Services that have gone live in the past two calendar quarters

During the quarter, one (1) Licensee in the Mature Phase migrated their small client base to a non-discretionary solution. In addition, one (1) Licensee in the Build Phase elected not to proceed with the MDA Service after re-considering the viability of the solution for their client base.

Net inflows are obtained through a combination of organic growth of Licensees in the Mature phase and inflows from Licensees in the In Transition and Recent Live phases. When a new Service is rolled out to a Licensee, advisers of the Licensee are required to undertake an advice process with clients.

In addition, longer established Licensees may also make acquisitions and integrate those acquisitions into their MDA and Superannuation Services.

In the December quarter, one of the Mature Licensees successfully completed an acquisition of another wealth management practice with over \$125m in FUA with this FUA anticipated to flow into the MDA Service.

Quarterly Net Inflows

Net inflows for the December 2016 quarter were \$66m.

Flows for the quarter were lower than anticipated, with advice not being written as quickly as expected from new MDA Services leading into the December period, and some unplanned changes to disclosure for Superannuation Services to cater for revised regulations delaying the initial rollouts.

Rollout of Superannuation Services

The first Superannuation Service is now live. MGP is now working with the trustee of the Superannuation Service to rollout the Superannuation Services for thirteen (13) Licensees that have committed to the Service.

New Superannuation Service Sign-ups

There were no executed Memoranda of Understanding (MoU) during the December 2016 quarter. MoUs were executed with 3 Licensees for the first half FY17.

Quarterly Dividend Declared

The Board of MGP is pleased to declare a quarterly dividend payment of \$0.002 per share payable on 21st February 2017. Based on the current share price of \$0.34* (as at close of ASX trading 31st January 2017), this represents an unfranked yield of 2.35%.

For further information, please contact:

David Heather
Chief Executive Officer
Managed Accounts Holdings Limited
Mobile: 0418 439 570

Don Sharp
Executive Chairman
Managed Accounts Holdings Limited
Mobile: 0419 632 315

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