



MANAGED ACCOUNTS HOLDINGS LIMITED

ACN 128 316 441

Supplementary Replacement Prospectus

An Offer of up to 25,000,000 shares at a price of \$0.20 each to raise up to \$5,000,000

Financial Advisor and Sponsoring Broker to the issue:



AFSL Licence No. 238198

IMPORTANT INFORMATION

This is an important document. Please read it thoroughly. If you do not understand it you should consult your professional advisors without delay. The Shares offered under this Prospectus contain investment risks which should be fully considered.

This is a supplementary prospectus dated 28 April 2014 intended to be read with the replacement prospectus dated 4 April 2014. The replacement prospectus replaced a prospectus dated 21 March 2014 relating to shares of Managed Accounts Holdings Limited.

Important information

This Supplementary Prospectus is dated 28 April 2014 and is supplementary to the Prospectus dated 4 April 2014.

This Supplementary Prospectus was lodged with ASIC on 28 April 2014. Neither ASIC or the ASX take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

Defined terms and expressions used in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as and can be downloaded from the website of the Company at www.managedaccounts.com.au or www.novuscapital.com.au. Any person accessing the electronic version of this Supplementary Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

Any person may obtain a hard copy of this Supplementary Prospectus together with the Prospectus free of charge by contacting the Sponsoring Broker on (02) 9375 0104. For further information, see Section 8.6.

The Company will send a copy of this Supplementary Prospectus to all Applicants who have subscribed for Shares pursuant to the Prospectus prior to the date of this Supplementary Prospectus.

This document is important and should be read in its entirety. If you have any questions about the Shares being offered under the Prospectus or any other matter, you should consult your professional advisers.

Amendments to the Prospectus

Due to delays in printing and receiving copies of the Prospectus, the Company has resolved to extend the Closing Date and the Prospectus is amended by this Supplementary Prospectus by deleting the indicative timetable set out in Section 1 of the Prospectus and replacing it with the following indicative timetable:

INDICATIVE TIMETABLE		
Lodgement of Replacement Prospectus with ASIC	Friday,	4 April 2014
Opening Date for public Offer	Monday,	7 April 2014
Lodgement of this Supplementary Prospectus	Monday	28 April 2014
Closing Date for public Offer	Friday,	16 May 2014
Issue and Allotment of new shares	Wednesday,	21 May 2014
Dispatch of Statements of Shareholding	Friday,	23 May 2014
Expected date for Shares to commence trading on ASX	Thursday,	29 May 2014

The dates contained in the timetable are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

All references to any of the key dates listed above in the Prospectus are replaced with the key dates set out above.

Other than as set out above, all details in relation to the Prospectus remain unchanged. The Directors believe that the Prospectus when read together with this Supplementary Prospectus contains all the information that would be required by sections 710 and 711 of the Corporations Act and does not contain any material statement that is misleading or deceptive. The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor.

Accordingly, no action needs to be taken if you have already subscribed for Shares under the Prospectus.

This is a supplementary prospectus dated 28 April 2014 intended to be read with the replacement prospectus dated 4 April 2014. The replacement prospectus replaced a prospectus dated 21 March 2014 relating to shares of Managed Accounts Holdings Limited.

Consents

Novus Capital has given and not withdrawn its consent to be named in this Supplementary Prospectus in the form and context in which it is named. It takes no other responsibility for any part of the Supplementary Prospectus other than references to its name.

Directors' Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

Each Director has given and has not withdrawn his written consent to the issue of this Supplementary Prospectus in the form and context in which it is issued.

A handwritten signature in blue ink, consisting of a large, stylized 'S' followed by a horizontal line extending to the right.

Don Sharp
Executive Chairman

16 May 2014

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Managed Accounts Holdings Limited (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE REPLACEMENT PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than 10,000 shares and then in multiples of 1,000 shares. Multiply by \$0.20 AUD to calculate the total for Shares and enter the **\$amount** at B.
- B. Write your **full name**. Initials are not acceptable for first names.
- C. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- E. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- F. Complete cheque details as requested. Make your cheque payable to Managed Accounts Holdings Ltd – Trust Account, cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- G. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- H. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:

Managed Accounts Holding Limited
C/- Registry Direct
PO Box 18366
Collins Street East
Melbourne VIC 8003

Delivery address:

Managed Accounts Holding Limited
C/- Registry Direct
Level 2 Professional Chambers
120 Collins Street
Melbourne VIC 3000

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Registry Direct on 1300 55 66 35.

Privacy Statement:

Registry Direct advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.registrydirect.com.au/privacy>).

This is a supplementary prospectus dated 28 April 2014 intended to be read with the replacement prospectus dated 4 April 2014. The replacement prospectus replaced a prospectus dated 21 March 2014 relating to shares of Managed Accounts Holdings Limited.



MANAGED ACCOUNTS HOLDINGS LIMITED

ACN 128 316 441

Replacement Prospectus

An Offer of up to 25,000,000 shares at a price of \$0.20 each to raise up to \$5,000,000

Financial Advisor and Sponsoring Broker to the issue:



Novus Capital Limited

Financial Advisor and Sponsoring Broker AFS Licence No.238168



IMPORTANT INFORMATION

This is an important document. Please read it thoroughly. If you do not understand it you should consult your professional advisors without delay. The Shares offered under this Prospectus contain investment risks which should be fully considered.

This is a replacement prospectus dated 4 April 2014. It replaces a prospectus dated 21 March 2014 relating to shares of Managed Accounts Holdings Limited.

IMPORTANT INFORMATION

Offer

The Offer contained in this Replacement Prospectus is an invitation to acquire fully paid ordinary shares in Managed Accounts Holdings Limited (ACN 128 316 441) ("MGP") ("Shares").

Replacement Prospectus

This Replacement Prospectus is dated 4 April 2014 and was lodged with the ASIC on that date and replaces a prospectus dated 21 March 2014. For the purposes of this document, this Replacement Prospectus will be referred to as either this Replacement Prospectus or this Prospectus.

This Replacement Prospectus has been issued to make:

- Amendments to the Chairman's letter regarding risks and the position of MGP in the industry and some statements have been deleted.
- Amendments have been made to Section 1 in respect of:
 - o clarifying pipeline of licensee groups;
 - o providing additional summaries of key risks;
 - o Additional information with regard to the use of funds; and
 - o including additional information regarding directors' interests, financial information, additional expenses.
- Clarifications have been made regarding the basis on which the forecasts have been prepared.
- Changes have been made to Section 5 regarding Key Risks where statements have been deleted and further risks have been included.
- Additional information regarding the Company and the group structure has been included.
- Additional information on how MGP differentiates itself from its competition in Section 3.
- Information regarding the electronic prospectuses has been amended.
- Reflect the fact that MGP has applied to the ASX for quotation of the shares of the Shares on the Australian Securities Exchange ("ASX").
- Adjusted the lodgement date in Section 1.

This Prospectus is issued by MGP for the purposes of Part 6D of the Corporations Act 2001 ("Corporations Act"). MGP has applied for the quotation of the Shares on Australian Securities Exchange ("ASX"). No shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates.

No shares will be issued on the basis of this Prospectus later than its expiry, being the date which is 13 months after the date of this Prospectus.

Not investment advice

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular applicable needs. This document is important and requires your immediate attention. You should read the entire document carefully before deciding whether to invest in MGP.

Please carefully read the instructions on the accompanying Application Form. If you have any questions you should consult your professional adviser before deciding to invest.

In particular, you should consider the risk factors (see Section 5) that could affect the financial performance of MGP before deciding what course you should follow. You should consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues (see Section 8.8)). There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person guarantees the performance of MGP, the repayment of capital by MGP or the payment of a return on the Shares.

Prospectus Availability

A copy of this Prospectus can be downloaded from the website of the Company at www.managedaccounts.com.au or www.novuscapital.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

Any person may obtain a hard copy of this Prospectus free of charge by contacting the Sponsoring Broker on (02) 9375 0104. For further information, see Section 8.6.

Exposure Period

The Corporations Act prohibits MGP from processing applications to subscribe for Shares under this Prospectus in the seven day period after the date of lodgement of the Original Prospectus ("Exposure Period"). This period may be extended by ASIC by up to a further seven days. The examination may result in the identification of deficiencies in this Prospectus, in which case any application may need to be dealt with in accordance with section 724 of the Corporations Act.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Applications may only be made on the relevant Application Form either attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Offer management

The Offer is managed by Novus Capital ("Lead Manager and Lead Broker").

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the Shares or otherwise permit an offering of Shares in any jurisdiction outside of Australia. The taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The distribution of this Prospectus outside Australia may be restricted by law. If you come into possession of this Prospectus, you should observe any such restrictions and seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to any person in the United States.

The Shares described in this Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or the securities law of any state of United States, and may not be offered or sold directly or indirectly, in the United States. See Section 8.12 for further details.

Disclaimer

Section 4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of the financial information is set out in Section 4.2.

All references to FY2012, FY2013, FY2014 and FY2015 appearing in this Prospectus are to the financial years ended or ending 30 June 2012, 30 June 2013, 30 June 2014 and 30 June 2015, respectively, unless otherwise indicated.

MANAGED ACCOUNTS HOLDINGS LIMITED

THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.

IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

IMPORTANT INFORMATION

This Prospectus contains forward looking statements which are identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “intends” and other similar words that involve risks and uncertainties. The Forecast Financial Information is an example of forward looking statements. These forward looking statements speak only as of the date of this Prospectus and MGP does not undertake to publicly update or revise any forward looking statement.

These forward looking statements are subject to various risk factors that could cause MGP'S actual results to differ materially from the results expressed or anticipated in these statements. The risk factors that the Directors consider are key to an investment in MGP are set out in Section 5. Further, you should not place complete reliance on any forward looking statement contained in this Prospectus.

In particular, in considering MGP'S prospects, you should consider the assumptions underlying the forecast financial information and the risk factors that could affect MGP's financial performance. This Prospectus, including the industry overview in Section 3, uses market data, industry forecasts and projections. MGP has obtained significant portions of this information from market research prepared by third parties. There is no assurance that any of the forecasts contained in the reports, surveys and research of such third parties which are referred to in this Prospectus, will be achieved. MGP has independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

No person is authorised to give any information or make any representation in connection with the Offer described in this Prospectus, which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by MGP or any of their Directors in connection with the Offer.

As set out in Section 1.13 and 1.15, it is expected that the Shares will be quoted on ASX. MGP, the Share Registry, and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

MGP website

Any references to documents included on MGP's website at www.managedaccounts.com.au are for convenience only, and none of the documents or other information available on MGP website is incorporated herein by reference.

Financial amounts

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Investigating Accountant's Report on the Financial Information and Financial Services Guide

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to the review under the Corporations Act.

The Investigating Accountant's Report and accompanying financial services guide is provided in Section 6.

Applications

An original, completed and lodged Application Form for Shares together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe amend or complete the Application Form is final however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

Questions

If you have any questions about how to apply for Shares, please call your Broker. Instructions on how to apply for Shares are set out in Section 1.6 of this Prospectus and on the back of the Application Form.

Definitions and abbreviations

Defined terms and expressions used in this Prospectus are explained in the Glossary at the end of this Prospectus.

Unless otherwise stated or implied, references to times in this Prospectus are to Australian Eastern Standard Time (AEST)

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CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Directors of Managed Accounts Holdings Limited ("MGP" or "the Company", together with its subsidiaries, the "Group"), I am pleased to present this Prospectus, and offer you the opportunity to become a Shareholder of the Company.

MGP is an Australian owned company which has developed and distributes Managed Accounts to licensees and their clients. MGP administers portfolios on which it charges a fee based on a percentage of Funds Under Administration (FUA) (with a minimum per licensee) and fees on transactions. MGP also charges licensees implementation fees for designing and implementing their managed account service.

MGP has become a major independent managed account service providers in Australia with 21 Licensees and over \$900m actual FUA at an average of \$873m for the month at 31 December 2013.

MGP has a number of distinct competitive advantages in its integration of technology, operations, compliance, pricing and market experience at a time when the growth of Managed Accounts is just commencing. However, risks associated with an investment in the Company, as detailed in Section 5, include but are not limited to MGP not reaching its FUA forecasts through loss of key staff, regulatory change, loss of key clients, breach of contracts or regulatory obligations or serious technology failure.

For licensee's clients, managed accounts lend themselves to incorporation into the rapidly growing Self-Managed Superannuation Funds environment because of the efficiencies and resulting cost reductions with integration with self-managed superannuation fund administration systems, enhanced compliance for trustees and their tax benefits and flexibility they offer investors.

MGP is also well positioned to take advantage of any increase in MDA usage and plans to be in a position to assist those MDA operators who may be unable to meet the ASIC proposed CP200 regulations possibly requiring MDA operators to have an NTA capital backing of up to \$5m. ASIC recently announced this MDA review is on hold until it can take into consideration the Future of Financial Advice (FoFA) legislative changes and the outcomes of the Financial Services Industry (FSI) review, however ASIC also stated it remains committed to considering proposed changes to its policy on MDAs. As a result of this capital raising, MGP and its clients and future clients will be able to move forward with confidence that its business model and capital backing is robust.

MGP Directors have declared their intention to pay, on a quarterly basis, an unfranked 0.8 cents per share dividend for the FY2015. This will provide investors in the Company a 4% yield on the Offer price of 20 cents per share. However, potential investors should be aware that no absolute assurances can be given by any person, including the Board's about the Company's ability to make this dividend payment.

The Board of MGP consists of highly experienced and respected members of the financial services community and it commends the Offer to you and looks forward to welcoming you as a Shareholder.

Yours Sincerely



Don Sharp

Executive Chairman

4 April 2014

Managed Accounts Holdings Limited | ACN 128 316 441

Suite 402, Level 4, 8-10 Loftus Street, Sydney NSW 2000 | PO Box R1197 Royal Exchange NSW 1225

t: 1800 446 971 | f: +61 2 8221 9849 | w: managedaccounts.com.au

MANAGED ACCOUNTS HOLDINGS LIMITED

THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.

IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

I. KEY INFORMATION AND INVESTMENT OVERVIEW

KEY FINANCIAL DATA RELATING TO THE OFFER

Offer Price per Share		20 cents
	Assuming Maximum Subscription	Assuming Minimum Subscription
New Shares to be offered	25,000,000	10,000,000
Cash Proceeds of the Offer	\$5,000,000	\$2,000,000
Total number of Existing Shares on Issue before the Offer	120,209,711	
Total Number of Shares on Issue following the Offer	145,209,711	130,209,711

INDICATIVE TIMETABLE

Dates shown in the table below are indicative only and may be varied. The Company reserves the right to vary the Opening Date and the Closing Dates without prior notice, which may have a consequential effect on the other dates. Applicants are therefore urged to lodge their Application Form as soon as possible.

INDICATIVE TIMETABLE

Lodgement of this Replacement Prospectus with ASIC	Friday, 4 April 2014
Opening Date for public Offer	Monday, 7 April 2014
Closing Date for public Offer	Friday, 2 May 2014
Issue and Allotment of new shares	Wednesday, 7 May 2014
Dispatch of Statements of Shareholding	Friday, 9 May 2014
Expected date for Shares to commence trading on ASX	Thursday, 15 May 2014

The Shares to be issued pursuant to this Prospectus are of the same class and will rank equally in all respects with the Existing Shares in the Company. The rights and liabilities attaching to Shares are further described at Section 8.2 of the Prospectus.

1.1 BUSINESS OVERVIEW AND KEY FEATURES OF MGP'S BUSINESS MODEL

MGP has created a successful business model by combining a number of important functions and capabilities in order to provide a turnkey Managed Accounts solution to Australian Financial Service Licensees who want to offer this type of service to their clients. This model is further described in Section 3 of this document, however the key features include:

- **Team and Experience.** The MGP Board and Management team have significant depth of experience in financial markets and financial services, particularly pertaining to the financial advisory market. This has resulted in a superior offering to, and understanding of, the market. MGP has eight years experience in successfully delivering Managed Account services to Australian Licensees and the Directors believe MGP has the ability to significantly capitalize on its scalable model.
- **High Quality and Growing Customer Base.** MGP differentiates itself by providing a decentralised model whereby Licensees and/or their selected Investment Managers are responsible for implementing their Intellectual Property (IP) across investors, including execution of trades with their broker of choice. This replicates the institutional model and is highly attractive to Investment Managers as they retain control of their IP, their existing broking relationships and execution of trades. This is a clear point of differentiation against SMA style competitors.

