



18th May 2017

ASX Announcement/Media Release

MainstreamBPO acquires Trinity Fund Administration in Dublin and the Cayman Islands

- Acquisition of reputable and experienced fund administrator that is complementary to the Group's existing operations
- Delivers established market positions in key fund domiciles in Europe and the Caribbean
- Total combined purchase price of USD \$5 million
- Increased scale and expanded client servicing capabilities with global cross-border revenue and material I.T. synergies
- Expected to be earnings accretive from completion

MainstreamBPO Limited group (ASX: MAI) (**MainstreamBPO** or the **Group**) has executed sale agreements to acquire Trinity Fund Administration (**Trinity**) in Ireland and the Cayman Islands (**Acquisition**).

Privately owned Trinity currently provides administrative, transfer agency, company register, corporate secretarial, risk and regulatory reporting and other ancillary services to over 140 funds and investment vehicles incorporated in a variety of jurisdictions.

The acquisition is likely to increase the Group's funds under administration by approximately US\$7 billion.

Trinity was founded in 1993 by CEO John McCann, and has received recognition from the international funds industry on numerous occasions including being awarded the "Best Offshore Hedge Fund Administrator" in the Hedge Week Global Awards in March 2017 and "Best Fund Formation Service" in the Corporate Live Wire Global Fund Awards in April 2017. Trinity has 30 staff across its various offices, with an average of 18 years' service by senior staff. All of Trinity's employees will join the Group with Mr McCann to join MainstreamBPO's executive team and become the CEO of MainstreamBPO's European and Cayman operations.

The acquisition of Trinity will deliver a number of strategic benefits for MainstreamBPO:

- Trinity's common service offering, excellent client base and experienced team make it a natural fit for the Group.
- Brings a critical mass in terms of operational capability and clients within Europe and the Caribbean.
- Expands MainstreamBPO's global footprint in key international fund centres as well as providing a regional base for cross-selling of services in Europe and the Caribbean to MainstreamBPO's clients in other regions.
- Extends the Group's capabilities in corporate, compliance, risk and data analytical reporting services.
- Allows MainstreamBPO to enter the European Undertakings for Collective Investment in Transferable Securities (**UCITS**) and Société d'Investissement A Capital Variable (**SICAV**) markets.
- Opportunity to consolidate I.T. vendors to add scale and reduce variable costs in the existing Trinity business.



MainstreamBPO Chief Executive Officer Martin Smith said “The addition of Trinity’s group of companies to MainstreamBPO means we now have an established footprint in two more leading fund domiciles – the US\$2.2 trillion Irish funds market and US\$5.7 trillion Cayman fund market – to support our global cross-border client strategy.”

Commenting on the transaction, John McCann, CEO of Trinity, said “We are very pleased to become part of the MainstreamBPO group whose cultural fit is strongly aligned to our own. This is a very exciting milestone for Trinity as the combined group will provide numerous opportunities for business expansion and our staff while allowing us to continue to focus on delivering outstanding committed service and putting the client first. We thank all of Trinity’s staff for their hard work and dedication over the years and look forward to exploring the increased global possibilities that this deal represents for staff and clients alike.”

Key details of the Acquisition

- The combined purchase price is US\$5 million if earn-out conditions are met.
- Of the total consideration:
 - US\$3.5 million is payable upfront as cash on completion.
 - Up to US\$0.5 million is payable in cash over 3 years, subject to earn-out conditions being met.
 - Up to US\$1.0 million is payable in MainstreamBPO shares over 3 years, subject to earn-out conditions being met.
- The total combined purchase price represents approximately 10 times Trinity’s combined FY2018 (to 30 June 2018) projected earnings before interest, tax, depreciation and amortisation (**EBITDA**). The initial consideration is approximately 7 times Trinity’s combined FY2018 (to 30 June 2018) projected EBITDA.
- Trinity anticipates combined revenue of US\$3.4 million in the 12 months to 30 June 2018.
- Trinity anticipates combined EBITDA of US\$0.5 million in the 12 months to 30 June 2018.
- The Acquisition is expected to be earnings accretive.
- Completion is planned to occur in July 2017, subject to regulatory approval within the relevant jurisdictions.

Acquisition funding

MainstreamBPO intends to undertake an appropriate equity capital raise prior to completion and draw down on an existing debt facility. The proceeds of this equity capital raise and the debt facility will be used to fund the Acquisition.

For more information

Martin Smith
Chief Executive Officer
MainstreamBPO

msmith@mainstreambpo.com

T +61 411 882 986

Alicia Gill
Head of Marketing and Company Secretary
MainstreamBPO

agill@mainstreambpo.com

T +61 2 8259 8859



About MainstreamBPO

MainstreamBPO Limited is one of Australia's largest independent fund administrators. The Group provides fund administration, superannuation administration and share registry services for a diversified client base of fund managers and superannuation trustees.

The Group operates five businesses:

- > FundBPO (Australia, Hong Kong, Singapore and Malta), *Fundadministration, Inc* (United States) and Galileo Fund Services Limited (Isle of Man): provide fund administration services for investment managers
- > SuperBPO: provides superannuation administration services for superannuation trustees
- > ShareBPO: provides share registry services for listed companies and exchange-traded funds.

MainstreamBPO has seen exceptional growth since its inception in 2006. As at March 2017 the Group provides administration services to 631 funds with assets in excess of \$114 billion, employing 170 people.

MainstreamBPO has operations in Australia, Singapore, Hong Kong, United States, Isle of Man and Malta.