

Annual General Meeting Presentation

Thursday 4 October 2018



Disclaimer

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Proxy Votes for Annual General Meeting

Resolution	For	Against	Abstain	Discretion
Resolution 1 Adopt the Remuneration Report for financial year ended 30 June 2018	43,402,124	79,300	0	7,966,793
Resolution 2 Re-election of Pamela McAlister as a director	50,127,517	200,000	0	7,951,705
Resolution 3 Re-election of Stephen Reed as a director	49,082,130	1,245,387	0	7,951,705
Resolution 4 Withdrawn	N/A	N/A	N/A	N/A

Introduction



DON SHARP (EXECUTIVE CHAIRMAN)

- Co-founder of Managed Accounts, Don previously co-founded Bridges Financial Services which established, the Portfolio Service, one of the first investment platform solutions in Australia
- Qualified accountant and Executive Chairman of Integrated Payment Technologies Limited (ASX: IP1)
- Former Chairman of Investors Mutual, Global Value Investors, and Premium Investors Limited (ASX: PRV) and a former Director of Countplus Limited (ASX: CUP) and Treasury Group Ltd (ASX: TRG)



DAVID HEATHER (CHIEF EXECUTIVE OFFICER)

- Over 28 years experience in the Australian financial services industry
- Previously held executive roles at Permanent Trustee, Trust Company and Aegis in Distribution, Custody, Operations, Information Technology, Investment Administration and Managed Accounts
- Joined Managed Accounts in 2008 as Head of Distribution and in 2014 was appointed Chief Executive Officer

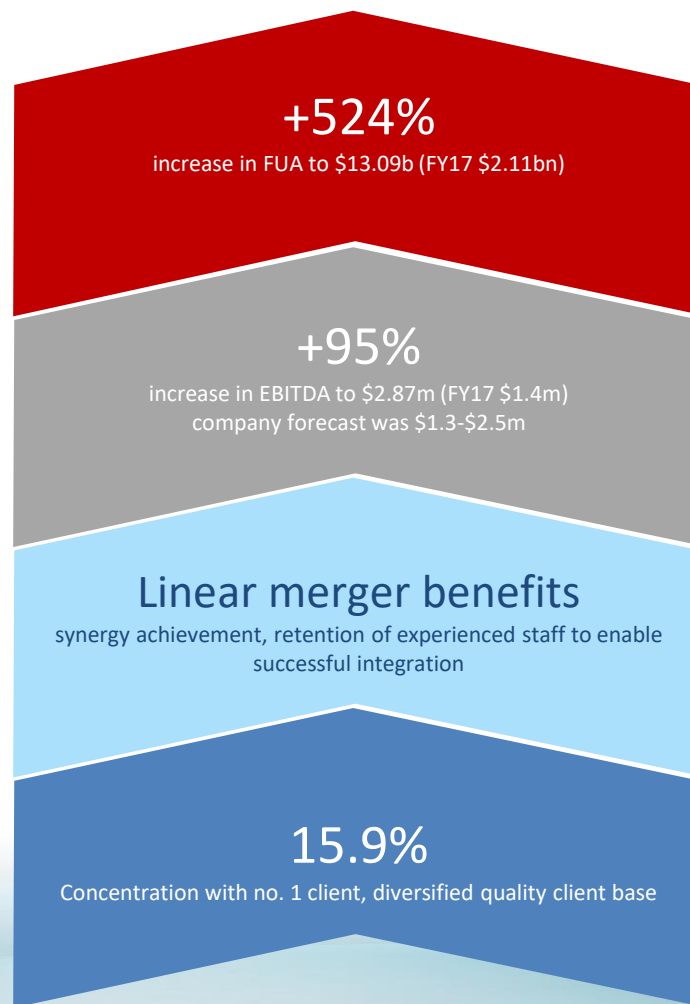
FY18 Results Summary

Execution of the transformational transaction to acquire 100% of the shares in Linear Financial Holdings Pty Ltd (Linear) and merge the companies has accelerated revenue, EBITDA and FUA growth for MGP

	FY18	FY17	Δ
FUA	\$13.1b	\$2.1b	524%
Revenue	\$15.1m	\$6.9m	120%
Underlying EBITDA ⁽¹⁾	\$2.9m	\$1.5m	95%
EBITDA %	22.1%	20.3%	
NPAT	(\$2.5m)	\$0.7m	nm

(1) Excludes one off acquisition costs and share option scheme expense

Transformation from custodial managed account provider to an investment administration provider well advanced