Under the MGP model, Licensees may choose to run investment money themselves, or to mandate some or all aspects to external professional managers. The Licensee negotiates fees directly with the managers, and is in a strong bargaining position as a result of the cost savings of distribution via a managed account service since there are no additional fees payable by managers (except a small fee for modelling software).

MGP currently has 21 small to medium size licensee groups who have contracted to utilise MGP's MDA services. MGP also has a strong pipeline of Licensee groups including 7 groups who have been in detailed discussions with MGP over the last couple of months. Although no formal agreement has been entered into with any of these groups, the Directors believe, they are likely to sign Memorandum of Understandings each with an implementation fee and placement of agreed minimum FUA within 12 months from implementation or pay the equivalent in fees.

- **Technology.** MGP has developed significant adviser and client facing web-based functionality specific to the Australian advisory and managed accounts market. This includes web based reporting capability and services which allows it to provide Licensees, advisers, investors and third party software including self-managed super fund administration software with

electronic data in appropriate formats. Additionally MGP has a technology licence for best-of-breed back office portfolio management functionality.

- **Australian Financial Services License and Business Structure.** MGP, through its wholly owned subsidiary Investment Administration Services Pty Ltd, has been issued the appropriate AFS License to operate Managed Accounts and provide incidental custody for both retail and wholesale investors. MGP has a depth of experience implementing the unique and attractive way of structuring an MDA-based investment service, with significant Intellectual Property in the document set that establishes a service. MGP focuses on designing, implementing and operating private-label investment services, however is fully capable of delivering the older-style SMA, IMA and UMA offerings.

Unlike traditional SMA platforms, MGP supports a holistic approach across asset classes with support not only for listed securities including ordinary shares, stapled securities, warrants and listed trusts/ETFs but also for managed funds, term deposits, bills/bonds with plans to cater for international listed securities also.

Additionally, the MGP structure requires the Licensee to have a formally constituted Investment Committee with at least one independent member. This not only provides enhanced risk control for the Licensee, but also for MGP.

As a result, MGP continues to build an impressive degree of Funds Under Administration which totalled over \$900m actual FUA at an average of \$873m for the month at 31 December 2013.

- **Operational Compliance.** The operating and compliance processes to support Managed Accounts and integration of these into the technology platform is critical to successful operations. Development of operating procedures, automation of settlement and reconciliation processes and other operating procedures have been running efficiently for a number of years now. In addition, MGP has developed a web based compliance system which provides management of the compliance tasks for Investment Managers and Licensees.

MGP operations are audited on an annual basis, culminating in the issue of a GS007 Audit Statement. This may be relied on by auditors of SMSF clients, significantly reducing the audit costs for SMSFs.

MGP has developed data interfaces to a number of popular financial planning and superannuation software programs. These make the integration of Managed Accounts and superannuation far less administratively clumsy for the superannuation administrator. Over time it is anticipated that such integration for SMSF administration will place downward pressure on SMSF costs.

- **RITC (Reduced Income Tax Credit).** MGP has been granted an ATO private ruling regarding the applicability of RITC to managed accounts operated by MGP. Consequently most fees (including brokerage) debited to clients attract a 50% reduction in GST charged.

- **Non Capitalised Software Development.** MGP has expensed in excess of \$4.7 million since 2008 developing the proprietary software solution it utilises and provides its licensee clients as part of the company's MDA service. This software is being continually enhanced on a fully expensed basis.

I.2 MGP'S FINANCIAL INFORMATION

A selected summary of MGP's adjusted pro forma historical and forecast financial information is set out below. The Adjusted Pro Forma Historical Financial Information has been extracted from the audited financial statements of MGP, (previously IASH), and the controlled subsidiaries (IAS and IASD) for the years ended 30 June 2012, and 30 June 2013, and the six month period ended 31 December 2013. A Pro Forma consolidation of the respective entities within the MGP group was performed for years ended 30 June 2012 and 2013, and the relevant consolidation adjustments recorded

to adjust for any intragroup transactions. The Adjusted Pro Forma Financial Information assumes MGP has been operating as a listed Company over the entire period, as well as excluding one off and non recurring transactions.

Investors should read this information in conjunction with the more detailed discussion of the Financial Information set out in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the key risks set out in Section 5 and the Investigating Accountant's Report set out in Section 6.

REVENUE AND PROFIT:

\$'000	Adjusted Pro Forma FY2012	Adjusted Pro Forma FY2013	Forecast FY2014	Forecast FY2015
Revenue	2,472	2,673	3,370	4,950
EBITDA	(354)	(83)	324	1,067
EBITDA as a % of revenue	(14.3%)	(3.1%)	9.6%	21.6%
NPAT	(230)	(67)	221	746

The Forecast Financial Information has been prepared on the basis that only the Minimum Subscription is raised from the Offer.

BALANCE SHEET:

\$'000 As at 31 December 2013	Reviewed	Pro forma Minimum subscription	Pro forma Full subscription
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4,166	5,672	8,468
Trade and other receivables	1,060	1,105	1,124
Other assets	125	95	95
TOTAL CURRENT ASSETS	5,351	6,872	9,687
NON CURRENT ASSETS			
Plant and equipment	11	11	11
Deferred tax assets	1,194	1,194	1,194
TOTAL NON CURRENT ASSETS	1,205	1,205	1,205
TOTAL ASSETS	6,556	8,077	10,892
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,396	1,396	1,396
Other liabilities	1	1	1
TOTAL CURRENT LIABILITIES	1,397	1,397	1,397
TOTAL LIABILITIES	1,397	1,397	1,397
NET ASSETS	5,159	6,680	9,495
EQUITY			
Issued capital	9,739	11,602	14,401
Retained losses	(4,580)	(4,922)	(4,906)
TOTAL EQUITY	5,159	6,680	9,495

KEY INVESTMENT METRICS (ON A MAXIMUM SUBSCRIPTION BASIS):

Pro forma NTA per Share as at 31 December 2013 (a)	\$0.06
Earnings per Share forecast FY2014 NPAT (\$) (b)	\$0.0015
Earnings per Share forecast FY2015 NPAT (\$) (b)	\$0.0051
Forecast FY2014 PE ratio (times) (c)	131.3×
Forecast FY2015 PE ratio (times) (c)	38.9×
Unfranked Dividend yield for FY2015 (d)	4.0%

Notes

(a) *Net Tangible Asset Value* it is calculated as the total tangible assets (excluding the deferred tax assets) of a company less all liabilities, divided by the number of shares on issue.

(b) *The Earnings per Share* is calculated as the forecast NPAT divided by the number of shares on issue.

(c) *This ratio is commonly referred to as a forward price to earnings, or forward PE ratio. A forward PE ratio is a company's share price divided by its forecast annual earnings per share.*

(d) *MGP Directors have declared their intention to pay, on a quarterly basis, an unfranked 0.8 cents per share dividend for the FY2015 provided the Company complies with Section 254T of the Corporations Act. This will provide investors in the Company a 4% yield on the Offer price of 20 cents per share. No assurances can be given by any person, including the Board about the level of future dividends and there may be periods in respect of which dividends are not paid. See Section 1.18 for further detail.*

1.3 FORECAST FINANCIAL INFORMATION

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's expansion strategies as well as uncertain macro market and economic conditions in the Company's markets and how they apply to the Company, the Company's performance in any future period cannot be estimated with certainty. The Company has experienced reasonable growth in revenue from 2010 to 2013 and has recently started trading profitably.

Revenue is derived from a fee based on Funds Under Administration. In addition, transaction fees and a Licensee implementation charge have been included.

Funds Under Administration included in any forecasts within this document are the Directors' estimates of levels of FUA which might be obtained given the expected growth in existing clients and a pipeline of potential clients, including 7 groups who have been in discussions with MGP over the last couple of months and who the Directors believe are likely to enter a formal agreements with the Company. In the event that the company does not achieve the support of Licensees to the level anticipated, then these levels of Funds Under Administration and the resultant revenues will not be obtained.

The Forecast Financial Information has been prepared on the basis that only the Minimum Subscription is raised from the Offer.

1.4 RISKS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 5 of this Prospectus. Before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The key risks associated with the MGP business are those risks which could result in a decrease in FUA or a slow growth rate in generating new FUA. Since the primary source of MGP revenue is fees paid on FUA, any reduction in FUA or slow down in generating new FUA could adversely affect MGP revenue.

Key risks associated with MGP include:

- **Non compliance with Regulatory Requirements.** MGP operates in the financial services industry which is subject to a broad range of laws and regulations. These laws are administered by a number of different regulators including the Australian Tax Office (ATO) and the Australian Securities and Investment Commission (ASIC). There is a risk that the Company may fail to comply in all material respects with all the laws and regulations relating to the markets in which it operates. If the Company does not meet regulatory requirements it may be exposed to fines or other penalties, it may be forced to pay compensation or it may even be suspended or have its license cancelled in which case it may not be able to continue to provide some or all of the services it currently provides.
- **The regulatory regime applicable to the Company is subject to change.** Changes in laws, regulations and government policy may positively or negatively affect the Company and the attractiveness of an investment in the Company. The Company cannot predict what legislative or regulatory changes may be made in the future or the impact of future legislative or regulatory change on its business. In addition, if the amount and complexity of new regulations increases, the cost of compliance and the risk of noncompliance may also increase. This may have an adverse impact on the financial performance and prospects of the Company.

- **Loss of clients and conversion of discussions into clients.** MGP operates in a competitive environment and has worked hard to formally engage with each of the 21 Licensees who currently utilise the Company's services. However, in relative terms, this number of Licensees is a small number of clients and the loss of a number of key clients at this stage of the Company's growth will effect revenue and profitability forecasts. Further whilst MGP is in discussions with 7 Licensee groups at the date of this Prospectus there are no guarantees that these discussions will lead to the introduction of new clients and increased FUA for MGP.
- **Loss of key staff.** The administration and delivery of Managed Accounts products and services is a highly complex and technical field. MGP staff have years of relevant experience within MGP and in the financial services sector. If key staff leave MGP it could adversely impact the operations of the Company including slowing down the development of new technology and the generation of new FUA.
- **Technology.** MGP is dependent on its application software and hardware technology to deliver Managed Account platforms. If any of the MGP systems or business operations are damaged or disrupted it could adversely impact on the Company's ability to provide its Managed Account products and services. This could result in MGP suffering financial loss, regulatory problems, and liability to clients and damage to its reputation.
- **Concentration of Shareholding.** Following completion of the Offer and depending on the final number of Shares allocated, the Existing Shareholders will hold between 82.78% and 92.32% of the Shares and the voting rights in the Company. As a result Existing Shareholders (which includes Directors and senior management) may be in a position to exert significant influence over the operations and outcomes of the Company including the election of Directors and the approval of major transactions. Also, the interests of Existing Shareholders may be different from the interests of investors who purchase Shares in terms of the Offer. Following the expiry of the escrow (further details provided which are set out in Section 7.5), Existing Shareholders will be free to sell their Shares. Any significant sale of Shares by these Existing Shareholders may have a negative impact on the Share price of the Company. There may also be relatively few buyers for the Company's Shares or a relatively high number of sellers of the Company's Shares on ASX at any given time.
- **Liquidity and realisation risks.** On listing at the Offer Price MGP will have a market capitalisation of approximately between \$26 and \$29 million depending on minimum and maximum subscriptions. At this market capitalisation when compared to other companies listed on ASX, MGP will be a small company. As a result there may be relatively few buyers for the Company's Shares or a relatively high number of sellers of the Company's Shares on ASX at any given time. This may increase the volatility of the market price of the Shares as well as the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid for their Shares.

- **Slow generation of FUA.** Financial advisors and institutions currently use a range of services and service providers to administer their investments. To be successful MGP will need to persuade a number of financial advisors and institutions to shift the administration of their investments away from their current technology or service provider to MGP. If this process does not occur or it occurs at a slower rate than MGP anticipates it is likely to adversely affect the rate of funds inflow to MGP which in turn may adversely affect total FUA and the resulting revenue earned by MGP on these FUA.

Section 5 further describes these and additional risks associated with MGP and with an investment in the Shares of the Company.

I.5 THE OFFER

Under the Offer, members of the general public in Australia may apply for Shares pursuant to this Prospectus. Applications for Shares under the Offer can only be made on the Application Form contained at the back of the Prospectus.

The Application Form should be completed in accordance with the instructions set out on the back of the form.

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 1,000 Shares (\$200). No brokerage, stamp duty or other costs are payable by applicants.

Refer to Section 1.6 below for payment and lodgement details.

I.6 PAYMENT AND LODGEMENT DETAILS

All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being 20 cents per Share. Cheques must be made payable to **"Managed Accounts Holdings Ltd – Trust Account"** and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and cheques must be received by the Registry Direct before 5.00pm AEST on the Closing Date.

Applicants are urged to lodge their Application Form as soon as possible, as the Offer may close early without notice.

I.7 MINIMUM SUBSCRIPTION

The Minimum Subscription for this Prospectus is \$2 million representing 10 million Shares of 20 cents each. No Shares will be allotted or issued until the Offer has reached the Minimum Subscription. If the Minimum Subscription of the Offer has not been achieved within three (3) months after the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

I.8 ARRANGEMENT WITH SPONSORING BROKER

Novus Capital Limited has agreed to act as Sponsoring Broker to the Offer and to manage the Offer. A summary of the Sponsoring Broker Agreement is provided at Section 7.1 of this Prospectus. The Offer is not underwritten.

1.9 PURPOSE OF THE OFFER

The principal purposes of the Offer are:

- Support the Company's ASIC NTA capital requirement as the MGP Board are of the understanding that as a result of a recent ASIC CP200 review, all MDA Operators' NTA capital requirement could be up to \$5m. ASIC recently announced this CP200 review is on hold until it can take into consideration the Future of Financial Advice (FoFA) legislative changes and the outcomes of the Financial Services Industry (FSI) review, however ASIC also stated it remains committed to considering proposed changes to its policy on MDAs;
- provide the Company with an appropriate capital structure, financial flexibility and access to capital to pursue growth opportunities as a potential managed account service aggregator and to participate in further industry managed account initiatives;
- to facilitate the listing of the Company's Shares on ASX;
- to create a market for the Shares and facilitate broader ownership in the Company by staff, clients and other stakeholders; and
- to provide general working capital to undertake the Company's business plans and future growth opportunities which may arise, with any material new initiatives to be disclosed to the market under continuous disclosure rules.

The Company intends to apply the funds raised from the Offer over the next twelve months as follows:

PROPOSED APPLICATION OF FUNDS RAISED				
	Full Subscription		Minimum Subscription	
	Amount (\$)	%	Amount (\$)	%
Expenses of the Offer Including Sponsoring Broker Fees ^{1 2}	665,000	13.3	480,000	24.0
Increase the Company's capital backing to allow for possible changes by ASIC to their NTA requirements for MDA operators ⁽³⁾	1,000,000	20.0	1,000,000	50.0
General working capital purposes and industry growth opportunities (refer Section 3.8.7)	3,335,000	66.7	520,000	26.0
Total	5,000,000	100.0	2,000,000	100.0

Notes:

1. Actual expenditure may differ from the above estimates due to a number of factors. For details of the Company's business and risk factors relating to its operations please refer to Section 3 – Business and Industry Overview and Section 5 – Risk Factors of this Prospectus.
2. Prepayment of approximately \$40,000 of expenses of the Offer have been paid from the existing funds of the Company
3. The Directors of MGP are of the understanding that MDA operators will at some point require an NTA capital backing of up to \$5m. ASIC recently announced its MDA Class Order review (CP200) is on hold until it can take into consideration the Future of Financial Advice (FoFA) legislative changes and the outcomes of the Financial Services Industry (FSI) review, however ASIC also stated it remains committed to considering proposed changes to its policy on MDAs.

If the proceeds from the Offer are between the Minimum Subscription and the Full Subscription, the funds will be allocated to the expenses of the offer and the general working capital purposes and industry growth opportunities listed above on a pro-rata basis.

The Directors are of the opinion, after reviewing its business plans, investment plans and the proceeds to be raised from the Offer under this Prospectus, that upon completion of the Offer (regardless of whether the Full Subscription is raised), the Company will have sufficient capital to meet its stated objectives. The Forecast Financial Information has been prepared

on the basis that only the Minimum Subscription is raised from the Offer.

The use of further equity funding or share placements will be considered by the Directors where it is appropriate to accelerate a specific project.

