

19 September 2018

ASX Announcement

Combined Fund Merger

- **Combined terminates contract**
- **No material impact**
- **Board reconfirms FY19 guidance of \$7.5m-\$9.0m EBITDA**

Mainstream Group Holdings Limited (ASX: MAI) has received a termination notice from its client Combined Super Fund. The notice outlines the Fund's intention to merge its administration with the incumbent service provider of the Prime Super Fund.

Mainstream's contract with Combined has a six month notice period and Mainstream expects administration fees to cease effective 18 March 2019 with transition fees to apply for additional work beyond this.

In this context, Mainstream confirms earlier guidance of approximately \$50 million to \$55 million and EBITDA of approximately \$7.5 million to \$9.0 million for the twelve months to 30 June 2019 (FY19). The value of the Combined contract was less than 5% of the Group's revenue in July 2018 and Mainstream expects that any shortfall in FY19 will be offset by the strong pipeline of sales in the US and Australia.

The Board will work with its auditors to consider the suitable amortisation expense (which is a non-cash item) at 31 December 2018 Half Year and 30 June 2019 Full Year financial reports.

The Group remains committed to its superannuation administration offering, with its superannuation trustee platform to form part of the Group's recently announced separately managed account (SMA) service, and ongoing demand for personalised retail superannuation administration not available from the major players.

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.