



## **ASX ANNOUNCEMENT**

### **INVESTOR PRESENTATION**

**SYDNEY, Wednesday 13 March 2019:** An Investment Presentation on the proposed Name Change of **Managed Accounts Holdings Limited** (ASX: MGP) is attached.

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# XPLORE WEALTH

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Name change subject to Managed Accounts Holdings shareholder approval at an EGM on 12 April 2019.

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# Relaunching for growth

The platform market's broadest investment range including listed domestic and global assets (28 exchanges), managed funds, fixed interest, term deposits, managed accounts, separately managed accounts.

One of Australia's leading independent specialist platform providers, our core competency is platform administration. We do not provide advice or manufacture investment products.

Reflecting our strong growth ambitions and enhanced product suite with the delivery of our new wrap product expected in Q2 2019, we are relaunching under a new market facing brand Xplore.

Well placed for growth post Royal Commission, independent, non-aligned with clear growth strategies.

Flexible solution delivery – from standard off the shelf through to bespoke solutions built to meet the needs of the advisory group.

# Who we are

- **Independent** platform provider - not institutionally owned.
- **Deep industry expertise** and experienced management team. Proven track record in providing platform solutions for over **14 years**
- A **broad range** of platform solutions including off the shelf and bespoke offerings, with access to local and global markets.
- **Providing solutions** to over **150** financial services groups including IFAs, stock brokers and institutions.
- **\$13.3 Billion** assets under administration including over \$2.6 Billion in International (as at 28 February 2019).

# Growth in FUA

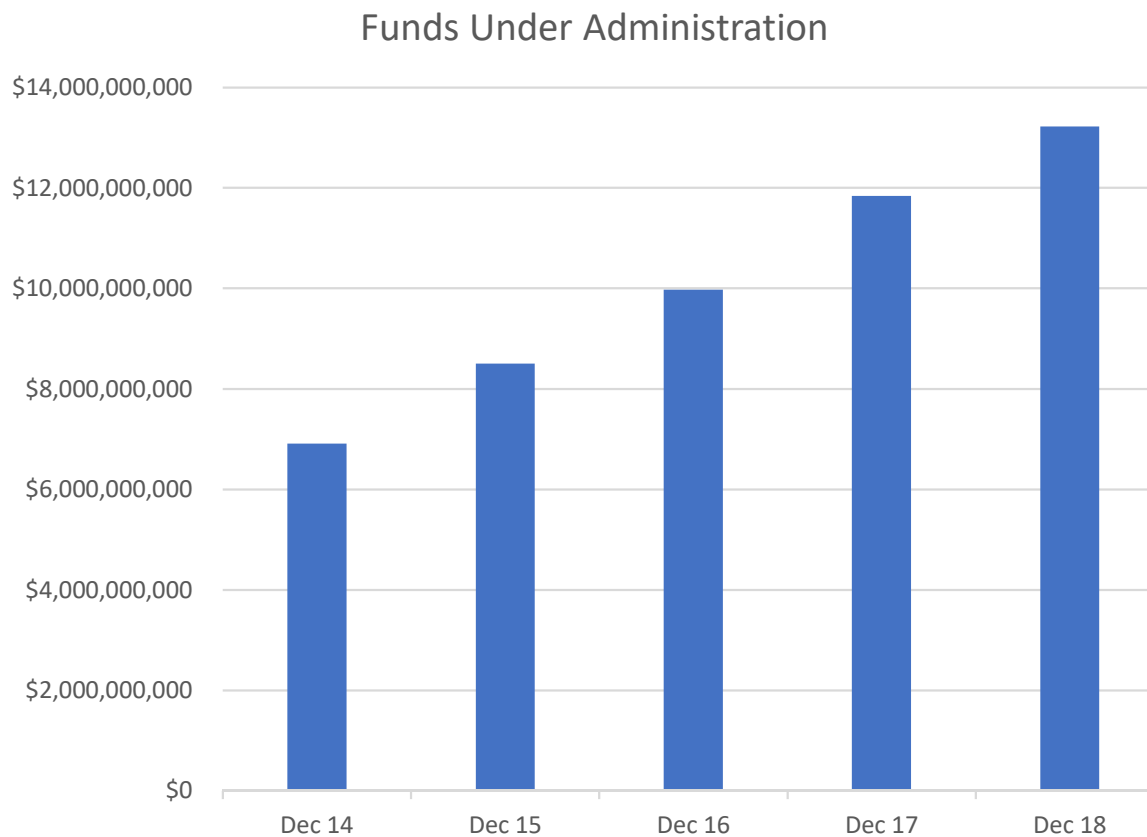


Chart includes Linear FUA from 2014 and post merger in November 2017

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# Products and Markets

Integrated multi-tier offering covering the broad market and specialist users.