It is also possible that future acquisitions that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by additional financing and/or equity issues (subject to any necessary shareholder approvals).

I.I0 CAPITAL STRUCTURE

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offer.

CAPITAL STRUCTURE				
	Full Subscription		Minimum Subscription	
	Number of Shares	%	Number of Shares	%
Shares on issue at the date of this Prospectus*	120,209,771	82.8	120,209,771	92.3
Shares now offered under this Prospectus	25,000,000	17.2	10,000,000	7.7
Total Shares on issue at the completion of the Offer	145,209,771	100.0	130,209,771	100.0
Approximate Market Capitalisation at issue price of 20 cents per share	\$29.0m		\$26.0m	
Directors and Management at the completion of the Offer	79,300,105	54.6	79,300,105	60.9
Other Existing Shareholders at the completion of the Offer	40,909,666	28.2	40,909,666	31.4
New Shareholders at the completion of the Offers	25,000,000	17.2	10,000,000	7.7

* Directors are of the opinion a significant portion of the Shares on issue at the date of this Prospectus will be under escrow (refer to Section 1.14 for details).

Upon successful listing, the Lead Manager is entitled to 1,000,000 options with an exercise price of \$0.20 in accordance with the lead manager mandate agreement, set out in Section 7.1. The options vest immediately and expire on 21 March 2015 (or on the date the ASX determines they are no longer restricted securities) and are unlisted.

I.II ALLOCATION AND ALLOTMENT OF SHARES

The Directors (in conjunction with the Sponsoring Broker), reserve the right to reject any application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Offer closes. All Shares issued pursuant to the Offer will rank pari passu in all respects with the Existing Shares of the Company. Statements of shareholding will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their statement of shareholding will do so at their own risk.

I.I2 APPLICATION MONIES TO BE HELD IN TRUST

The Application Monies for Shares to be issued pursuant to the Offer will be held in a separate Trust Account on behalf of applicants until the Shares are allotted. If the Minimum Subscription of the Offer is not fully subscribed within a period of three (3) months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and no Shares will be allotted pursuant to this Prospectus. All interest earned on Application Monies (including those which do not result in allotment of Shares) will be retained by the Company.

I.13 ASX LISTING

The Company has applied to ASX for official quotation of the Shares issued pursuant to this Prospectus.

If the Shares are not admitted to quotation within 3 months after the date of this Prospectus, no Shares will be issued. Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

I.14 ESCROW

Directors and Management will be holding 79,300,105 Shares at the completion of the Offer. ASX will inform the company on its requirements for restricted securities, however the Directors and Management have entered into voluntary escrow deeds with the Company under which they will be restricted from any of those Shares until 12 months after the quotation of the Company's Shares on the Australian Securities Exchange. It is the understanding of Directors of MGP that other Existing Shareholders, holding 40,909,666 Shares at the completion of the Offer, will also be subject to an ASX enforced escrow under which they will be restricted from selling on average 49% of those Shares until 12 months after the quotation of the Company's Shares on the Australian Securities Exchange.

Shares issued to Directors, Management or other employees of the Company under this Prospectus pursuant to the Offer will not be subject to escrow.

Shares subject to mandatory and voluntary escrow are expected to represent approximately 54% of the issued Shares of the Company upon completion of the Offer (Maximum Subscription). Escrow Agreements in relation to Director and Management Shares have been entered into in accordance with Listing Rules, and further details of these arrangements are set out in Section 7.5. ASX may determine further escrow restrictions once the Company lodges its application for quotation of the Shares.

I.15 CHESS AND ISSUER SPONSORSHIP

The Company will apply to CHESS. The Company will operate an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of shares. The Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be dispatched to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold shares on the CHESS subregister) or by the Company's Share Registry (for shareholders who elect to hold their shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under the Prospectus and provide details of a shareholder's Holder Identification Number (for shareholders who elect to hold shares on the CHESS sub register) or Shareholder Reference Number (for shareholders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder following the month in which the balance of their shareholding changes, and also as required by the Listing Rules or the Corporations Act.

I.16 OVERSEAS INVESTORS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus. Further information on foreign selling restrictions are set out at Section 8.9.

I.17 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Share Registry on 1300 55 66 35.

1.18 DIVIDENDS

No dividend will be paid following Listing in respect of FY2014.

Depending on available profits and the financial position of MGP, it is the current intention of the Board to pay interim dividends in respect of the quarters ending 30 September, 31 December, 31 March and final dividends in respect of full years ending 30 June each year. It is expected that once all tax losses are utilised, all future dividends will be franked to the maximum extent possible. The payment of a dividend by MGP is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and the financial condition of MGP, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by MGP, and any other factors the Directors may consider relevant.

Beyond FY2015, the Directors intend to target a payout ratio of between 60% and 80% of statutory NPAT (Until all the tax losses are fully utilized the Directors may distribute from NPBT). The level of payout ratio is expected to vary between periods depending on the factors above and, in particular, should value accretive strategic growth, acquisition or investment opportunities arise it may result in a payout ratio in the future that is less than the above target.

Having regard to the factors outlined above however, it is the Board's current intention to pay, on a quarterly basis, an unfranked 0.8 cents per share dividend for the FY2015 provided the Company remains compliant with Section 254T of the Corporations Act.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

1.19 SIGNIFICANT INTERESTS

Apart from interests and benefits set out in Sections 7.5 (Voluntary Escrow), 7.6 (Deeds of Access, Indemnity and Insurance) and 8.3 (Directors' Remuneration), there are no further significant interests or benefits payable to Directors or other persons associated with Company or the Offer or any significant related party transactions.

1.20 ENQUIRIES

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay.

Questions relating to the Offer can be directed to the Sponsoring Broker, Novus Capital Limited on (02) 9375 0104. Questions relating to the completion of the Application Form can be directed to the Share Registry, Registry Direct on 1300 55 66 35 (within Australia) or +61 3 9020 7934 (outside Australia).



2. DIRECTORS AND SENIOR MANAGEMENT

The Board of the Company is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

The Board of the Company includes directors who collectively have significant experience in the Australian Financial Services industry and in particular starting and operating investment platforms. Brief summaries of the Directors profiles are set out below.



2.1 DIRECTOR PROFILES

Don Sharp BBus, CPA, FAICD

Age 65

Executive Chairman



- Don Sharp is a qualified accountant and a highly experienced, innovative and respected business builder and leader in the financial services sector.
- Along with fellow Director Colin Scully, he co-founded Bridges Financial Services Pty Ltd an industry leader in financial services well known for establishing one of the first platform solutions for portfolio management in Australia, The Portfolio Service (TPS).
- Don is currently a director of Countplus Ltd, an ASX listed company and CEO of the Payment Adviser group of companies. He is also a former Chairman of Investors Mutual, Global Value Investors, and previously ASX listed Premium Investors Limited and a former Director of ASX listed Treasury Group Ltd.

Colin Scully FAICD, FFPA, FAIM

Age 59

Non Executive Director



- Colin Scully has over 30 years in the financial services industry.
- Colin, along with fellow Director Don Sharp, co-founded Bridges Financial Services Pty Ltd and established one of the first platforms The Portfolio Services (TPS) for portfolio management.
- Colin was a former director of the Financial Planning Association (FPA), a director of previously ASX listed IWL Ltd (a stockbroking and financial services company) and is a director of a number of private companies.
- Colin is Chairman of the Remuneration Committee.

Paul Collins BAppSc(CompSc), MAICD

Age 54

Non Executive Director



- Paul has over 25 years of experience in the financial services industry.
- After employment with IBM and then ComputerPower, Paul established his own consulting company and contracted to various government and financial services organisations, with expertise primarily in software development, operational and relationship management roles.
- Taking up the Development Manager role with IOOF for 7 years and being responsible for the redevelopment of multiple investment management platforms onto a new leading edge in-house platform, Paul left to become one of the founding Directors of IWL Ltd (a stockbroking and financial services company) helping to guide it through start up to listing on the ASX.
- Having retired from executive roles in 2004, Paul was a founding Director of MGP in 2004 and played a major role in establishing the technological direction of the company.
- Paul is Chairman of the Audit, Risk and Compliance Committee.

2.2 SENIOR MANAGEMENT TEAM

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Office and the management team. The management team, led by the Chief Executive Officer, is accountable to the Board and comprises:

David Heather

Chief Executive Officer



- David is a recognised specialist in the managed accounts field and has over 26 years experience in the Australian financial services industry.
- David has also held senior roles at Permanent Trustee and Trust Company in Custody, Operations, Information Technology, Investment Administration and Managed Accounts. These roles have included responsibility for sales, product development, defining operational and technology strategies and implementing change. David has extensive experience in the administration of listed investments, managed accounts, sales and relationship management.
- In 2005 David was appointed Head of Distribution at Aegis where he was responsible for building a portfolio business and distributing research to financial planning groups and broking firms.
- David joined MGP as the Head of Distribution in March 2008 to assist advisers, financial planning groups and broking firms with the integration of managed accounts into their existing business models.
- In February 2014, was duly appointed to the Chief Executive Officer role.

Neil Pattinson

Head of Operations & Adviser Services



- Neil has 13 years of experience in the financial services industry, in both Custodial and fund manager operations. Responsibilities have included trade settlements for domestic and international securities, product development, strategic planning, and relationship management.
- Neil was Head of Registry at Credit Suisse Asset Management (Australia) Ltd, and Manager of Settlements at Trust Company.
- As Head of Operations at MGP, Neil is responsible for the management of operations including trade settlements, corporate actions, payment processing, and manages business relationships with MGP sub-custodians, brokers, and system providers.

Paul La Macchia

Marketing and Business Development Manager



- Paul has over 13 years of experience in the financial services industry, in technical, client servicing and business development. His responsibilities have included client service, Wrap product specialist, business development and relationship management.
- Paul has previously worked in Business Development role with Zurich Financial Services and ShareInvest (now known as OneVue), and has been in the distribution team at MGP for over 5 years.
- As Marketing and Business Development Manager at MGP, Paul is responsible for the marketing component of the business (working with media and other outlets) and ensuring business development and relationship management of current and prospect clients.

Sanja Jovicic BInfoTech

Head of Information Technology



- Sanja joined MGP in 2008 and has over 8 years experience in the IT industry within Financial Services and Superannuation sectors.
- Sanja is responsible for all facets of IT including relationship management with external IT system providers.
- Sanja also has a keen interest in financial markets having completed:
- ASFA146 - ASIC's RG146 General advice in Superannuation
- ASFA100 - Certificate IV Financial Services (Superannuation)

Rachel Li BAcct (China), MBA Professional Accounting (UTS Sydney)

Head Accountant



- Rachel joined MGP in March 2009 as an Accountant.
- Having gained experience across all aspects of accounting needs of MGP, Rachel was promoted to Head Accountant for the group in June 2013.
- Rachel manages the preparation of the Company's statutory financial reports and monthly Board financial reports and assists with internal audit and company secretarial services.
- Rachel was previously based in China where she held a number of financial roles from 2004 at Dalian Port (PDA) Company Limited and Tesrol Walsh Bay Pty Ltd.

2.3 CORPORATE GOVERNANCE

The Board of Directors recognizes the importance of good corporate governance and establishing the accountability of the Board and management. The Board has established a corporate governance structure framework that is consistent with the ASX Corporate Governance Principles and Recommendations, except as set out in the table below.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. The Board has adopted a number of corporate governance policies, including a securities trading policy which sets out the Company's policy and procedures regarding dealing in the Company's securities by directors, officers, employees and contractors.

Copies of corporate governance policies are accessible on the Company's website at www.managedaccounts.com.au.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration. The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the ASX Corporate Governance Principles and Recommendations.

ASX Guidelines	Explanation for Departure
<p>Recommendation 2.1: A majority of the board should be independent directors.</p>	<p>As currently comprised, the Board has two non-executive Directors in the form of Mr Colin Scully and Mr Paul Collins. Both Mr Scully and Mr Collins' independence is technically compromised by their standing as a significant shareholder of the Company. Accordingly, the Company does not comply with ASX Principle 2.1.</p> <p>However, in light of the relevant quantitative and qualitative considerations, the Board considers both Mr Scully and Mr Collins to be operating with independence and objectivity, notwithstanding their shareholding in the Company.</p> <p>The independence of the Board is subject to continual evaluation. Ultimately, however, the Board accepts that its members remain in office upon the vote of the Company's shareholders and that they may elect members to the Board regardless of their standing, independent or otherwise.</p>
<p>Recommendation 2.2: The chair should be an independent director.</p>	<p>The Board considers an independent Director to be a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that director's judgment.</p> <p>Each of the Directors are substantial shareholders in the company. Technically, a substantial shareholder cannot be considered as independent. As such, the composition of Company's Board is not in line with the recommendations of the ASX Corporate Governance Council in that it has a majority of Independent Directors.</p> <p>For the reasons outlined above, the Company does not comply with ASX Principle 2.2 – The chair should be an independent Director.</p> <p>Nevertheless, the Board remains of the view that its independence as a whole is not compromised and that it is in the best interests of the Company for Mr Sharp to continue as Executive Chairman given his wealth of experience. Additionally, the Board derives comfort from the ability of the Directors to seek independent professional advice which is made available at the expense of the Company.</p>
<p>Recommendation 3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.</p>	<p>The Company has established a Diversity Policy, and the policy states that the Board will establish measurable objectives for achieving gender diversity. However, given the Company's size and stage of development, the Board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate.</p>

The Company's full Corporate Governance Policies are available from the Company's website (www.managedaccounts.com.au).

2.4 BOARD COMMITTEES

The MGP Board has established a number of Board Committees drawing on the experience and expertise of its member directors.

The purpose of each Committee is summarised below.

AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee reports to the Managed Accounts Holdings Limited Board, which is essentially the Consolidated Entity. The Audit and Finance Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities including oversight of:

- a. identifying high risk areas of Company operations and the verification of the integrity, relevance and effectiveness of the management of those risks, including the risks of and/or to investment and financial systems;
- b. the integrity of all financial and management process upon which the Company Board relies;
- c. reviewing the external auditor's program and undertaking appropriate actions in response to the external auditor's report; and
- d. evaluating the independence of the Company's auditor.

RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee (RCC) reports to the Managed Accounts Holdings Limited Board, through Investment Administration Services Pty Ltd, which is the Licensee. The Risk and Compliance Committee is to assist the Board ensure that business is compliant in all and to minimise and manage risk, including oversight of:

- a. identifying high risk areas of Company operations and the verification of the integrity, relevance and effectiveness of the management of those risks;
- b. the integrity of all management process in relation to risk and compliance upon which the Board relies;
- c. developing an effective and efficient control and risk management environment; and
- d. complying with the process for regulatory requirements that are relevant to their activities.

REMUNERATION COMMITTEE

The role of the Remuneration Committee is to assist and advise the Board on the following matters:

- a. reviewing director and senior executive selection and appointment (including terms of appointment, remuneration and role);
- b. evaluating director performance and performance criteria; and
- c. succession planning for the Board and senior executives.

3. BUSINESS AND INDUSTRY OVERVIEW

MGP was established for the purpose of operating Managed Accounts for Licencees. MGP requires, and has maintained an Australian Financial Services License since 2005, but it does not intend to provide personal advice to retail investors. MGP provides the arrangement through Licencees.

Further information about the MGP business and the underlying benefits inherent in Managed Accounts are set out below.



3.1 Outline of the Business

MGP was founded in 2004 by a group of highly experienced financial industry specialists.

MGP has undertaken considerable development and capital expenditure to facilitate the offering of Managed Accounts in the Australian market. This development has largely focused on:

- Acquisition and maintenance of the appropriate AFS License
- Development of relationships with suitable Investment Managers
- Identification of Licencees prepared to recommend MGP's Managed Accounts, particularly for their self-managed superannuation fund clients
- Development of MGP's own technology solution (IP)
- Development of operating processes (IP) to support Managed Accounts
- Development of the legal structures for offering Managed Accounts (IP)

MGP, through its wholly owned subsidiary Investment Administration Services Pty Ltd, has obtained an Australian Financial Services Licence (AFSL 284316) as a Managed Discretionary Account Operator (MDA Operator), under which it can offer a suite of Managed Accounts to retail and wholesale investors. The marketing and distribution of Managed Accounts is through Licencees. MGP manages the administration relationships with Investment Managers and the sub-custodian. It is not an Investment Manager nor will it provide personal advice to retail investors.

Refer to section 8.1 for the MGP Group structure and details of the business of each member of the Group.

