



24 November 2016

ASX Announcement

MainstreamBPO purchases Alter Domus' hedge fund administration business in Malta

- 'Lift and shift' of Malta based European hedge fund services to FundBPO
- Transaction to mirror Group's successful purchase of Alter Domus' Asia-Pacific hedge fund administration business last year
- Smooth integration expected given comparable services and common technology platform between the two businesses
- Offers increased scale and cross-border growth opportunities for the Group

FundBPO (Malta) Limited, part of the MainstreamBPO Limited group (ASX: MAI), has signed an Asset Sale Agreement to purchase the European hedge fund administration business of Alter Domus, a leading fund and corporate services provider dedicated to international private equity & infrastructure houses, real estate firms, private debt managers, capital markets' issuers and private clients.

The transaction is consistent with MainstreamBPO's growth strategy of expanding its global operational footprint and follows the Group's successful purchase of Alter Domus' hedge fund administration business in Hong Kong during 2015.

The sale involves a number of long term client contracts for fund administration services provided out of Malta, including net asset value (NAV) calculations and fund accounting, to European domiciled hedge funds. The associated annualised revenue of up to AUD 1 million will be recurring revenue from monthly service fees which is expected to increase over time as the underlying funds grow in size.

MainstreamBPO anticipates that the transaction will positively impact its FY18 revenue and earnings, with any FY17 revenue contribution likely to be negated by set up and transition costs.

Commenting on the deal, FundBPO Chief Executive Officer Martin Smith said the Group had a successful track record of integrating Alter Domus' hedge fund administration business into its existing operations.

"Today's announcement extends the scale of our fund expertise and capability in Australia, Asia and the United States to European compliant funds. We are pleased to be working closely with Alter Domus again to build on the success of our purchase of their hedge fund administration business in Hong Kong last year." Mr Smith said.

"This sale marks our complete exit from the hedge fund administration market to focus on our core private equity, infrastructure, debt and real estate clients. Following FundBPO's efficient transition of clients and employees from our Asia-Pacific hedge fund administration business we were confident to work with them again to repeat the process with our hedge fund administration operations in Malta." said Laurent Vanderweyen, Chief Executive Officer Alter Domus.

The Group will implement its trademark 'lift and shift' model to transition Alter Domus' hedge fund operations in Malta, including fund administration staff and PFS-PAXUS technology platform, to FundBPO, providing service continuity to clients and their investors.



The transaction is expected to be completed by 15 January 2017, subject to the issue of a Recognition Certification from the Malta Financial Services Authority (MFSA) to act as a Fund Administrator in Malta.

For more information

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About MainstreamBPO

MainstreamBPO is one of the largest independent fund administrators in Australia. The Company provides fund administration, superannuation administration and share registry services for a diversified client base of fund managers and superannuation trustees.

The Company operates three businesses:

- > FundBPO: provides 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 ten years ago. As at September 2016 administration services are provided to 449 funds with assets in excess of \$95 billion, supporting over 123,000 investors and employing more than 130 people.

MainstreamBPO has operations in Australia, Hong Kong, Singapore, the United States and Malta.