## **XPLORE** WRAP

Investment Wrap  
Super and Pension Wrap –  
Q219

New flagship wrap platform  
with broad investment  
offering and true multi  
country and multi currency  
capability

Targeted at IFAs and  
stockbrokers.

## **XPLORE** MDA

Investment MDA  
Super and Pension MDA

Flexible platform solution  
enabling the widest  
possible choice of  
investments while allowing  
efficiency of execution.

Targeted at IFAs,  
stockbrokers and investment  
managers

## **XPLORE** PAS

Non-custody or custody  
outsourced administration  
and taxation service covering  
any domestic and global  
asset via inhouse execution  
and trading team. Also  
includes HIN for shadow  
brokers

Targeted at stockbrokers and  
shadow brokers

## **XPLORE** OUTSOURCING

Bespoke outsourcing  
solutions

Targeted at Institutional  
clients and MDA operators.

# Competitive Strengths



Broad asset offering, local and international assets, multi currency multi market.



Flexible platforms to enable investment managers to optimize investment outcomes.



Broker sponsorship supporting broker of choice and flexible execution options.



Non-custody and custody solutions



Competitive pricing driven by scale and efficiencies.



Experienced team with deep industry expertise.



# Clients

**XPLORE**  
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 **core** ADVISOR GROUP™  
Investment Advice.  
Life Insurance.  
Retirement Planning.

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# Revenue Model

## Xplore Platform Services

Key Revenue Drivers	Key Profit Drivers	Growth Drivers
Xplore MDA, Managed Account, Wrap, Super & Pension		
Percentage of FUM charged to client	Scalable business	Royal Commission shift to independent platforms
Fee charged for each Transaction	Number of transactions	Market volatility
Cash margin	Model portfolio cash holdings	FUM growth
GST rebate on fees	Scale of fees	Increased FUM and transactions
Xplore Portfolio Administration Services		
Fixed Fee per account	Number of accounts	Stockbrokers and shadow brokers outsourcing their back office administration
Cash Margin	Model portfolio cash holdings	FUM growth
Xplore Outsource Solutions		
Percentage of FUM for administration	All investments supported	Only full service offer in the market
Flat dollar or percentage fees for additional services	Ability to unbundle our standard offerings	Clients outsourcing non core functions such as administration

# Track record

	FY2015	FY2016	FY2017	FY2018	6 months to Dec18
Revenue (\$)	4,353,686	5,499,906	6,895,253	15,146,761	9,308,454
Revenue Growth %	<b>41%</b>	<b>26%</b>	<b>25%</b>	<b>120%</b>	<b>96%</b>
Gross Margins (\$)	3,418,384	4,333,492	5,443,382	12,040,350	7,087,914
Gross Margin %	<b>79%</b>	<b>79%</b>	<b>79%</b>	<b>79%</b>	<b>76%</b>
EBITDA (\$)	599,963	987,000	1,092,537	- 739,125	- 151,618***
FUA (\$)	<b>1,503,657,329</b>	<b>1,804,913,048</b>	<b>2,106,770,010</b>	<b>13,443,955,205</b>	<b>13,219,301,185</b>
Tax Losses (\$)	\$3,675,003	2,437,907	1,244,484	15,629,251*	19,882,022**

\*Tax losses of Linear at the time of acquisition

\*\* Includes Depreciation on \$15m of Linear Software

\*\*\* Does not include deferred income from fund manager fees of \$600,000 and GST \$1,300,000

# Growth Focus

Strong growth plans –  
execution underway

# Planned Growth in MDA Superannuation

- A **flexible** platform solution enabling the widest possible choice of investments and efficiency of execution.
- Enabling investment managers to run **the same models** within superannuation as they do within the wrap and MDA investment portfolio.
- Ability to run the same **investment strategy** in SMSF and retail superannuation.
- Federal Labor Opposition policy to limit the amount of franking credit rebates for SMSFs thus making retail superannuation offerings **more attractive** vis-à-vis SMSFs