3.2 MGP's administrative role in Licencees Advice Recommendations

The advice given to clients by MGP's external Licensee Advisers covers a range of issues including, the investment strategy, portfolio construction and the actual investments which meet these recommendations.

In the case of SMSF, the investment strategy will be determined by the Fund Trustee taking into consideration the circumstances of the fund members. However due to limitations of legacy administration systems, they are usually limited to one pool of assets and the Licensee then has to select an administration system to operate the portfolios.

MGP's approach to Managed Accounts provide a strong opportunity for some Licencees to migrate from offering "suggested models" towards taking responsibility for management of selected Investment Programs, without having to support an administration or technology infrastructure.

MGP's capabilities of having separate accounts for each member, and in some cases having to maintain both a pension and accumulation account, allows the portfolios to be different yet administered efficiently.

MGP offers a solution with the added benefit that the rules governing portfolios have been agreed with the Licensee and they are able to select the appropriate investments. Legacy Platforms and WRAPS do not have such flexibility as the Licensee adviser is limited to investments on the Licensees recommended list.

3.3 Support from Licencees

MGP competes actively for the business of Licencees and will actively target the wider market of Licencees whom it believes will adopt and support the Managed Accounts which it offers.

Characteristics of the Licencees who are likely to support MGP include:

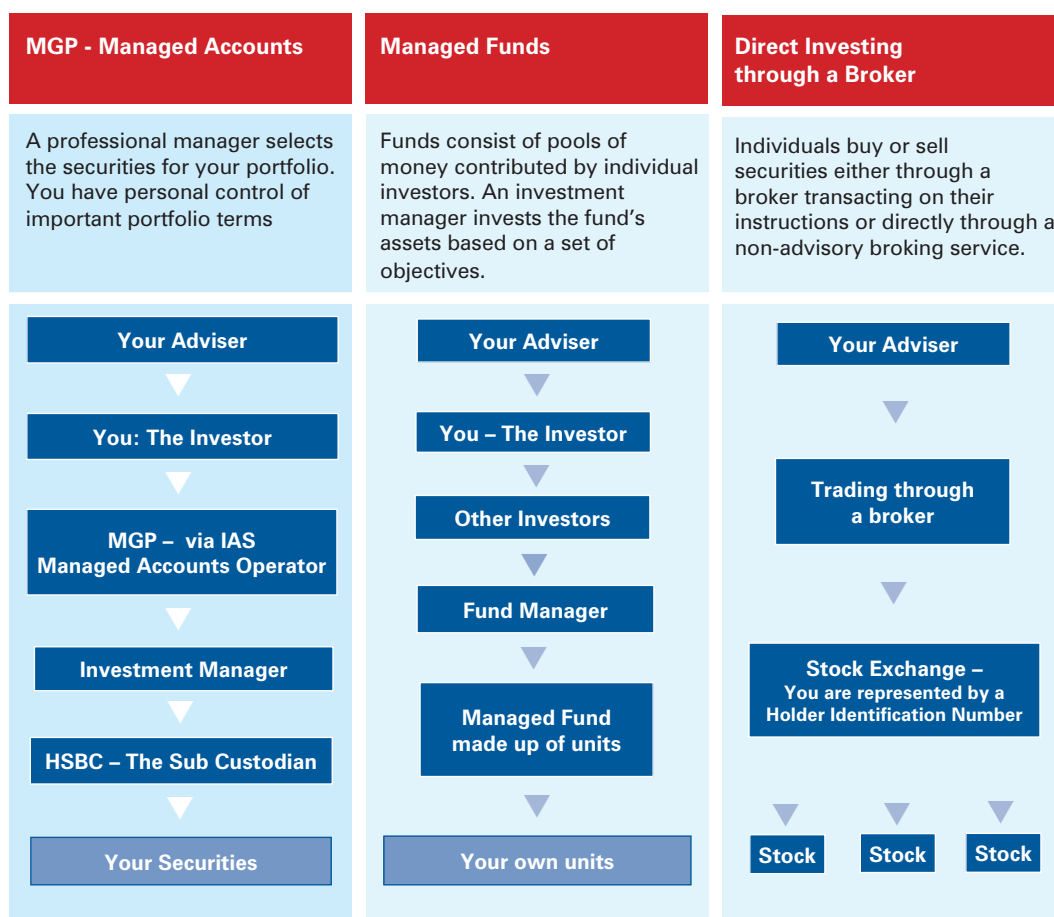
- use of listed securities in their advice either through reliance on broker recommendations or using their own model portfolios or appointed external managers. Managed Accounts will simplify the provision of equity investment advice.
- Strong penetration of SMSF among their clients
- Those whose current revenue streams may be threatened by legislative and industry change

Their interest in supporting MGP and its Managed Accounts grows from five key issues:

- Compliance: Use of Managed Accounts makes it easier for the Licensee to ensure that direct share advice is conducted within the requirements of ASIC Regulatory Guides RG 146 and RG 175.
- Operating Efficiency: By managing direct security investment through a custodial service structure, less administration is created for Licencees and advisers than would be the case where holdings are in the clients' own name. These Licensees recognise the inefficiency of performing individual transactions across their client base for every buy and sell recommendation, corporate action and cash deposit or withdrawal, and more importantly the need to provide personal advice to each client for each event.
- FUA: More likely to manage the whole portfolio for the client, including cash, through the MDA structure.
- Margin: Greater control of the value chain, including active involvement in portfolio construction or selection of Investment Managers, and the additional revenue and margin opportunities this enables.
- Reducing cost to clients including self-managed superannuation funds (refer section 3.7)

These benefits for Licencees and their clients act as strong incentives to ensure that their advisers use this service.

DIAGRAM I:
HOW THE COMPANY'S MANAGED ACCOUNTS WORK



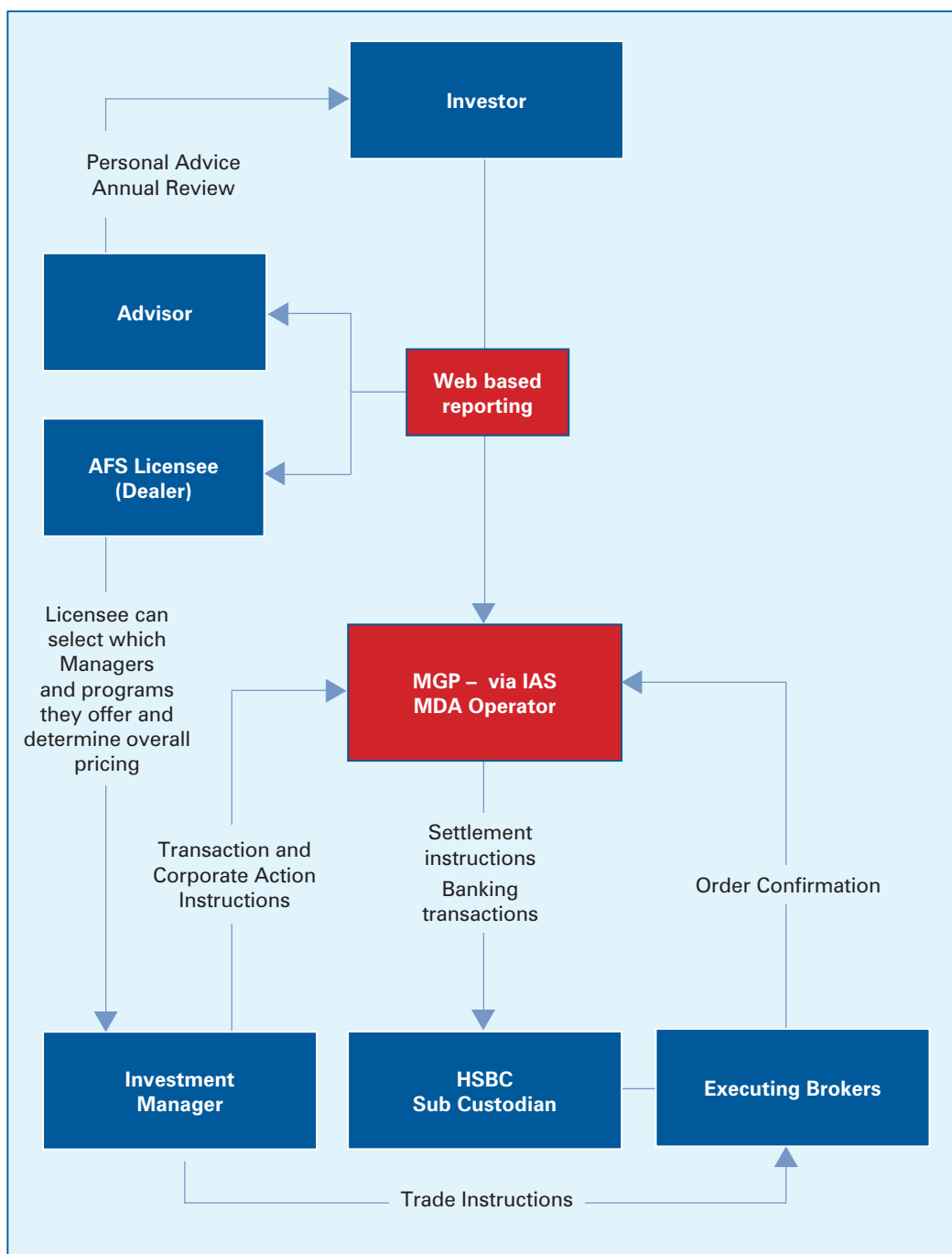
Who makes the investment decisions?

The Investment Manager makes the investment decisions and determines security selection. You select a Program which matches your objectives and can control important aspects of the securities included.	Fund Manager makes all the decisions on behalf of the fund	You make all decisions – perhaps with the assistance of an adviser
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Who owns the Securities?

You own all the investments – the Custodian holds them on your behalf	The Fund owns all the securities – you own units	You own all the securities
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DIAGRAM 2:
INTERACTION BETWEEN THE PARTIES USING THE COMPANY'S
MANAGED ACCOUNTS



3.4 SELF MANAGED SUPERANNUATION

Driven by favourable government legislation aimed at encouraging Australians to fund their own retirement, Australia's superannuation assets have experienced the highest growth rate of 14% per annum, when compared to the world's thirteen largest pension markets over the 10 year period 2003 to 2013. It remains the world's fourth largest pension market and, relative to GDP, Australia's super assets rose 4% over the past year to 105%. (Note 1)

Note 1: Data Alert Australia Unlimited 20 February 2014<http://www.towerswatson.com/en-AU/Press/2014/02/Global-pension-fund-assets-hit-record-high-in-2013>

Of this market, self managed superannuation is one of the fastest growing segments in the Australian financial services industry with \$1.62 trillion now invested in superannuation (Note 2).

Note 2: Data Alert Australia Unlimited 20 February 2014<http://www.towerswatson.com/en-AU/Press/2014/02/Global-pension-fund-assets-hit-record-high-in-2013>

There are now over 509,362 self-managed superannuation funds (SMSF's) in Australia which collectively manage over \$506 billion in assets at an average of \$993,399 per fund. At 30 June 2013, self-managed superannuation funds held the largest proportion of superannuation assets accounting for 31.4 per cent of assets, followed by retail funds with 26.1 per cent of total assets. Industry funds accounted for 20.1 per cent of total assets, public sector funds 15.9 per cent and corporate funds 3.8 per cent. Small APRA funds held 0.1 per cent of total assets. (Note 3)

Note 3. APRA Quarterly Superannuation Performance June 2013 (revised 5 February 2014)

The number of funds and assets under administration is likely to experience rapid growth in the next few years as a result of the significant changes to superannuation legislation over the last few years.

Projected superannuation assets

Year	Consensus private sector forecast (\$billion)	Treasury 2008 asset forecasts (\$billion)	Treasury 2010 asset forecasts (\$billion)	Treasury 2010 forecasts total assets % of GDP and (% of ASX)
2010	1210	1370		90% (102%)
2015	2000 - 2200	2000		
2020	3100 - 3500	2815		
2025	4200 - 5000	3830	3200	120% (73%)
2030		5075		
2035		6650		
2040		8645		130%

Source: Assorted forecasts 2009, Treasury RIM Group 2008, and Cooper Review

Source: AFSA Superannuation Statistics – February 2014

With concessions like the elimination of tax on pension draw-downs for people who are over 60 years of age, the Directors of MGP believe superannuation is likely to increase its domination of the Australian investment sector by entrenching itself as the preferred avenue for people to invest.

3.5 MULTIPLE ACCOUNTS

Typically, SMSF's currently have only one pool of assets for all their members. This is likely to change in future as SMSF members are likely to open multiple accounts. This is because the tax-driven encouragement for people to continue working past the age of sixty will make it attractive for people to commence a pension while at the same time continuing to contribute to superannuation.

By opening multiple accounts in their SMSF members will be able to:

- Generate tax free earnings on the assets backing their pension accounts
- Draw down tax free pensions from their pension accounts, plus
- Enjoy favourable tax treatment on the contributions they make to their superannuation accumulation account
- MGP supports multiple accounts and allows securities to be traded once and allocated across the selected accounts

The exact assets associated with a particular pension and/or accumulation account will need to be tracked for tax and reporting purposes. This process is extremely challenging and difficult to administer effectively under the existing pooled investment structures without an actuarial certificate.

The functionality in the company's Managed Accounts is tailor made to administer and report on multiple assets across multiple accounts. In other words the company's Managed Accounts make it easy for SMSF trustees to administer assets across any number of pension and accumulation accounts.

In view of this functionality the Directors believe that MGP is well positioned to capitalise on the future growth in the superannuation sector. Some of the factors the Directors believe are likely to contribute to this potential include:

- The average balance per member in SMSF's is likely to increase significantly
- The average number of members in a SMSF is likely to increase as younger family members are drawn into this tax advantaged facility without having to pool their assets with other family members.
- The average number of accounts operated by each member is likely to increase because members can now have both pension and accumulation accounts simultaneously
- Investments will need to be held and tracked at the account level for pension and accumulation assets
- The current, pooled investment approach is not sustainable for a fund where a member commences a pension

- Regular contributions to SMSF's are likely to increase significantly each and every year going forward
- Irregular contributions from the realisation of assets is likely to increase significantly
- The demand for SMSF's to support accumulation and pension accounts for each member is likely to increase significantly
- Compliance requirements in the super industry is increasing which will increase the complexity and administration requirements for SMSF's
- Managed Accounts provide more effective and transparent records which will reduce compliance risk.
- Manual or labour intensive administration structures will not be able to cope with the increasing complexity
- Possibly benefit from the bring-forward rule where it is possible for investors to make up to \$450,000 (for the 2013/2014 year) in non-concessional contributions to their superannuation fund in a single financial year, or, say, for example, \$300,000 in the first year and the balance of \$150,000 over the following two years, or any financial combination that adds up to \$450,000 over the 3-year period.

3.6 OTHER INVESTMENT INDUSTRY INFORMATION

Taking into account their experience in the industry, the Directors have concluded several features characterise the Australian retail financial services industry:

- Strong historic and future growth in funds under management supported by bipartisan political commitment to compulsory superannuation
- Heavy use by retail investors of advisory services and the emergence of substantial mid-sized businesses that are strong in advice capability and client management but want to outsource administration services
- Complex tax and compliance requirements underpin the importance and need for Advisory organisations
- Advisors will have a significant role in advising Trustees in setting strategies for SMSF's and their members as well as advising on the investments which suit those strategies
- Significant growth in the number of investment managers and organisations who manage client portfolios

The following diagrams provide an indication of the growth of this industry:

ASSETS OF AUSTRALIAN FINANCIAL INSTITUTIONS

A\$ billion

Year ending June	All Financial Systems (AFS) ¹	Reserve Bank (RBA)	Authorised Deposit-taking Institutions ² and Registered Financial Corporations	Managed Fund Sources – Consolidated			Other Financial Institutions ⁴
				Total Managed Funds Industry	Total Life Offices and Superannuation	Other Domestic Managed Funds ³	
1993	854	36	490	285	210	75	42
1998	1,421	48	748	534	353	180	92
2003	2,404	67	1,296	822	480	342	220
2008	4,844	106	2,640	1,722	997	725	376
2013	5,861	103	3,325	2,130	1,421	709	303
% of AFS Assets	100.0	1.8	56.7	36.3	24.2	12.1	5.2
% of Nominal GDP	387.9	6.8	220.1	141.0	94.0	47.0	20.0
% CAGR since 1993	10.1	5.3	10.0	10.6	10.0	11.9	10.4

CAGR = Compound Annual Growth Rate

Note: The US\$/A\$ exchange rate was US\$0.9275 as at 28 June 2013 (sourced from RBA statistics); the nominal value of Australia's GDP in the year to June 2013 was A\$1,511 billion.