Section: 1
FY 2018 Financials



Statutory Income Statement

Statutory Profit and Loss (\$m)	FY18	FY17	Δ
Revenue	15.1	6.9	120%
CoGS	(3.1)	(1.5)	(107)%
Gross Profit	12.0	5.4	122%
<i>GP margin</i>	79.5%	78.3%	(1.2%)
Other Income	0.6	0.1	500%
Opex	(9.7)	(4.0)	(143)%
EBITDA	2.9	1.5	95%
<i>EBITDA Margin</i>	19.2%	21.7%	(2.5%)
D&A ⁽¹⁾	(2.9)	(0.1)	nm
Tax ⁽²⁾	0.9	(0.4)	nm
NPAT ⁽³⁾	(2.5)	0.7	nm

- Revenue and expenses reflect contribution from Linear from merger on 16 November 2017
- Operating expenses reflect an investment in sales and compliance resources to support future growth
- Depreciation and amortisation reflects amortisation of Linear software and Linear client value being written off over 5 years
- NPAT includes \$1.69m discontinued software development write off and \$0.25m write of leasehold improvements

(1) Includes amortisation of Linear software development (\$15.4m to be amortised over 5 years) and Linear client relationships of \$4.08m to be amortised over 5 years).

(2) Tax losses utilised, Linear transaction had \$9m of tax losses.

(3) Includes discontinued software development write off of \$1.69m and \$0.25m of leasehold improvements

“nm” – not meaningful

Balance Sheet

Balance Sheet as at 30 June 2018	(\$m)
Cash and cash equivalents	4.9
Financial assets ⁽¹⁾	1.0
Investments	0.6
Trade and other receivables	2.5
Property, Plant and Equipment	0.3
Intangible assets	40.5
Deferred tax assets	4.2
Other assets	0.2
Trade and other payables	(2.1)
Employee benefits	(0.9)
Deferred tax liabilities	(1.0)
Other liabilities	(0.5)
Net assets	49.7
Paid up capital	57.7
Share based payment reserve	0.5
Accumulated losses	(8.5)
Total equity	49.7

(1) Financial assets include term and bank deposits

- Future potential increases in regulatory capital requirements to \$5.0m expected to be able to be supported through cash, financial assets and investments
- The Company remains debt free and willing to look for further acquisitions to complement existing capability
- \$15.4m of Linear's software development was capitalised as an intangible asset and will be amortised over 5 years. This will also provide a tax deduction over this period
- The Company acquired \$9.0m of tax losses and \$2.45m of net deferred tax benefits in the Linear merger, which will provide future cash flow benefits to MGP shareholders

Statutory Cash Flows

Cash flows (\$m)	FY18	FY17	Δ
Receipts from customers	15.0	7.2	108%
Payments to suppliers and employees	(12.7)	(5.7)	(123)%
Linear acquisition costs	(2.8)	-	nm
Net interest and other income	0.6	0.1	nm
Operating cash flows	0.1	1.6	nm
Net business purchase cost	(23.1)	-	nm
Payment for intangibles	(1.2)	(1.6)	24%
Other	(0.2)	1.1	nm
Investing cash flows	(24.5)	(0.5)	nm
Proceeds from issue of shares	35.2	0.2	nm
Share issue costs	(1.9)	-	nm
Share buy-back	-	(0.5)	nm
Dividends paid	(0.3)	(1.1)	(75)%
Borrowings	(5.4)	-	nm
Financing cash flows	27.6	(1.4)	nm
Net cash flow	3.3	(0.3)	nm

- On an underlying basis, operating cash flow remained positive for FY18 excluding Linear acquisition costs
- Other operating cashflows includes Linear acquisition costs including restructuring and payment to Linear suppliers and employees owing on acquisition
- Due to Linear acquisition, dividend pay outs are on hold with this to be subject to Board review after the finalisation of 31 December 2018 half yearly results