# Planned growth in wrap platform

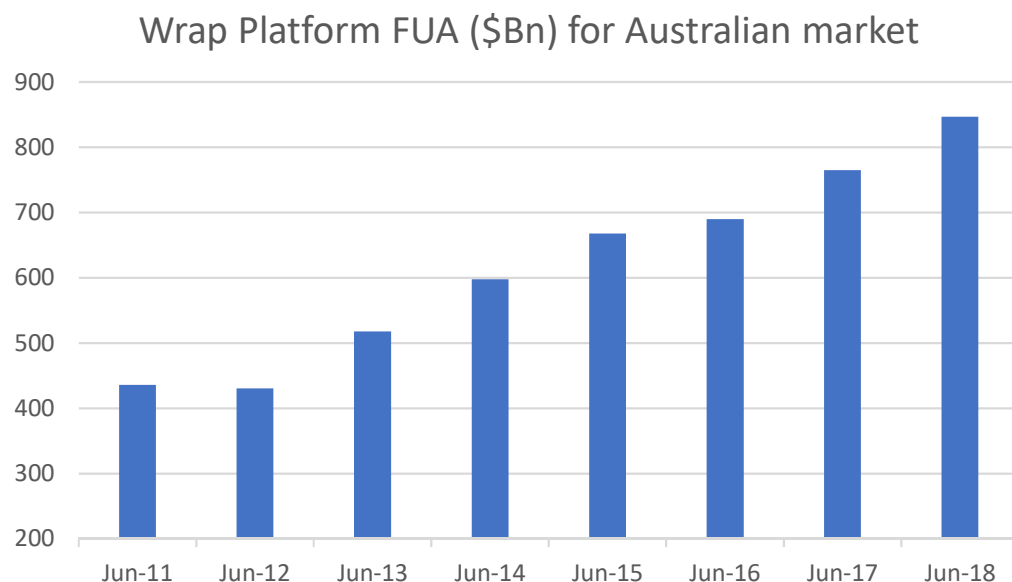
- A platform that provides true multicurrency and multimarket access for both investment and superannuation/pension investors.
- Access **A World of Investments** including domestic assets and global securities on over 28 exchanges worldwide.
- Streamlined reporting in a **single ecosystem** including performance reporting, valuations, asset allocations and annual tax statements.
- **Competitive pricing.**
- Expected to launch in **Q2 2019.**
- **Forward planning** well underway for asset growth.



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# Planned growth in market share



Source: Strategic Insight (Plan For Life) Platform Report 30 June 2018

- Continued growth and share in structural disruption of incumbent platforms.
- Post Royal Commission expected move away from large bank owned platforms to the more agile and independent platforms.
- Initial marketing focus is on the small IFA (circa \$200m FUA) to drive early adoption.

# Outsourcing Solutions

- Launch Xplore Outsourcing Solutions expected Q2 2019
- Leverage for our infrastructure clients who can choose only the components they need.

## Examples:

Trustee (RSE) for a superannuation fund who retains all other functions in-house.

Superannuation administration for a financial advisory Firm who retains the investment capability.

Client administration for a stockbroking firm who retains trade execution.



# Roadmap – execution plans

## 1Q 19

- Rebrand
- Linking products and services to the Xplore brand

## 2Q 19

- Xplore Wrap for Investment, Super & Pension
- Launch new front end for MDA, MDA Super and Pension
- Appoint CFO

## 3Q 19

- Appoint CEO
- Enhance Wrap with new overlay service
- Enhance Portfolio Administration Service for shadow brokers including HINs, enhanced cash, international securities

# Outlook & Guidance Affirmed

## Forecast Guidelines

- The board FY19 guidance affirmed: underlying EBITDA expected to be \$7.0m - \$8.5m.

## Guidance assumptions

FY19 earnings guidance assumes:

- annualised synergies of \$3.5 million from the Linear transaction.
- the receipt of fund manager fees for the new wrap of \$900,000 and \$1,900,000 for GST for the forecast period.
- the exclusion of any transaction or integration costs for any acquisitions.
- no material downturn in global financial markets.
- no adverse regulatory change on the products and services provided by the Company.

## Medium term financial outlook

- Xplore is focused on delivering long term profitable growth, with increased FUM and the judicious deployment of capital to drive shareholder value.