1. The sum may not be accurate due to rounding errors

2. The combined assets of banks, building societies and credit unions

3. The combined assets of public unit trusts, cash management trusts, common funds and friendly societies, funds managed by Australian investment managers on behalf of Australian entities other than collective investment institutions, and overseas investors

4. The combined assets of general insurance offices and securitisation vehicles

Source: Reserve Bank of Australia Statistics, B1 Assets of Financial Institutions (Updated 30 September 2013); RBA Statistics, B18 Managed Funds (Updated 30 August 2013); Australia Bureau of Statistics Cat. No. 5206.0 – Australian National Accounts: National Income, Expenditure and Product, June 2013 (released 4 September 2013); Austrade

Source: Australia Unlimited – Why Australia Benchmark Report 2014

The diagram below illustrates the steady growth in funds under administration by MGP from start of January 2011 to the end of December 2013.

TOTAL FUA (3 years)



Note: Internal MGP data. There was a dip in FUA in the latter half of 2011 as MGP exited from the provision of portfolio administration services to number of wholesale clients in order to allow MGP to concentrate on the operations of Managed Discretionary Accounts.

One of the key drivers of this impressive industry growth is the Government-mandated Superannuation Guarantee Scheme. Under this scheme employers are legally obliged to provide superannuation for their employees. The current contribution rate has just been increased .25% to 9.25% and rising to 12% on 1 July 2019 – 30 June 2020 and onwards.

As a consequence of these contributions, superannuation funds are the largest segment of the Australian investment management market.

To supplement the Superannuation Guarantee Scheme legislation, the Government has also introduced favorable tax treatment for superannuation, including allowing retirees to draw down money from their superannuation fund tax free since July 2007.

This has led to a significant increase in the contributions particularly to Self-Managed Superannuation Funds, which as at 30 June 2013 collectively manage over \$506 billion in assets. (Note 4)

Note 4. APRA Quarterly Superannuation Performance June 2013 (revised 5 February 2014)

3.7 MANAGED ACCOUNTS

Australian investors have generally invested in shares or fixed interest markets either by investing in managed funds or by purchasing securities directly and holding a record in a broker's Chess register. Each approach has disadvantages.

For managed funds:

- Cost
- Inflexibility
- Tax disadvantages
- Lack of transparency

For direct investments:

- Administrative complexity including income tax calculations and reporting
- Difficulty in managing the portfolio to a predetermined mandate
- Difficulty for AFS Licencees in managing the compliance of providing personal advice on individual securities and for individual events such as purchases, sales and corporate actions
- Poor revenue models associated with transaction based pricing

Financial advice Licencees predominantly recommend their clients invest via a platform such as a wrap or master trust, further adding to the costs borne ultimately by the investor through duplication.

Managed Accounts overcome the difficulties of both by providing:

- Professional custodial administration (through HSBC) including tax calculations and reporting
- Professional investment management
- Personal direct ownership with the tax benefits and ability to customise the portfolio that flow from that
- Full compliance with industry and government strategic direction such as FoFA, including full support of a Fee for Service model without rebates, commissions and shelf fees.
- Transparency
- Lower costs to deliver compared to managed funds and platforms
- An excellent investment solution for SMSFs as described in section 3.5
- Significant efficiency improvements for advisors and Licencees

Apart from the cost savings generated by the simpler structure of Managed Accounts, they also offer a number of other advantages including:

3.7.1 TAX EFFICIENCY

Managed funds hold embedded capital gains or losses. When unit holders sell their holdings any capital gains are realised and shared amongst all investors in the fund. The tax position of each investor is therefore affected by the actions of other investors in the fund.

By comparison, investors buying assets through a Managed Account are not forced to realise capital gains until an investment is sold. This gives them greater control over the tax consequences of their investments.

Similarly, if an investor using a Managed Account decides to change investment managers or investment strategies their decision need not crystallise capital gains across their whole portfolio. Instead, capital gains will only be payable on the particular shares or securities which need to be sold in order to move from one manager to another, rather than the whole portfolio.

3.7.3 TAX PARCEL SELECTION

The individual shares that are sold by each investor can be determined from their entire holdings based on their own individual circumstances. This means that the investor can choose the particular shares from any of their parcels that best suit their tax position.

3.7.4 TRANSPARENCY

Managed Accounts offer investors “see-through” beneficial ownership of the underlying shares and securities in their portfolio. This means investors know exactly which shares and securities they hold. By comparison, in the typical managed fund portfolio, these details are closely guarded by the fund managers for fear disclosure will reveal their trading intentions which in turn may affect other positions they hold.

3.7.5 CONSOLIDATED REPORTING

MGP provides Managed Account investors with comprehensive consolidated reports covering all their investments, including investment performance and a complete set of tax records for the preparation of tax returns.

3.7.6 BENEFITS FOR ADVISORY ORGANISATIONS

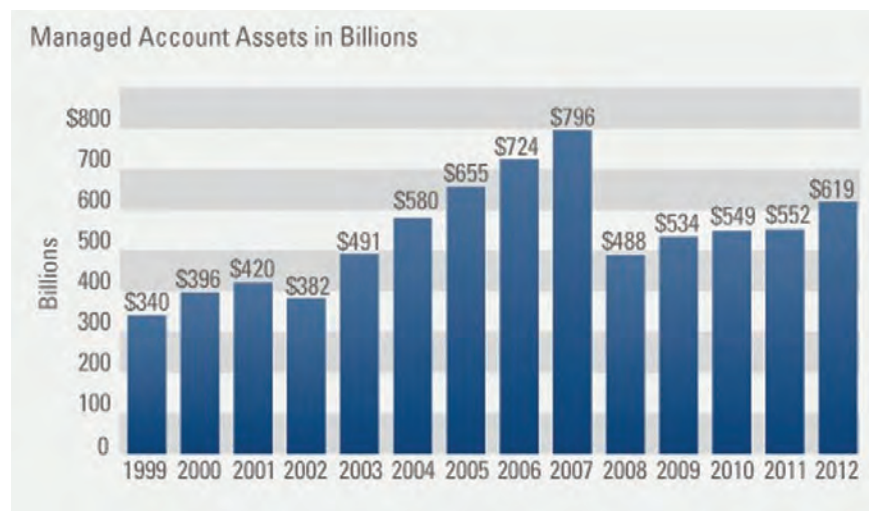
The above benefits of Managed Accounts refer mostly to the benefits enjoyed by the investor. However, one of the big features of Managed Accounts is that they offer benefits to all the parties involved in the investment process including the investor, their advisor, the licensee group employing the advisor and the investment manager. Principal benefits for Advisors include:

- Avoidance of the substantial administration typically associated with direct equity portfolios
- Power to appoint and change managers without needing to refer to investors on every occasion
- Ability to productise their investment advice process
- Gain control over the pricing of the final investment service

These benefits have the potential to make a substantial difference to the commercial value of the Advisor’s business.

3.7.7 POTENTIAL MANAGED ACCOUNT MARKET

The potential for Managed Accounts in Australia is highlighted by the exceptional growth in Managed Accounts in the USA taking into account the effect of the Global Financial Crisis period after 2007. Popular for delivering tax-efficient customised portfolio management Managed Accounts have reached mainstream levels in the USA and now administer over US\$600 billion.



Source: <https://assetmanagement.gs.com/content/gsam/us/en/advisors/fund-center/products/sma.html>

In March 2013, ASIC released a consultation paper on ‘Managed Discretionary Accounts: An update to RG 179’ (CP200) in which it was stated in Clause 18 (a):

“In particular, we found that:

- a) there was likely to be an increase in MDA offerings in coming years as many AFS licensees that provide financial product advice consider how to adapt and refocus their businesses to comply with the Future of Financial Advice (FOFA) reforms; “*

MGP is well positioned to take advantage of this possible increase and is positioning itself to assist those MDA operators who may be unable to meet the proposed CP200 regulations. ASIC recently announced this MDA review is on hold until it can take into consideration the Future of Financial Advice (FoFA) legislative changes and the outcomes of the Financial Services Industry (FSI) review, however ASIC also stated it remains committed to considering proposed changes to its policy on MDAs.

The Directors believe there is potential for several sectors to embrace Managed Accounts including individual investors with advice, financial planners, licensee groups, accountants, tax agents, stock brokers, WRAP & Master Trust providers, industry super funds and investment managers. Two examples will help illustrate how Managed Accounts can help different financial professionals.

(i) **Accountants and Tax Agents:** The provision by Managed Accounts of capital gains tax optimisation, corporate action management, portfolio reconstruction and general tax reporting will enable accountants and tax agents to save many hours of work in handling their client's affairs. This will enable them to offer their clients a superior service at a lower cost.

(ii) **Financial Planners and Stockbrokers:** Managed Accounts provide one-stop access to many investment types including direct shares, cash, managed funds, property and other unlisted investments, with full consolidated tax and performance reporting. Through allowing financial planners and stock brokers to consolidate investments in a single portfolio it will eliminate the need for them to manage a host of different investment structures. This will allow financial planners and stock brokers to significantly reduce the amount of time they spend on back office administration, which in turn will improve their efficiency and reduce their costs. This will also enable them to spend more quality time managing their client's affairs.

3.7.8 COMPETITION

In evaluating the competition facing MGP it is important to understand exactly what products and services are being offered by competitors. Some companies which claim to offer Managed Accounts do not offer portfolio administration or securities trading, two key components of the services offered by MGP. Further, the few competitors that do offer portfolio administration and securities trading are fund managers and/or Advisors which means that they compete directly with a large sector of the potential target market or users of Managed Accounts.

The Directors believe MGP differentiates itself from competitors by structuring Managed Accounts for Licensees around the following:

- A private label approach for each of its external Licensee clients which enable each Licensee to have different branding, costs to client, Investment Options, Investment Managers and presentation to the client;

- Investment Managers are contracted through an Investment Management Agreement following due diligence and are subject to ongoing compliance monitoring;
- Investment Managers have trading discretion across asset classes, through brokers of their choosing, for the end client agreed Investment Option/s including corporate events and voting except where defined by the client;
- Portfolio Management as a discrete portfolio with no pooling;
- Continuous disclosure approach to reporting with an annual audit statement; and
- Arm's length approach to all relationships with no related parties involved.

Consequently, the Directors believe that there are few directly comparable competitors to MGP operating in the Managed Account sector in Australia and these are at least in part institutionally owned.

Looking towards the future it is likely that the providers of managed fund platforms including WRAPs and Master Trusts will show interest in the Managed Account sector. This is because they have the greatest amount to lose as Managed Accounts dilute Funds Under Management on Wrap platforms into Managed Account Services

However, while the big WRAP and platform providers may pose a threat to MGP they could just as easily present a big opportunity. This is because MGP is already fully operational and has developed extensive intellectual property in its business solutions. Further, the MGP pricing model is extremely competitive making it difficult for other potential MDA operators to profitably develop the necessary functionality to enter the market.

Therefore, rather than making a big financial and time investment in developing their own Managed Accounts, it may be more expedient for those WRAP and platform providers seeking to offer Managed Accounts to simply white label the MGP service and outsource their asset administration to the Company.

3.8 BARRIERS TO ENTRY

There are a number of barriers to entry that should restrict the number of companies entering the Managed Account market. These barriers include:

3.8.1 DIFFICULT SUBJECT MATTER

MGP operates in a highly complex, technical and legislatively driven environment. The various business solutions need to address complex issues like corporate actions, capital gains tax, securities trading and the administration of large portfolios across multiple asset managers. Building these systems is time consuming and costly and requires specialist skills across many disciplines including IT, portfolio administration, custody and asset management.

3.8.2 NET TANGIBLE ASSET BACKING

The Board is of the understanding that as a result of a recent ASIC review, the capital requirement of all MDA Operators could be up to \$5m.

3.8.3 LOW COSTS

The Directors believe that the MGP suite of products and services is competitively priced. This makes it difficult for prospective competitors to spend the time and money on developing systems and business infrastructure in the hope that they will be able to profitably enter the market.

3.8.4 EARLY MOVER ADVANTAGE

MGP is fully operational and has already secured a number of high quality clients. As long as the Company continues to provide quality products and service it should not only retain its existing clients but should continue to attract new clients and funds under administration.

3.8.5 NOT CORE BUSINESS

The core business of MGP is portfolio administration. While there are a large number of companies which currently provide portfolio administration, for many of them this is not their core business. Instead, their core business lies in areas such as asset management, financial planning, stockbroking and so on.

Consequently, it should be appealing for these companies to outsource their fund administration to operators like MGP, rather than to spend the significant amount of time and money required to develop their own Managed Account administration systems.

3.8.6 LICENSEE CLIENTS

Despite the application of limited sales and marketing resources and a very modest marketing budget MGP has already succeeded in attracting over \$900m actual FUA at an average of \$873m for the month at 31 December 2013. The Director's believe, listing on the ASX should lift the profile of the Company and at the time of writing this prospectus the company is looking to appoint an additional Business Development Manager.

MGP currently has 21 small to medium size licensee groups who have contracted to utilise MGP's MDA services. MGP also has a strong pipeline of Licensee groups including 7 groups who have been in detailed discussions with MGP over the last couple of months. Although no formal agreement has been entered into with any of these groups, the Directors believe, they are likely to sign Memorandum of Understandings each with an implementation fee and placement of agreed minimum FUA within 12 months from implementation or pay the equivalent in fees.

3.8.7 OPPORTUNITIES

Having built a leading edge business solution for efficient asset administration and established its industry reputation, the Directors believe MGP is well positioned to take advantage of the many growth opportunities in the Australian investment market.

3.8.8 INCREASED MARKET PENETRATION

MGP is still a relatively new company that has only just started to enter its various markets. As at the end of December 2013 managed funds in Australia totalled \$ 2.287 trillion (Note 5). Currently, approximately \$900 million in assets is being administered by MGP – around 0.039%.

Note 5: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/5655.0>

Similarly, there are over 749 Advisory organisations and 18,000 Advisors in Australia. (Note 6). Of this, a total of 21 organisations are currently using MGP - around 2.8%.

Note 6: Ripoll Report November 2009

Given the very small market penetration and the highly positive response which MGP has received to date from the market place, the Directors believe that the Company has significant growth potential by increasing market penetration through various sales, marketing and client service initiatives.

3.9 GLOBAL INVESTING

Diagram 3 below illustrates that while the Australian managed funds market is the 3rd largest in the world, when looking at the market capitalisation of the ASX, Australia is still only a relatively small player on the world stage. This highlights both the need and opportunity for Australian investors to increase the amount of funds they allocate to offshore securities.

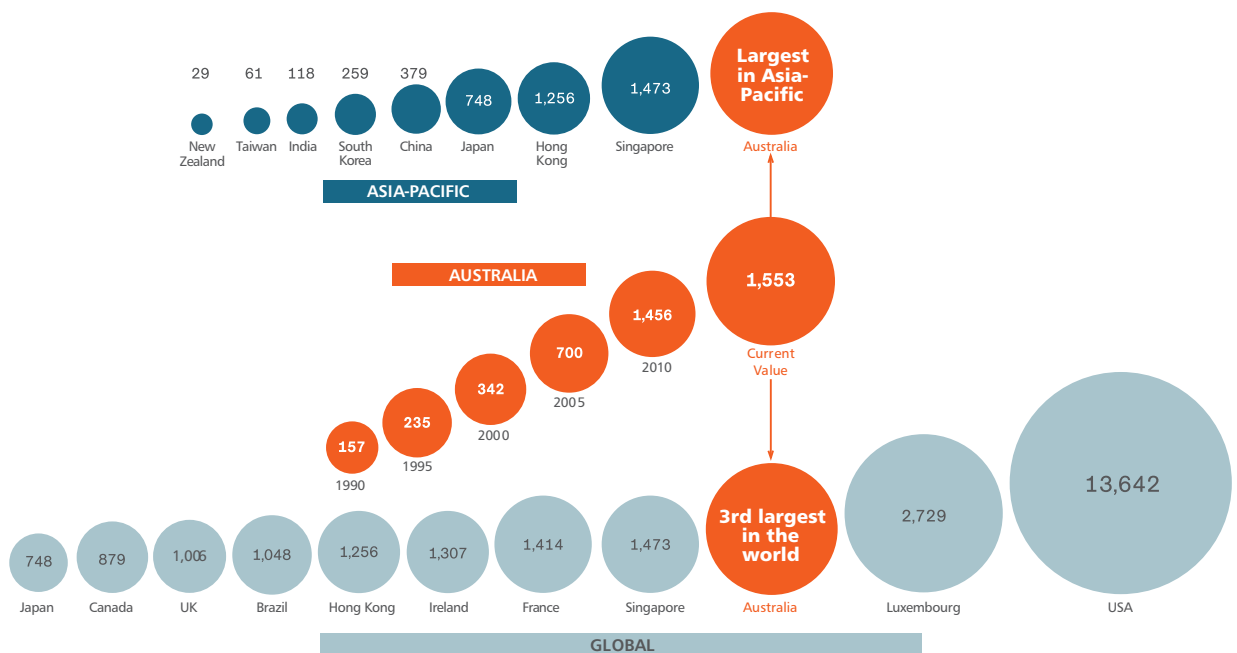
MGP has undertaken research into the provision of offshore investment assets. The Company has also discussed the opportunity with both existing and prospective clients.

