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ASX/Media Release

Mainstream announces entry into SMA market

Highlights

- › Mainstream to launch Separately Managed Account platform
- › Perpetual appointed Responsible Entity of Mainstream SMA

Global fund administrator Mainstream Group Holdings Limited (ASX: MAI) has announced the appointment of Perpetual Corporate Trust as the Responsible Entity of its proposed Separately Managed Account (SMA) and the commencement of the incorporation of an SMA platform. Mainstream has a strong existing relationship with Perpetual via 24 mutual clients in its Fund Services business.

Mainstream Fund Services will offer a superior web based SMA investment solution initially in Australia, supplementing its existing tax, corporate action and reconciliation service for managed accounts and its core managed fund administration services supporting more than 400 plus funds in Australia.

Under the offering, advisers and their clients will have customised access to specialised investment models across 25 international markets and access to Mainstream administered managed funds from leading investment managers.

Commenting on the launch, Mainstream Chief Executive Officer, Martin Smith, said Mainstream's SMA solution will be the first pillar in a digital market entry strategy to meet adviser demand for independent vertical integration of fund access, custody and settlement services.

"For advisers with cost, independence or functionality concerns about their existing platform, Mainstream will address these concerns by offering enhanced cash, online functionality, transacting and onboarding - including in specie transfers - and electronic trading in international equities and cash via an independent, lower fee digital platform.

"Launching an SMA platform is highly complementary to the robust fund administration offering Mainstream is known for and will extend the range of services we can offer our clients alongside our existing European UCITs and Cayman fund platforms." said Mr Smith.

The platform launch will mark Mainstream's official entry into digital services. Traditionally the group has used specialist software vendors to support its administration business. This business model will be enhanced with Mainstream developing its own digital capability over the next 2 to 3 years including online applications, transacting and real-time investor analytics.

"We already have a strong pipeline of interest for our SMA platform solution and digital services. There is definitely demand for a customised web-based platform offering advisers a simple, lower-cost alternative to traditional platforms." Mr Smith said.

Mainstream intends to seed the platform once commitments greater than \$150 million are received. Negotiations are underway with four parties with in excess of \$1 billion in funds under management to be foundation clients of the platform.

For more information

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About Mainstream Group Holdings

Mainstream Group Holdings Limited (ASX: MAI) provides fund and superannuation administration services underpinned by investment in people, processes and technology.

As at June 2018 the Group provides administration services to 815 funds and more than 100,000 investors with assets under administration in excess of AUD \$138 billion.

Mainstream employs 245 people, with operations in Australia, Singapore, Hong Kong, the United States, the Isle of Man, Malta, Ireland and the Cayman Islands.

For more information, please visit: www.mainstreamgroup.com.