# Summary & Conclusion

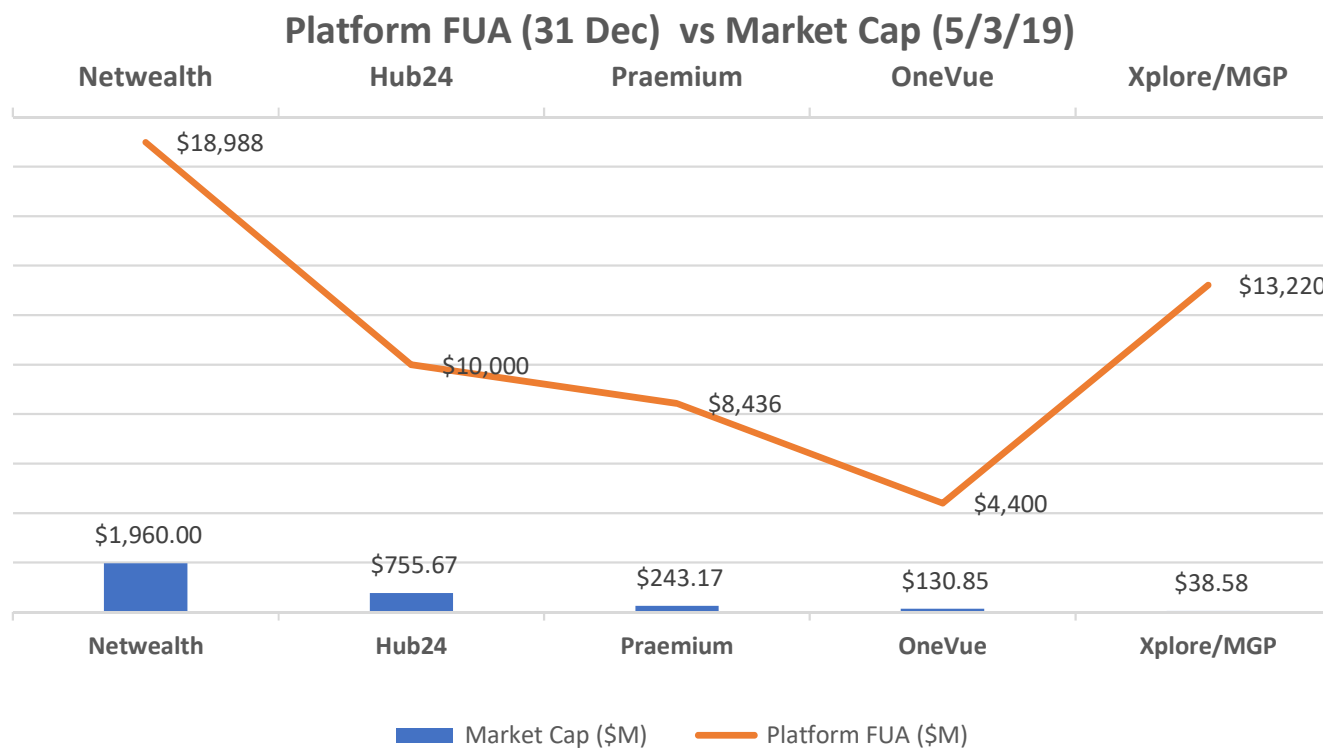
- Xplore brand reflects **expanded product suite** with delivery of new wrap product and strong growth ambitions
- Xplore is one of Australia's leading **independent, specialist** platform providers with the market's broadest investment range and flexible solution delivery
- **\$13.3bn** of assets under administration including over \$2.6bn in international
- Commitment to executing clear growth strategies:
  - Growth in **MDA Superannuation** - flexible platform solution enabling the widest possible choice of investments and efficiency of execution
  - New **wrap platform** provides true multicurrency and multimarket access
  - Scope for **increased market share** – well placed post Royal Commission, plan to drive early adoption
- FY19 EBITDA guidance affirmed as expected \$7-8.5m EBITDA subject to assumptions.
- Focused on driving long term **profitable growth** with increased assets under administration.