DIAGRAM 3:

AUSTRALIA'S RANKING IN GLOBAL FUNDS AND LISTED SECURITY MARKETS

GLOBAL SIGNIFICANCE OF AUSTRALIA'S INVESTMENT FUND ASSETS POOL

Investment Fund Assets¹, US\$ billion, June quarter, 2013



Note: Circles are not to scale. Data between countries is not strictly comparable.

1. Refers to home domiciled funds, except Hong Kong and New Zealand, which include home and foreign-domiciled funds. Funds of funds are not included, except for France, Germany, Italy, and Luxembourg. In this statistical release 'investment fund' refers to a publicly offered, open-end fund investing in transferable securities and money market funds. It is equivalent to 'mutual fund' in the US and 'UCITS' (Undertakings for the Collective Investment of Transferable Securities) in the European Fund and Asset Management Association's statistics on the European investment fund industry. Australia's investment funds in the ICI survey only include consolidated assets of collective investment institutions.

Sources: Investment Company Institute, Worldwide Mutual Fund Assets and Flows, Second Quarter 2013 (released 3 October 2013); Hong Kong's data (Non-REIT fund management business – the sum of asset management business and fund advisory business of licensed corporations), sourced from Securities and Futures Commission, Fund Management Activities Survey 2012 (released July 2013); Singapore's data sourced from Monetary Authority of Singapore, 2012 Singapore Asset Management Industry Survey (released July 2013); Austrade

Refers to home-domiciled funds, except Hong Kong, South Korea and New Zealand, which include home- and foreign-domiciled funds. Fund of funds are not included

Source: Australia Unlimited – Why Australia Benchmark Report 2014

4. FINANCIAL INFORMATION



MANAGED ACCOUNTS HOLDINGS LIMITED
THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.
IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

4.1 INTRODUCTION

This section contains a summary of the following financial information.

The Adjusted Pro Forma Historical Financial Information being the:

- Adjusted pro forma consolidated statement of comprehensive income for the 2.5 years ending 31 December 2013 (refer to section 4.3); and
- Adjusted pro forma consolidated cash flow statement for the 2.5 years ending 31 December 2013 (refer to **section 4.6**);

(together the "Adjusted Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information being the:

- Consolidated pro forma historical statement of financial position as at 31 December 2013 (refer to section **4.8**).

The Pro Forma Historical Consolidated Statement of Financial Position assumes completion of the proposed transactions outlined in **Section 4.9**.

The Forecast Financial Information being the:

- Forecast consolidated statement of comprehensive income for the 6 months ended 30 June 2014 and the year ended 30 June 2015 (refer to **section 4.3**); and
- Forecast consolidated cash flow statement for the 6 months ended 30 June 2014 and the year ended 30 June 2015 (refer to **section 4.6**),

(together the "Forecast Financial Information").

The Adjusted Pro Forma Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information, together form the "Financial Information".

Also summarised in this section are:

- The basis of preparation and presentation of the Financial Information (see **section 4.2**);
- The Directors' best estimate assumptions underlying the Forecast Financial Information (see **section 4.4**); and
- An analysis of the key sensitivities in respect of the Forecast Financial Information (see **section 4.5**).

The Directors of MGP are responsible for the inclusion of the Financial Information in this Prospectus. The Financial Information has been reviewed by Grant Thornton Corporate Finance Pty Limited whose Investigating Accountant's Report is contained in **section 6**. Investors should note the scope and limitations of that report.

The information set out in this Section and MGP selected Financial Information should be read together with:

- Management's discussion & analysis in **section 4.3.2**;
- The risk factors described in **section 5**;

- The use of proceeds of the Offer described in **section 1.9**; and
- The other information contained in this Prospectus.

In addition, potential investors should be aware that past performance is not an indication of future performance.

4.2 BASIS OF PREPARATION, PRESENTATION AND SOURCE OF THE FINANCIAL INFORMATION

The Financial Information included in this section has been prepared and presented in accordance with the recognition and measurement principles prescribed by Australian Accounting Standards and other mandatory professional reporting requirements in Australia. Prior to 31 December 2013, consolidated financial statements for the MGP Group were not prepared.

The Adjusted Pro Forma Historical Financial Information set out in this section has therefore been extracted from the financial statements of MGP, (previously IASH), and the controlled subsidiaries (IAS and IASD) for the years ended 30 June 2012, and 30 June 2013, and the six month period ended 31 December 2013. A pro forma consolidation of the respective entities within the MGP group was performed for the years ended 30 June 2012 and 2013, and the relevant consolidation adjustments recorded to adjust for any intragroup transactions (referred to as the Pro Forma Financial Information). The Adjusted Pro Forma Financial Information assumes MGP has been operating as a listed Company over the entire period, as well as excluding one off and non recurring transactions. A reconciliation of these transactions is set out in **Section 4.3.1**.

The financial statements of IASH, IAS, IASD for FY2012 and FY2013 were audited by Hill Rogers Spencer Steer, and the six month period ended 31 December 2013 consolidated financial statements of MGP were reviewed by the Company's auditors (Grant Thornton Audit Pty Ltd) who issued unqualified audit and review opinions respectively.

All financial information presented in this section is stated in AUD unless otherwise indicated.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures provided in an annual report prepared in accordance with the Corporations Act.

Preparation of the Forecast Financial Information

The Directors believe they have prepared the Forecast Financial Information with due care and attention and consider all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus. The Forecast Financial Information has been prepared on the basis of numerous assumptions, including the key best estimate assumptions set out in **section 4.4**. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

The Forecast Financial Information is based on the forecast results of the Company for FY2014 (which includes six months of actual financial performance (which has been reviewed) and six months of forecast financial performance) and FY2015.

The Forecast Financial Information assumes that the incremental costs of the Company operating as a listed company are incurred from May 2014 onwards.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a materially positive or negative effect on the Company's actual financial performance or financial position. Investors are advised to review the key best estimate assumptions set out in **section 4.4**, in conjunction with the sensitivity analysis set out in **section 4.5**, the risk factors set out in **section 5** and other information set out in this Prospectus.

4.3 FINANCIAL PERFORMANCE

The table below provides a summary of the adjusted pro forma historical consolidated financial Performance of MGP for the financial years, FY2012 and FY2013, together with the forecast financial performance for the financial years, FY2014 and FY2015.

SUMMARY OF THE ADJUSTED PRO FORMA HISTORICAL AND FORECAST STATEMENT OF COMPREHENSIVE INCOME

\$'000	Pro Forma FY2012	Pro Forma FY2013	Forecast FY2014	Forecast FY2015
Revenue	2,472	2,673	3,370	4,950
EBITDA	(354)	(83)	324	1,067
EBITDA as a % of revenue	(14.3%)	(3.1%)	9.6%	21.6%
Depreciation	(32)	(8)	(6)	-
EBIT	(386)	(91)	318	1,067
EBIT as a % of revenue	(15.6%)	(3.4%)	9.4%	21.6%
Net interest costs	(2)	(1)	(1)	(1)
NPBT	(388)	(92)	317	1,066
Income tax benefit/expense	158	25	(96)	(320)
NPAT	(230)	(67)	221	746

The Adjusted Pro Forma Historical Financial Information has been extracted from the financial statements of MGP (previously IASH), and the controlled subsidiaries (IAS and IASD) for FY2012 and FY2013, and the six month period ended 31 December 2013

The Forecast Financial Information was extracted from the MGP forecast prepared by the Directors of the Company.

4.3.1 ADJUSTMENTS TO THE PRO FORMA HISTORICAL AND FORECAST CONSOLIDATED INCOME STATEMENTS

\$'000	Notes	Pro Forma FY2012	Pro Forma FY2013	Forecast FY2014	Forecast FY2015
Adjusted Pro Forma NPAT		(230)	(67)	221	746
Transaction costs	(a)	-	-	(343)	-
Restructuring costs	(b)	-	(165)	-	-
Incremental listed public company costs	(c)	113	114	93	-
FOFA costs and change of business name	(d)	-	-	(88)	-
Retained RITC underpayment	(e)	-	-	(20)	-
Non recurring finance costs	(f)	(216)	(91)	(89)	-
Tax effect of adjustments	(g)	(34)	15	108	-
Pro forma NPAT		(367)	(194)	(118)	746

\$'000	Notes	Pro Forma FY2012	Pro Forma FY2013	Forecast FY2014	Forecast FY2015
Adjusted Pro Forma EBITDA		(354)	(83)	324	1,067
Transaction costs	(a)	-	-	(343)	-
Restructuring costs	(b)	-	(165)	-	-
Incremental listed public company costs	(c)	113	114	93	-
FOFA costs and change of business name	(d)	-	-	(88)	-
Retained RITC underpayment	(e)	-	-	(20)	-
Pro forma EBITDA		(241)	(134)	(34)	1,067

(a) Transaction costs relate to the Offer costs expensed to the statement of comprehensive income in FY2014, which is one off and non-recurring.

(b) Restructuring costs include termination payments.

(c) These costs are an estimate of the incremental annual costs of being a publicly listed company and include director fees, audit fees, ASX listing fees, filings fees and registry fees.

(d) One off costs to update client agreements following the changes made by FOFA, as well as one off costs relating to the change of the business name.

(e) One off costs in relation to underpayment of GST in relation to the retained RITC arrangement.

(f) Non recurring financing costs related to a private company capital structure.

(g) A tax rate of 30% has been applied to tax effect the pro forma adjustments, and excluding the non recurring finance costs.

4.3.2 MANAGEMENT DISCUSSION AND ANALYSIS

The financial performance of MGP is subject to many variables. Many of these variables are outside of the Company's control and are set out below under the general assumptions. MGP has structured its business so as to limit the effect of such variables where possible. Refer to the risk factors described in **Section 5**.

All revenue and costs are transacted in AUD.

Summary of the revenue over the Historical and Forecast Period has been set out below:

\$'000	Pro Forma FY2012	Pro Forma FY2013	Forecast FY2014	Forecast FY2015
FUA revenue	1,447	1,630	1,903	2,820
Transaction fees	563	614	803	1,164
Brokerage fees	67	78	101	169
Implementation fees	140	80	225	260
Other income	255	271	338	537
	2,472	2,673	3,370	4,950
Growth (%)				
FUA revenue		12.6%	16.7%	48.2%
Transaction fees		9.1%	30.6%	45.0%
Brokerage fees		16.9%	29.7%	67.1%
Implementation fees		(42.9%)	181.3%	15.6%
Other income		6.3%	24.8%	58.9%
Total growth (%)		8.1%	26.1%	46.9%

A summary of key revenue drivers is set out below:

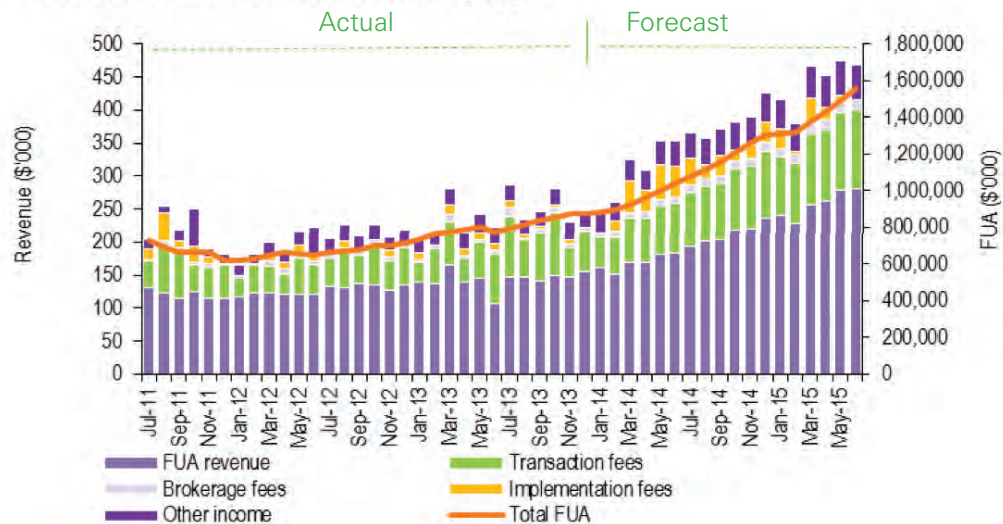
\$'000	Pro Forma FY2012	Pro Forma FY2013	Forecast FY2014	Forecast FY2015
Total FUA	648,325	777,251	1,043,231	1,561,500
Total FUA growth (%)		19.9%	34.2%	49.7%
FUA revenue (% of average FUA)	0.220%	0.223%	0.212%	0.217%
Transaction fees (% of average FUA)	0.099%	0.092%	0.097%	0.095%

Seasonality

The monthly revenue chart below reflects the gradual increase in revenue over the Forecast Period, due to the additional FUA being signed up. The increasing trend in FUA since July 2011, reflects there has been minimal withdrawals, which have been offset by increasing FUA from existing clients as well as by new clients signing up.

FUA revenue represented 61% of revenue in FY2013, with this proportion forecast to be consistent in FY2014 (56.5%) and FY2015 (57%).

Historical and forecast revenue by type



A summary of key cost categories are set out below:

\$'000	Pro Forma FY2012	Pro Forma FY2013	Forecast FY2014	Forecast FY2015
Custody costs	227	259	310	428
% of average FUA	0.035%	0.035%	0.034%	0.033%
Software costs	285	262	308	409
% of average FUA	0.043%	0.036%	0.034%	0.031%
Employee costs (excluding IT developments staff)	1,251	1,360	1,131	1,568
% of revenue	50.6%	50.9%	33.6%	31.7%
IT development costs	391	414	362	415
% of revenue	15.8%	15.5%	10.7%	8.4%
Rent	93	94	98	102
% of revenue	3.8%	3.5%	2.9%	2.1%
Pro forma fixed overhead cost %	89.4%	90.4%	86.1%	90.6%
Pro forma variable overhead cost %	10.6%	9.6%	13.9%	9.4%

Custody costs

Custody costs include primarily transaction costs for managed accounts which are forecast to be consistent as a % of average FUA between FY2014 and FY2015.

Software costs

Software costs include a base fee, as well as a variable fee based on total FUA. As the FUA increases, a greater proportion of this cost is weighted to the variable component, therefore, as a % of average FUA this cost is reducing.

Employee costs

The highest cost for the business relates to employees, and at the date of the prospectus MGP has 14 employees (including 3 in IT development costs), which is expected to increase to 17 (including 4 in IT development costs) by the end of FY2015. This increase is largely related to back office support staff.

IT development costs

These costs include primarily IT staff which are forecast to increase from 3 at the date of the prospectus to 4 by the end of FY2015. Despite this, as a % of revenue these costs are reducing due to the increase in revenue forecast for FY2015. Historically, the full quantum of these costs have been expensed.

Rent

Rent costs relate to the premises in Loftus Street Sydney.

Year ended 30 June 2013 compared to the year ended 30 June 2012

Revenue

The growth in revenue over this period has been generated due to an increase in FUA, from \$648.3 million at 30 June 2012 to \$777.3 million at 30 June 2013 and a consistent number of managed accounts.

Costs of services provided have reduced compared to the prior period as a consequence of stabilising software costs, leading to an increase in gross margin (\$ value and %) in FY2013. This was primarily due to a reduction in the base fee payable to the software provider.

