

ASX ANNOUNCEMENT

EXPLANATION OF MDA AND SUPERANNUATION SERVICE IMPLEMENTATION PROCESS

SYDNEY, Tuesday 26 September 2017: Managed Accounts Holdings Limited (ASX: MGP)
MGP has received a number of requests to provide an explanation for investors of the process it generally follows in implementing a managed discretionary account (MDA) Service and/ or a Superannuation Service for a new licensee.

The business model of MGP involves building and implementing customised MDA and Superannuation Services for each new licensee. The first stage in the process is the execution of a Memorandum of Understanding with the new licensee. Once a Memorandum of Understanding is signed, MGP commences the build/implementation of the new MDA and/ or Superannuation Service and earns implementation fees. The implementation includes the conduct of due diligence by MGP, understanding of the licensee's requirements and the implementation of the necessary documentation, infrastructure and related arrangements to enable the Service to be available for advisers of the licensee to advise on and recommend to clients. A Memorandum of Understanding may be terminated by either MGP or the new licensee at any time by giving notice of 14 days to the other party.

A component of the build/ implementation of the MDA or Superannuation Service is for both parties to enter into formal agreements to document the provision of the MDA or Superannuation Service including a services agreement and investment management agreement. The formal agreements do not contain any commitment from the new licensee to transfer any specific amount or proportion of the new licensee's funds under advice into the new MDA or Superannuation Service but can have minimum fees that may be incurred by the licensee if minimum commercial levels of funds under administration are not achieved. Therefore, upon entry into formal agreements, it is not possible to determine the potential increase in MGP's funds under administration arising from a new MDA or Superannuation Service.

When a new MDA or Superannuation Service is rolled out to a licensee, advisers of the licensee are required to undertake an advice process with clients. MGP works closely with the licensee and advisers to support the transition of funds under advice.

Once formal agreements have been entered into and the MDA or Superannuation Service is "live", MGP earns administration fees on funds under administration and transaction fees.

For further information, please contact:

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