# Appendix

Platform Comparables and Summary  
Financials

# Platform Comparables



Data sourced from ASX announcements

# Summary financials

**Managed Accounts Holdings Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2018**



	<b>Consolidated</b>	
<b>Note</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	10,012,912	4,679,516
Payments to suppliers and employees (inclusive of GST)	(10,506,607)	(3,668,617)
Acquisition related expenses	(191,901)	(1,187,894)
Payment to acquiree's suppliers and employees owing on acquisition	(196,209)	(1,525,774)
	<u>(881,805)</u>	<u>(1,702,769)</u>
Interest received	57,800	42,244
Interest and other finance costs paid	(35)	(438)
	<u>(824,040)</u>	<u>(1,660,963)</u>
<b>Cash flows from investing activities</b>		
Payment for purchase of business, net of cash acquired	13 (903,960)	(23,071,103)
Payments for investments	-	(52,023)
Payments for property, plant and equipment	(28,118)	(5,825)
Payments for intangibles	(1,055,562)	(589,592)
Proceeds from disposal of investments	7,079	-
Proceeds from term deposits	-	138,318
	<u>(1,980,561)</u>	<u>(23,580,225)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	35,151,369
Share issue transaction costs	9 (10,419)	(2,664,217)
Payments for share buy-backs	9 (1,041,893)	-
Dividends paid	10 -	(267,766)
Repayment of borrowings	-	(5,359,168)
	<u>(1,052,312)</u>	<u>26,860,218</u>
Net cash from/(used in) financing activities		
Net increase/(decrease) in cash and cash equivalents	(3,856,913)	1,619,030
Cash and cash equivalents at the beginning of the financial half-year	4,932,312	1,623,818
Cash and cash equivalents at the end of the financial half-year	<u>1,075,399</u>	<u>3,242,848</u>

# Summary financials

Managed Accounts Holdings Limited  
Statement of profit or loss and other comprehensive income  
For the half-year ended 31 December 2018



	<b>Note</b>	<b>Consolidated</b>	
		<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Service fees		9,308,454	4,749,894
Less: transaction costs		<u>(2,220,540)</u>	<u>(975,494)</u>
Gross margin		<u>7,087,914</u>	<u>3,774,400</u>
Share of profits of joint ventures accounted for using the equity method		21,419	3,350
Interest revenue calculated using the effective interest method		57,800	42,244
Other income		142,314	-
<b>Expenses</b>			
Employee benefits expense		(4,994,467)	(2,143,175)
Depreciation and amortisation expense		(2,171,391)	(630,513)
Write off of assets		(5,397)	-
Premises expense		(241,521)	(141,080)
Acquisition related expenses		(191,901)	(1,187,894)
Cost of employee share scheme		(62,346)	(159,089)
Other expenses	5	(1,907,598)	(1,088,523)
Finance costs		<u>(35)</u>	<u>(438)</u>
<b>Loss before income tax benefit</b>		<b>(2,265,209)</b>	<b>(1,530,718)</b>
Income tax benefit		<u>1,236,531</u>	<u>373,335</u>
<b>Loss after income tax benefit for the half-year attributable to the owners of Managed Accounts Holdings Limited</b>		<b>(1,028,678)</b>	<b>(1,157,383)</b>
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year attributable to the owners of Managed Accounts Holdings Limited</b>		<b><u>(1,028,678)</u></b>	<b><u>(1,157,383)</u></b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	(0.34)	(0.65)
Diluted earnings per share	14	(0.34)	(0.65)

# Summary financials

Managed Accounts Holdings Limited  
Statement of financial position  
As at 31 December 2018



	Consolidated	
Note	31 Dec 2018	30 Jun 2018
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
	1,075,399	4,932,312
	1,250,000	1,250,000
6	2,632,322	2,476,277
7	174,325	-
	<u>5,132,046</u>	<u>8,658,589</u>
<b>Non-current assets</b>		
	565,950	544,531
	94,105	101,184
	384,076	261,909
8	40,797,390	40,549,071
	5,467,556	4,298,154
	<u>47,309,077</u>	<u>45,754,849</u>
<b>Total assets</b>	<u>52,441,123</u>	<u>54,413,438</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
	1,661,308	2,086,300
	253,571	306,627
	988,251	725,045
	500,000	-
	-	6,300
	<u>3,403,130</u>	<u>3,124,272</u>
<b>Non-current liabilities</b>		
	287,851	399,108
	869,747	981,892
	166,257	175,384
	<u>1,323,855</u>	<u>1,556,384</u>
<b>Total liabilities</b>	<u>4,726,985</u>	<u>4,680,656</u>
<b>Net assets</b>	<u>47,714,138</u>	<u>49,732,782</u>
<b>Equity</b>		
9	56,672,814	57,725,126
	546,116	483,770
	<u>(9,504,792)</u>	<u>(8,476,114)</u>



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