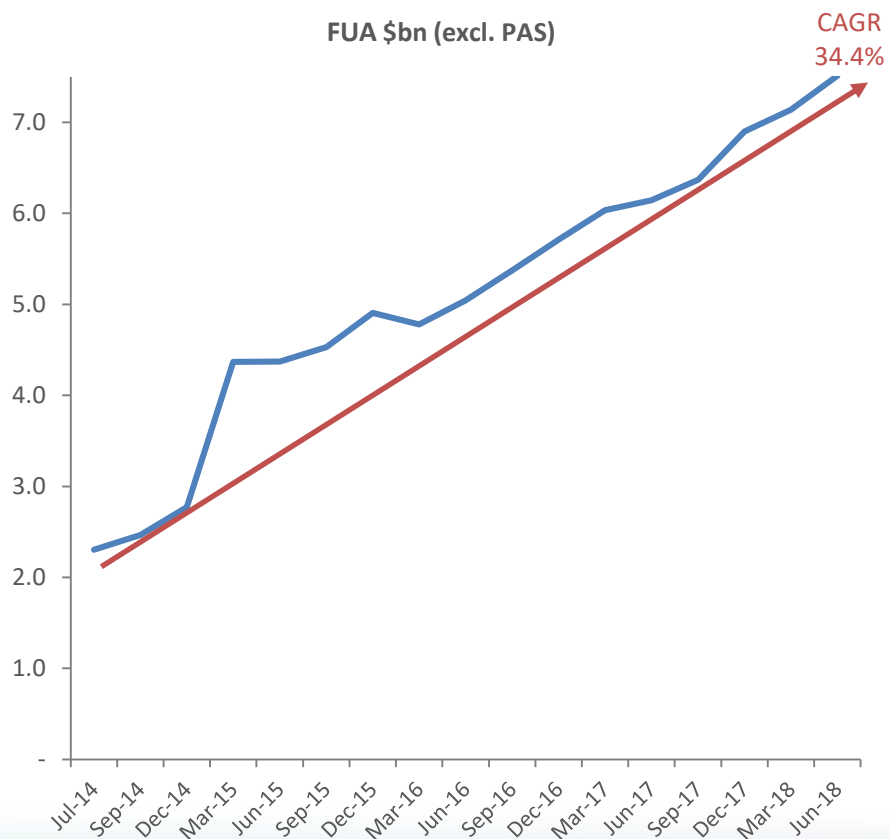
Section: 2

Business Overview



Funds Under Administration (FUA)

The transformative merger of Linear and MGP has created a merged entity that has grown Funds under Administration (FUA) to \$13.09 billion with \$7.51 billion FUA earning revenue on a % FUA basis.



Capability	Revenue Stream	FUA
Pre-Merger MGP MDA and Super Services	Fees as % of FUA	\$2.47bn
All Linear Services except for the Portfolio Administration Service (PAS)	Fees as % of FUA	\$5.04bn
Portfolio Administration Service (PAS)	Fees per Account	\$5.58bn
Total		\$13.09bn

- Pre-merger MGP has achieved 23.8% CAGR
- Pro forma Linear % of FUA services⁽¹⁾ has grown at 41.7% CAGR
- The PAS (fees per Account) FUA has grown at 13.0% CAGR on a pro forma basis⁽¹⁾

(1) Pro forma basis assumes Linear was owned as at Jul-14

Diversified Revenue Streams

MGP's products and services generate the following revenue streams:

	\$7.51bn of FUA Fees charged as percentage of FUA			\$5.58bn of FUA Fees per Acct
Implementation Fees	Administration Fees	Transaction Fees	Cash Holding Fees	PAS Fees
For new service implementations (IP / project management / implementation cost recovery)	Assets under administration, basis points charged with tiering for larger clients	Trading of assets, typically fixed cost per trade per client	Cash administration, basis points charged	Portfolio reporting services, fees charged on a per account basis

Continued Business Evolution to Grow and Expand Revenue Streams

- Established in 2004
- ASX listed entity, Managed Accounts Holdings Limited (ASX: MGP) from June 2014 as a specialist custodial managed account provider for financial advisory firms
- Migration of the business to a leading provider of investment administration solutions with a specialisation in managed accounts
- Acquired 100% of the shares in Linear in November 2017 and now provide solutions to Australia's leading stockbrokers, wealth managers, in addition to investment managers and financial advisory firms
- Now have the ability to deliver a multi market, multi currency, multi custodian wrap, SMA and managed account solution or via non-custodial using its ASX Participant status

Benefiting from Industry Disruption

The Company is well positioned to benefit from expected continued growth in superannuation inflows, increased growth in the independent platform segment and increasing adoption of managed accounts.

- Acquisition of Registrable Superannuation Entity (RSE) is well advanced to grow superannuation revenue streams from a consolidating sector with legislated contribution growth
- Roll out of the wrap and super solution to meet a growing demand for independent platforms who shift to non-bank aligned business models
- Core strength in managed accounts remains despite expansion into new products and services
- MGP is well positioned for Royal Commission outcomes with a diverse suite of products and services and no grandfathered commissions

Enhancing Products and Services

The Company has a comprehensive product and service offering to service stockbrokers, private wealth managers, independent financial advisory firms (IFAs), investment managers and institutions to enable the efficient management of client portfolios.