EBITDA

The decrease in the EBITDA loss to (\$83,000) in FY2013 is in line with the increase in gross margins, with overhead expenditure remaining relatively consistent from FY2012 to FY2013.

Year ended 30 June 2014 compared to the year ended 30 June 2013

Revenue

The forecast continued growth in revenue is due to further growth in the FUA, from \$777.3 million at 30 June 2013, to \$1.04 billion at 30 June 2014, which is supported by increased fund flows from existing managed accounts, as well as an increase in the number of managed accounts. The increase in revenue in FY2014 is at a relatively consistent gross margin % as that achieved in FY2013.

EBITDA

EBITDA is forecast to increase to \$0.3 million, from a loss of \$83,000 million in FY2013, as a result of revenue increases, with overheads being primarily fixed in nature.

Six months ended 30 June 2014 compared to the six months ended 31 December 2013

Revenue

Revenue generated in 1HF2014 amounted to \$1.5 million, with average FUA amounting to \$824.4 million over this period. Due to the increase in FUA during 2HF2014, revenue is forecast to increase to \$1.8 million, for 2HF2014.

The majority of the increase in FUA represents customers who have already been signed up.

EBITDA

EBITDA is forecast to decrease from \$0.18 million, to \$0.14 million, due to increases in head count and consequently payroll cost in 2HF2014.

Year ended 30 June 2015 compared to the year ended 30 June 2014

Revenue

The Company is forecast to achieve revenue growth of 46.9% in FY2015 due to continued growth in the FUA, from \$1.04 billion at 30 June 2014, to \$1.56 billion at 30 June 2015. The number of managed accounts is also forecast to increase.

The gross margin in FY2015 is forecast to increase slightly due to lower software costs. Lower software costs will be due to the tiered cost structure of these costs based on FUA balances with a significantly lower rate applicable when FUA is greater than \$1 billion which is forecast to occur from June 2014.

EBITDA

Overhead costs of \$2.8 million are expected to be incurred, which is largely comprised of employee costs, representing 71.3% of the total overhead cost. The employee head count is forecast to increase from 14 to 17.

The forecast increase in EBITDA to \$1.1 million in FY2015 is in line with the increase in the dollar value of gross margin achieved, and after allowing for the increased head count and corresponding payroll cost.

4.4 FORECAST ASSUMPTIONS

The Forecast Financial Information is based on the Director's best estimate assumptions for the financial years FY2014 and FY2015 and has been prepared on the basis that only the Minimum Subscription is raised from the Offer. The assumptions used to prepare the forecast are as follows:

Specific assumptions

In preparing the forecast, the Directors have applied the following specific business assumptions for the Forecast Period:

Revenue

FUA revenue

The FUA is forecast to increase from \$1.04 billion at 30 June 2014, to \$1.56 billion at 30 June 2015, and generate FUA revenue at 0.217% (FY2014: 0.212%).

Approximately 100% of FY2014 revenues have already been signed up (refer to the analysis of revenue in Section 4.3.2)

The FY2015 forecast FUA assumes that all of the 7 Licensee groups currently in discussions with MGP are signed up and utilising the MGP service by September 2014. The Sensitivity Analysis set out in Section 4.5 illustrates the impact on EBITDA if there is a delay in securing these Licensee groups.

Transaction fees

In FY2015, transaction fee revenue is forecast to decline to 0.095% of FUA, compared to 0.097% in FY2014, due to a tiered pricing structure on the fees earned.

Brokerage fees

Brokerage fees are forecast to increase to 14.5% as a % of transaction fees, compared to 12.6% in FY2014, due to a change in the mix of transactions as well as the level of transactions increasing.

Costs

FY2014 forecast cost assumptions include:

- Custody costs are forecast to reduce to 0.034% of average FUA, compared to 0.035% in FY2013 due to a change in mix of transactions as well as the level of transactions completed; and
- Software costs are forecast to reduce to 0.034% of average FUA, compared to 0.036% in FY2013, due to the tiered cost structure.

FY2015 forecast cost assumptions include:

- Custody costs are forecast to reduce to 0.033% of average FUA, compared to 0.034% in FY2014;
- Software costs are forecast to reduce to 0.031% of average FUA, compared to 0.034% in FY2014; and
- An increase of \$0.5 million of employment costs due to an increase in the head count from 15 to 17.

Income tax

At 31 December 2013, MGP have carried forward tax losses of \$3.76 million, representing a deferred tax asset of \$1.13 million, which will be used to offset future taxable income over the Forecast Period.

The business will continue to be funded by operational cash flows

Working capital requirements of the Company will continue to be funded by operational cash flows during the Forecast Period, with total working capital requirements being

estimated based on cash flow forecasts. Interest rates applicable to surplus cash are not expected to increase materially during the Forecast Period from the interest rates applicable at the date of this Prospectus.

General assumptions

- There will be no significant adverse changes to the competitive environment in which the Company operates.
- General economic conditions remain stable.
- There will be no material change to any major dealer groups to the Company.
- The Company will not make any material acquisitions or disposals of major assets.
- There will be no material adverse changes or formal amendments to any other material contract, agreement or arrangement relating to the Company.
- Parties to all material contracts, agreements or arrangements will continue to comply with the terms and conditions of those arrangements in place at the date of this Prospectus.
- All key management personnel will remain with the business.
- There will be no material industrial, contractual, or political disruptions which impact on the Company or adversely affect the ability of the Company to function normally in the ordinary course of business.
- There will be no material changes in statutory, legal, tax or regulatory requirements that would materially affect the Company's operating or financial performance.
- The accounting policies of the Company which are in place at the date of this Prospectus will remain in force and not materially change.
- Accounting Standards which the Company is required by law and/or best practice to adopt will not materially change.
- The Company will not be a party to any significant litigation.

4.5 SENSITIVITY ANALYSIS

The forecast results are based on the assumptions noted above and are sensitive to changes in those assumptions. The impacts of movements in the key assumptions have been calculated to demonstrate the financial impact on EBITDA arising from changes in the specified variables for FY2015. Additional disclosure has been made to show the illustrative impact of variations in the key assumptions on an annual basis. For this purpose the FY2015 full year forecast has been used to derive the impact of changes in key variables.

Sensitivity 1: Delay FUA pipeline by 3 months

The variation in the table below assumes that all other assumptions in the forecast are held constant.

Variation in assumption	Variation in EBITDA +/-
<i>Delay pipeline of FUA by 3 months</i>	<i>(\$115,000)</i>

Sensitivity 2: Delay FUA pipeline by 6 months

The variations in the table below assume that all other assumptions in the forecast are held constant.

Variation in assumption	Variation in EBITDA +/-
<i>Delay pipeline of FUA by 6 months</i>	<i>(\$192,000)</i>

4.6 OVERVIEW OF CASH FLOWS

Provided in the table below is a summary of the historical cash flows of the Company for the two years ended 30 June 2013 plus the forecast for the years ended 30 June 2014 and 30 June 2015.

Summary Pro Forma Historical and Forecast Statement of Cash Flows

\$'000	Pro Forma FY2012	Pro Forma FY2013	Forecast FY2014	Forecast FY2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Pro Forma EBITDA	(241)	(134)	(34)	1,067
(Increase)/decrease in working capital	73	139	(19)	(392)
Movement in other assets and liabilities	2	-	-	-
Net cash inflow from operating activities	(166)	5	(53)	675
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment	(4)	-	-	-
Net cash outflow from investing activities	(4)	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital raisings (net of issue costs)	-	-	4,099	-
Proceeds from IPO	-	-	2,000	-
Payment of cash IPO share issue costs	-	-	(137)	-
Finance costs paid	(2)	(1)	(397) ¹	(1)
Net cash inflow from financing activities	(2)	(1)	5,565	(1)
Net increase in cash held	(172)	4	5,512	674
Cash and cash equivalents at the beginning of the period	484	312	316	5,828
Cash and cash equivalents at the end of the period	312	316	5,828	6,502

The Pro Forma Historical Financial Information has been extracted from the financial statements of MGP (formerly IASH), and the controlled subsidiaries (IAS and IASD) for FY2012 and FY2013, and the six month period ended 31 December 2013

The Forecast Financial Information was extracted from the MGP forecast prepared by the Directors of the Company.

1. Non recurring financing costs related to a private company capital structure accrued in FY2012 and FY2013, and paid in FY2014.

4.6I COMMENTARY ON CASH FLOWS

MGP is forecast to generate positive operating cash flows during FY2015, supported by the growth in FUA (and consequently revenue).

The investment in working capital is forecast to increase during FY2015 which is expected given the forecast growth in revenue, and improved gross margin %.

4.7 DESCRIPTION OF FINANCING FACILITIES

The Company has no bank financing facilities, having historically utilised surplus cash and working capital to fund the business. Additionally, the Company has no off balance sheet financing arrangements.

4.8 FINANCIAL POSITION

The table below sets out a summary of the reviewed historical and pro forma consolidated financial position of the Company.

Summary Historical and Pro Forma Consolidated Statement of Financial Position

\$'000			Pro forma Minimum subscription	Pro forma Full subscription
As at 31 December 2013	Note	Reviewed		
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4.10.1	4,166	5,672	8,468
Trade and other receivables		1,060	1,105	1,124
Other assets		125	95	95
TOTAL CURRENT ASSETS		5,351	6,872	9,687
NON CURRENT ASSETS				
Plant and equipment		11	11	11
Deferred tax assets		1,194	1,194	1,194
TOTAL NON CURRENT ASSETS		1,205	1,205	1,205
TOTAL ASSETS		6,556	8,077	10,892
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		1,396	1,396	1,396
Other liabilities		1	1	1
TOTAL CURRENT LIABILITIES		1,397	1,397	1,397
TOTAL LIABILITIES		1,397	1,397	1,397
NET ASSETS		5,159	6,680	9,495
EQUITY				
Issued capital	4.10.2	9,739	11,602	14,401
Retained losses	4.10.3	(4,580)	(4,922)	(4,906)
TOTAL EQUITY		5,159	6,680	9,495

1) The pro forma historical consolidated statement of financial position has been extracted from the reviewed consolidated statement of financial position at 31 December 2013 of MGP (formerly, IASH).

2) The pro forma historical consolidated statement of financial position as at 31 December 2013 reflects the pro forma adjustments, the application of the funds from the Offer less the costs associated with the Offer as set out below

4.9 PRO FORMA ADJUSTMENTS

The following transactions and events contemplated in this Prospectus, which are to take place on or before the completion of the Offer, referred to as the Pro Forma Adjustments, are presented as if they, together with the Offer, had occurred on or before 31 December 2013.

With the exception of the pro forma adjustments noted below, no material transactions have occurred between 31 December 2013 and the date of this Prospectus which the Directors consider require disclosure.

4.9.1 PRO FORMA TRANSACTIONS

Minimum subscription

1. The issue of 10 million fully paid ordinary shares at \$0.20 each, amounting to \$2 million;
2. Expenses associated with the offer (including advisory, legal, accounting and administrative fees as well as printing, advertising and other expenses), estimated to be \$0.5 million. An amount of \$0.1 million has been charged against issued capital and \$0.3 million against retained losses. At 31 December 2013, approximately \$45,000 of the Offer costs had already been paid;

Full subscription

1. The Company has reserved the right to accept further subscriptions of up to 15 million ordinary shares at \$0.20 each, to raise an additional \$3 million, which would take the total amount raised under the Offer to \$5 million;
2. Expenses associated with the Offer (including advisory, legal, accounting and administrative fees as well as printing, advertising and other expenses), estimated to be \$0.7 million. An amount of \$0.3 million has been charged against issued capital and \$0.3 million against retained losses. At 31 December 2013, approximately \$45,000 of the Offer costs had already been paid;

Lead manager options

- d. The issue of 1,000,000 options with an exercise price of \$0.20 to the Lead Manager in accordance with the lead manager mandate agreement. The options vest immediately and expire on 21 March 2015 and have a fair value of \$47,000.

4.10 NOTES TO THE PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 1 – pro forma cash and cash equivalents

The reviewed pro forma cash and cash equivalents reflecting the proceeds from the Offer and payment of the costs of the Offer is set out below:

\$'000	Pro forma adjustment	Pro forma Minimum subscription	Pro forma Full subscription
Cash and cash equivalents at 31 December 2013		4,166	4,166
<i>Pro forma transactions:</i>			
Proceeds from shares issued under the Offer	4.9.1.1	2,000	5,000
Payment of Offer costs	4.9.1.2	(494)	(698)
Pro forma cash and cash equivalents		5,672	8,468

Note 2 – pro forma issued capital

The reviewed pro forma issued capital reflects the issue of shares under the Offer, shares issued to the Lead Manager and the capitalisation of Offer costs directly attributable to the Offer as set out below:

\$'000	Pro forma adjustment	Pro forma Minimum subscription	Pro forma Full subscription
Issued capital at 31 December 2013		9,739	9,739
<i>Pro forma transactions:</i>			
Proceeds from shares issued under the Offer	4.9.1.1	2,000	5,000
Capital raising costs payable under the Offer	4.9.1.2	(137)	(338)
Pro forma issued capital		11,602	14,401

\$'000	Pro forma adjustment	Pro forma Minimum subscription	Pro forma Full subscription
Number of shares issued at 31 December 2013		120,209,711	120,209,711
<i>Pro forma transactions:</i>			
Shares issued under the Offer	4.9.1.1	10,000,000	25,000,000
Pro forma number of shares issued		130,209,711	145,209,711

Note 3 – pro forma retained losses

The reviewed pro forma retained losses reflect the expensing of certain Offer costs as a consequence of the Offer is set out below:

\$'000	Pro forma adjustment	Pro forma Minimum subscription	Pro forma Full subscription
Retained losses at 31 December 2013		(4,580)	(4,580)
<i>Pro forma transaction:</i>			
Costs expensed under the Offer	4.9.1.2	(342)	(326)
Pro forma retained earnings		(4,922)	(4,906)

4.II NOTES TO THE FINANCIAL INFORMATION

Basis of Preparation

The preparation of the Financial Information is in conformity with AGAAP and requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company for the Financial Information.

There have been no new Australian Accounting Standards and Australian Accounting Interpretations issued or amended which are materially applicable to the Company but are not yet effective.

ACCOUNTING POLICIES

Basis of preparation

The Financial Information has been prepared in accordance with the measurement and recognition requirements of Australian Accounting Standards, Australian Accounting Interpretation, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act.

Historical cost convention

The Financial Information has been prepared on an accruals basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Critical accounting estimates

The preparation of the Financial Information is in conformity with Australian Accounting Standards and requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

(a) Basis of consolidation

The Financial Information consolidates those of the parent company and all of its subsidiaries. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. All transactions and balances between companies are eliminated on consolidation, including unrealised gains and losses on transactions between companies. Where unrealised losses on intra group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the consolidated group and specific criteria for each of the activities.

Revenue is recognised for the major business activities as follows:

Platform revenue

- FUA revenue: revenue is recognised as the service is provided, i.e. on a monthly basis based on a percentage of FUA per the contract with the client;
- Transaction/brokerage fees: these fees are recognised when the transaction is completed; and
- Implementation fees: these fees are recognised on a stage of completion basis, depending upon the phase of the implementation process.

Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(c) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

(d) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office ("ATO") and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date.

Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the forecast of future operating results which is adjusted for significant non taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Goods and Services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(g) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained losses include all current and prior period retained losses. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date. All transactions with owners of the parent are recorded separately within equity.

5. RISK FACTORS



MANAGED ACCOUNTS HOLDINGS LIMITED
THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.
IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

There are a number of risk factors, both specific to MGP and of a general nature, which may adversely affect the future operating and financial performance of the Company and the value of the Shares. Many of these risk factors are outside the control of the Company and the Directors. If any or all of these risk factors were to occur they could adversely impact MGP's performance, financial position, cash flows and Share price.

MGP has taken steps to mitigate against these risk factors by putting in place safeguards, governance, compliance and risk management systems. However, neither the Company nor the Directors can guarantee that these safeguards and systems will be effective. Some risk factors are totally outside the control of the Company and Directors and no suitable safeguards can be put in place to mitigate against them.