Capability	Development	Objective
Portfolio Administration Service (PAS)	<ul style="list-style-type: none"> Investment in technology and ASX participation implementation to service non-ASX participants 	<ul style="list-style-type: none"> Deliver a market leading scalable solution to deliver ASX participants and non-ASX participants an agnostic execution solution
Super	<ul style="list-style-type: none"> Well advanced in the acquisition of a Registrable Superannuation Entity (RSE) and implementation of related governance and software 	<ul style="list-style-type: none"> Deliver a non-united Super solution to the market with MGP owning the value chain
Wrap	<ul style="list-style-type: none"> Process and technology in place, broadening of investment menu, pricing and new PDS 	<ul style="list-style-type: none"> Deliver a wrap solution to the market
SMA	<ul style="list-style-type: none"> Broadening of investment menu, pricing and new PDS 	<ul style="list-style-type: none"> Deliver a broad based SMA to the market in conjunction with the wrap solution
Managed Accounts	<ul style="list-style-type: none"> Investment in technology and ASX participation implementation to offer HIN based managed account solution, rollout of international capability 	<ul style="list-style-type: none"> Deliver an enhanced managed account offering to the market with assets able to held in custody or in direct HINs with international exposure
Institutional Solutions	<ul style="list-style-type: none"> Investment in technology 	<ul style="list-style-type: none"> Be the preferred provider of hosted technology and business process outsourcing for non-united solutions

Synergy Update

MGP is on track to deliver the previously mentioned full run-rate pre-tax cost synergies of \$3.5 million per annum by the end of FY19⁽¹⁾.

			Status
Target annual pre-tax cost synergies \$3.5 million⁽¹⁾	Salaries	<ul style="list-style-type: none"> Complete 	✓
	Occupancy costs	<ul style="list-style-type: none"> Complete 	✓
	Service provider management	<ul style="list-style-type: none"> Review completed of all service providers for rationalisation opportunities. \$500,000 synergies achieved with action plan in place to achieve a further \$600,000 	
	Centralised functions	<ul style="list-style-type: none"> Complete 	✓
Not included in above target synergies	Technology synergies	<ul style="list-style-type: none"> Front end technology strategy finalised. Process mapping processes completed across all operational functions to assist in formulating future technology approach 	
	Revenue synergies	<ul style="list-style-type: none"> Discussions have identified cross sell opportunities to existing Linear clients. These will be quantified as realised Linear international capability to pre-merger MGP clients at live state Addition of MGP MDA capability to Linear administration at live state 	✓

(1) Excludes one-off implementation costs and potential technology cost synergies and incremental revenue streams that may be generated by the Company following integration.

Integration Update

Integration continues to progress well across all aspects of the business with significant progress made since the merger.

- Executive roles gradually filled following the merger with Craig Giffin (Head of Legal, Risk and Compliance), Kobie Turner (Head of Product) and Mark Pozzi (Chief Financial Officer) complementing Tony Nejasmic (Head of Distribution and Marketing)
- Appointment of Craig Semmens (Head of Operations) and Richard Carr (Business Development Manager) to drive stockbroking channel delivery and growth and Lisa Ng to develop new opportunities in Western Australia and South Australia
- Product and service initiatives including wrap implementation and superannuation strategy implementation inclusive of Registrable Superannuation Entity (RSE) acquisition are well advanced
- Rebranding of the merged business has commenced and is well advanced

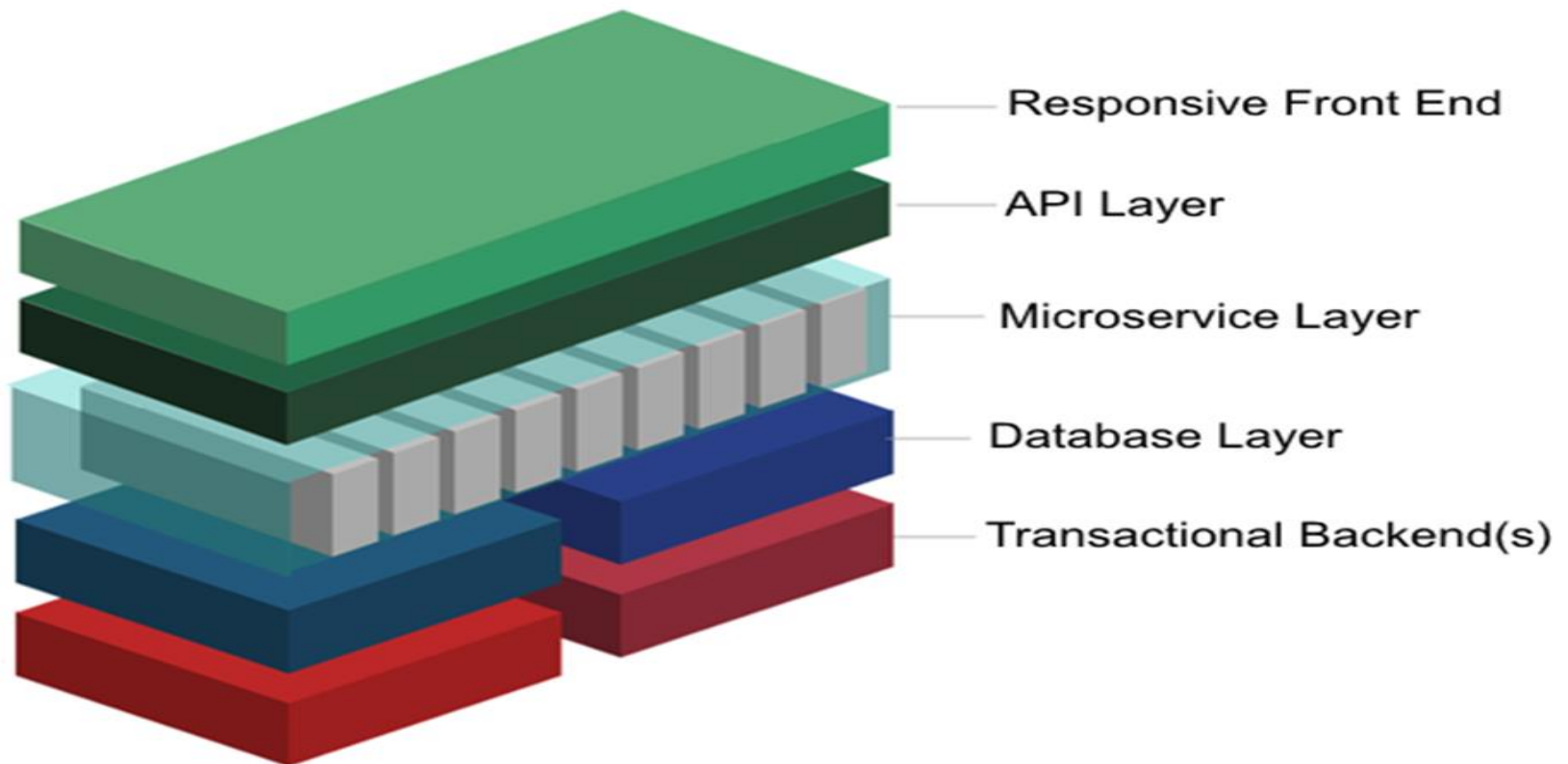
Technology Strategy Update

Front end technology strategy finalised. Process mapping processes completed across all operational functions, a best practice technology approach is now being formulated.

- Inhouse developed responsive front end strategy using APIs – single front end approach for capture of client instructions and user interface
- Existing database and transactional back ends remain in place with flexibility to be able to add or reduce databases and/ or transaction back ends as circumstances change such as for future acquisitions
- Future development through microservices which can support multiple databases and transaction back ends
- Extensive process mapping exercise undertaken and identification of optimised processes complete
- Preferred technology approach for the database and transactional back ends is under review

Technology Strategy Update

An approach that supports existing architecture with flexibility to build new functionality through microservices to support one or many transactional back ends.



Outlook

MGP is forecasting increasing profitability in FY19 as the merger benefits become fully realised.

- The Company maintains its underlying EBITDA guidance for FY19 in range of \$7.5 - \$8.5 million
 - Full run rate synergies of \$3.5 million from the Linear transaction expected to be achieved in 2H FY19
 - Excludes any transaction or integration costs
 - Assumes all software development costs are expensed
 - Assumes no inclusion of amortisation of Linear software or Linear client contracts and costs of acquisition
 - Assumes no material downturn in global financial markets
 - Assumes no adverse regulatory change on the products and services provided by the Company