This Section outlines the risks which the Directors regard as significant risks associated with an investment in the Company. Each of the risks set out below could, if they were to eventuate and not be effectively mitigated by management action, have a material adverse impact on the Company's operating performance, profits and the value of the Shares. This Section is not an exhaustive list of the risks associated with an investment in the Company and the Company may face other risks from time to time that may materially impact the Company's financial performance.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and consider the risk factors that could affect the financial performance of the Company, including the specific, industry and general risks set out in this Section. Investors should have regard to their own investment objectives and financial circumstances, and should seek professional guidance from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

5.1 SPECIFIC RISK FACTORS

5.1.1 COMPLIANCE WITH AND CHANGES TO REGULATION AND LEGISLATION

MGP operates in the financial services industry which is subject to a broad range of laws and regulations. These laws are administered by a number of different regulators including the Australian Tax Office (ATO) and the Australian Securities and Investment Commission (ASIC).

There is a risk that the Company may fail to comply in all material respects with all the laws and regulations relating to the markets in which it operates. If the Company does not meet regulatory requirements it may be exposed to fines or other penalties, it may be forced to pay compensation or it may even be suspended or have its license cancelled in which case it may not be able to continue to provide some or all of the services it currently provides.

The regulatory regime applicable to the Company is subject to change. This includes ASIC's current review of MDA's under CP200 (refer to section 3.7.7). Changes in laws, regulations and government policy may positively or negatively affect the Company and the attractiveness of an investment in the Company. The Company cannot predict what legislative or regulatory changes may be made in the future or the impact of future legislative or regulatory change on its business.

In addition, if the amount and complexity of new regulations increases, the cost of compliance and the risk of noncompliance may also increase. This may have an adverse impact on the financial performance and prospects of the Company.

The Company may also become subject to investigation by the regulatory authorities. Responding to such an investigation may impose financial costs on the Company as well as divert staff from their other responsibilities which in turn may adversely impact the financial performance of the Company.

The Company recently (February 2014) had an onsite surveillance visit from ASIC and provided the requested production of books and records.

5.1.2 LOSS OF CLIENTS AND CONVERSION OF DISCUSSIONS INTO CLIENTS

MGP operates in a competitive environment and has worked hard to formally engage with each of the 21 Licensees who currently utilise the Company's services. However, in relative terms, this number of Licensees is a small number of clients and the loss of a number of key clients at this stage of the Company's growth will effect revenue and profitability forecasts. Further whilst MGP is in discussions with 7 Licensee groups at the date of this Prospectus there are no guarantees that these discussions will lead to the introduction of new clients and increased FUA for MGP.

5.1.3 CUSTODY OF ASSETS

MGP contracts the safe keeping of client assets to an external custodian. Even though MGP has selected a large international custodian, (HSBC), there is a risk MGP will not reconcile client records with the assets held by the custodian thereby putting the beneficial ownership of MGP's licensee clients at risk.

5.1.4 LOSS OF KEY STAFF

The administration and delivery of Managed Accounts is highly complex. To perform the various tasks associated with running a Managed Account business MGP employs a number of highly skilled staff. If key staff leave MGP it could adversely impact the operations of the company including slowing down the development and delivery of the technology required to operate the Managed Accounts, as well as slow down the sales effort and the generation of FUA.

5.1.5 FAILURE IN TECHNOLOGY AND OPERATING SYSTEM

The provision of Managed Accounts is a technically complex business requiring the deployment of sophisticated systems and technology. A failure in these systems and technology could adversely affect MGP's ability to deliver its products and services to clients. This may adversely affect the volume of FUA which could reduce revenue and severely damage the Company's reputation.

5.1.6 COUNTERPARTY RISK

MGP deals with a number of financial counterparties in the ordinary course of business. As a result MGP is subject to the risk of a bankruptcy or other similar event which may result in the Company not being paid for some or all of its services.

5.1.7 DOWNWARD PRESSURE ON FEES

The bulk of MGP's revenue is derived from fees generated on FUA. MGP operates in a competitive industry in which there may be downward pressures on the fees charged. These pressures come from competition within the industry as well as from clients themselves. A reduction in fees may adversely affect the revenue and financial performance of the Company.

5.1.8 COMPETITION

The financial services sector in which MGP operates is highly competitive. While the Managed Accounts sub-sector is new and MGP faces relatively little direct competition, there are a number of companies providing asset administration services that compete indirectly with the Company. Many of these services are provided by large companies which have access to significant resources and money with which to compete against MGP.

This competition may result in MGP being unable to attract new clients or being unable to generate sufficient FUA to meet its financial objectives. This may result in the Company failing to meet its revenue projections which in turn may adversely affect the financial performance or prospects of the Company.

5.1.9 CONCENTRATION OF SHAREHOLDING

Following completion of the Offer and depending on the final number of Shares allocated, the Existing Shareholders (which includes Directors and senior management) will hold between 82.78% and 92.32% of the Shares and the voting rights in the Company. As a result Existing Shareholders may be in a position to exert significant influence over the operations and outcomes of the Company including the election of Directors and the approval of major transactions. Also, the interests of Existing Shareholders may be different from the interests of investors who purchase Shares in terms of the Offer.

Following the expiry of the escrow (further details of which are set out in Section 7.5), Existing Shareholders will be free to sell their Shares. Any significant sale of Shares by these Existing Shareholders may have a negative impact on the Share price of the Company.

5.1.10 LIQUIDITY AND REALISATION RISKS

On listing at the Offer Price MGP will have a market capitalisation of approximately between \$26 and \$29 million depending on minimum and maximum subscriptions. At this market capitalisation when compared to other companies listed on ASX, MGP will be a small company. As a result there may be relatively few buyers for the Company's Shares or a relatively high number of sellers of the Company's Shares on ASX at any given time. This may increase the volatility of the market price of the Shares as well as the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid for their Shares.

5.1.11 DILUTION

Shareholders will have their shareholdings diluted by any Options which are issued in the future under Employee Share Option Plan (ESOP). Note, the Board has not yet adopted an ESOP. Shareholders may also be diluted by any future capital raisings by the Company. MGP has no current plans for future capital raisings.

5.1.12 WORKING CAPITAL AND DIVIDEND PAYMENTS

The Directors are of the opinion, after reviewing its business plans, investment plans and the proceeds to be raised from the Offer under this Prospectus, that upon completion of the Offer (regardless of whether the Full Subscription is raised), the Company will have sufficient capital to meet its stated objectives including the intention to pay dividends. However, should any of the risks stated in this document or any unforeseen event materialise, the Company may not have the ability to meet its objectives without the need to raise additional capital.

5.1.13 MATERIAL LITIGATION

The Company is not currently involved in any material litigation and is not aware of any facts or circumstances that may give rise to any material litigation being commenced against it. However, given the nature and scope of the Company's activities and the wide range of parties with which it deals, the Company may be exposed to potential claims or litigation from third parties such as clients, suppliers, regulators, employees, business associates and counterparties.

To the extent that any of these risks of litigation are not covered by the Company's insurance policies, litigation and the costs of responding to any threats of legal action or investigation may have an adverse impact on the financial performance or prospects of the Company.

5.2 INDUSTRY RISK FACTORS

5.2.1 UNKNOWN FUTURE MARKET POTENTIAL

The potential and future size of the Managed Account market in Australia is unknown. A number of challengers and risks facing Managed Accounts in Australia include functionality short comings, a lack of fund manager choice, the removal of certain tax arrangements resulting from the new superannuation laws and execution risks. Further, even if the Managed Account market grows strongly it does not necessarily mean that MGP will be successful.

5.2.2 SLOW TAKE UP BY CLIENTS AND SLOW GENERATION OF FUA

Take up of Managed Accounts by institutions, financial advisers and investors may be slower than envisaged by the Company. In addition, competition from other Managed Account providers as well as providers of other asset administration technology, may result in the Company generating lower inflows of FUA than expected. Lower FUA is likely to reduce revenue which may adversely affect the financial performance of the Company.

5.2.3 DECLINING INVESTMENT MARKETS

In addition to the general risk of share market fluctuations associated with any equity investment, MGP is particularly exposed to declining share markets. This is because a significant portion of the Company's revenue is derived from fees charged on FUA. Since a large portion of the securities administered by MGP is likely to be invested in listed securities, a decline in share markets is likely to reduce the value of the funds administered by the Company. This may result in a decline in the fees charged leading to a decline in revenue.

Consequently, even although the Company is not directly affected, any loss in investor confidence or downturn in security values could adversely affect FUA and revenue.

5.2.4 TAXATION AND SUPERANNUATION

Federal or State Governments may introduce further taxes, duties or other imposts or increase the rates on existing taxes, duties and imposts. Any such changes may have an adverse impact on the Company.

Further, changes in legislation particularly with regards to taxation or superannuation could reduce the relative attractiveness of the services offered by the Company which may reduce FUA and may adversely affect the financial performance or prospects of the Company.

5.3 GENERAL RISK FACTORS

5.3.1 STOCKMARKET FLUCTUATIONS

The price of the Shares on ASX may trade above or below the Offer Price due to a number of factors. Most of these factors are beyond the control of the Company and the Directors and include:

- general economic conditions including changes or expected changes in inflation, commodity prices, interest rates and exchange rates, both within Australia and globally;
- changes in Government policy, legislation and regulation;
- investor sentiment including their level of confidence in the economy and their attitude and outlook towards investment markets; and
- Any decline in the value of the Company's Shares may result in a financial loss being incurred by investors.

5.3.2 TAXATION

Changes to tax legislation and regulation, or their interpretation, may adversely affect the value of an investment in the Shares and may affect individual Shareholders differently.

5.3.3 ECONOMIC ENVIRONMENT

Economic conditions in Australia and the world may affect the business and financial performance of MGP. Any protracted slow down in economic conditions or protracted concerns about inflation, currency rates, interest rates, monetary policy, employment rates and debt levels, among others, are outside the control of the Company and may adversely impact the Company's operations and financial performance. A number of factors including stock market losses, poor investment returns and increased volatility, amongst others, may cause clients and prospective clients to reduce, delay or cancel the funds they allocated to MGP to administer.

5.3.4 ACCOUNTING STANDARDS

Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this Prospectus may impact adversely on the Company's reported financial performance.

5.3.5 ACTS OF TERRORISM OR BREAKOUT ON INTERNATIONAL HOSTILITIES

Acts of terrorism or an outbreak of international hostilities may adversely affect the demand for MGP's products and services. This, or an associated adverse sentiment change with respect to the share markets, could have a negative impact on the value of the Company's Shares.

5.3.6 FORCE MAJEURE

Force majeure is a term used to refer to an event beyond the Company's control such as acts of God, fire, flood, earthquakes, war and strikes. To the extent that force majeure events occur, they may adversely affect the Company's ability to deliver its products and services and may even affect the Company's ability to operate. If such an event were to occur it may adversely affect the Company's financial performance which in turn may adversely affect the value and price of the Company's Shares.

6. INVESTIGATING ACCOUNTANT'S REPORT



MANAGED ACCOUNTS HOLDINGS LIMITED
THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.
IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

Board of Directors
Managed Accounts Holdings Limited
Suite 402, 8-10 Loftus Street
SYDNEY NSW 2000

21 March 2014

Dear Directors,

Level 17, 383 Kent Street
Sydney NSW 2000

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INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

Introduction

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") has been engaged by Managed Accounts Holdings Ltd ("MGP") to prepare this Investigating Accountant's Report (the "Report") on the adjusted pro forma historical and forecast financial information of MGP for inclusion in the Prospectus ("Prospectus") to be dated on or about 21 March 2014, to be issued by MGP, in respect of the listing of MGP securities on the Australian Securities Exchange (the "Offer").

Expressions defined in the Prospectus have the same meaning in this Report.

Scope

Grant Thornton Corporate Finance has been requested to prepare this Report to cover the following financial information:

Adjusted Pro Forma Historical Financial Information

The adjusted pro forma historical financial information, as set out in **Sections 4.3 and 4.6** of the Prospectus comprises:

- MGP adjusted pro forma historical consolidated statement of comprehensive income for the financial years ended 30 June 2012 and 30 June 2013, and the six months ended 31 December 2013; and
- MGP adjusted pro forma historical consolidated statement of cash flows for the financial years ended, 30 June 2012 and 30 June 2013, and the six months ended 31 December 2013.

(Hereafter, the "Adjusted Pro Forma Historical Financial Information").

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.



The Adjusted Pro Forma Historical Financial Information set out in this Section of the Prospectus has been extracted from the financial statements of MGP (formally IASH, the operating entity of the MGP group of companies), and the controlled subsidiaries (IAS and IASD) for the years ended 30 June 2012, and 30 June 2013, and the six month period ended 31 December 2013. A pro forma consolidation of the respective entities within the MGP group was performed for the Historical Period, and the relevant consolidation adjustments recorded to adjust for any intragroup transactions. The adjusted pro forma financial information also assumes the Company has been operating as a listed Company for the years ended 30 June 2012, 2013 and 6 months ended 31 December 2013, as well as excluding one off and non recurring transactions. A reconciliation of these transactions is set out in **Section 4.3.1** of the Prospectus. The financial statements for FY2012 and FY2013 were audited by Hill Rogers Spencer Steer, and the six month period ended 31 December 2013 financial statements were reviewed by the Company's auditors (Grant Thornton Audit Pty Ltd) who issued unqualified audit and review opinions respectively.

Pro forma Financial Information

The Pro Forma Financial Information, as set out in **Section 4.9** of the Prospectus comprises MGP pro forma historical consolidated statement of financial position as at 31 December 2013.

(Hereafter, the "Pro Forma Financial Information").

MGP Pro Forma Historical Consolidated Statement of Financial Position assumes completion of the proposed transactions outlined in **Section 4.10** of the Prospectus and includes the pro forma adjustments disclosed in the Prospectus (the "Pro Forma Transactions").

Forecast Financial Information

The forecast financial information, as set out in **Sections 4.3** and **4.6** of the Prospectus comprises:

- MGP forecast consolidated statement of comprehensive income for the 6 months ended 30 June 2014 and year ended 30 June 2015; and
- MGP forecast consolidated statement of cash flows for the 6 months ended 30 June 2014 and year ended 30 June 2015.

(Hereafter, the "Forecast Financial Information").

The Adjusted Pro Forma Historical Financial Information, the Pro Forma Financial Information and the Forecast Financial Information are collectively referred to as the "Financial Information".

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

**Directors Responsibility for the Financial Information**

The Directors of MGP have prepared and are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions set out in **Section 4.10** of the Prospectus, the compilation process (in the case of the Adjusted Pro Forma Historical Financial Information) and for the determination of the best estimate assumptions as set out in **Section 4.4** of the Prospectus (in the case of the Forecast Financial Information).

The director's responsibility also includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Our Responsibility on the Financial Information

Our responsibility is to express a conclusion on the Financial Information based on our review, as set out below.

Adjusted Pro Forma Historical Financial Information and Pro Forma Financial Information

We have conducted an independent review of the Adjusted Pro Forma Historical Financial Information and Pro Forma Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that:

- The Adjusted Pro Forma Historical Financial Information and Pro Forma Financial Information does not present fairly:
 - MGP adjusted pro forma historical consolidated statement of comprehensive income for the financial years ended, 30 June 2012 and 30 June 2013, and the six month financial period ended 31 December 2013;
 - MGP adjusted pro forma historical consolidated statement of cash flows for the financial years ended, 30 June 2012 and 30 June 2013, and the six month financial period ended 31 December 2013; and
 - MGP pro forma historical consolidated statement of financial position as at 31 December 2013,
- The Pro Forma Transactions do not provide a reasonable basis for the Pro Forma Financial Information;
- The Pro Forma Financial Information has not been prepared on the basis of the transactions set out in **Section 4.10** of the Prospectus; and
- The Pro Forma Financial Information does not present fairly MGP pro forma historical consolidated statement of financial position as at 31 December 2013,

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Forecast Financial Information

We have conducted an independent review of the Forecast Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that:

- The Directors' best estimate assumptions do not provide a reasonable basis for the preparation of the Forecast Financial Information;
- The Forecast Financial Information was not prepared on the basis of the best estimate assumptions;
- The Forecast Financial Information does not present fairly:
 - MGP forecast consolidated statement of comprehensive income for the 6 months ended 30 June 2014 and year ended 30 June 2015; and
 - MGP forecast consolidated statement of cash flows for the 6 months ended 30 June 2014 and year ended 30 June 2015,

in accordance with the recognition and measurement requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the best estimate assumptions as set out above had occurred at the respective dates in the Prospectus.

The Forecast Financial Information has been prepared by the Directors to provide investors with a guide to MGP potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of the Forecast Financial Information. Actual results may vary materially from this Forecast Financial Information and the variation may be materially positive or negative. Accordingly, investors should have regard to the Risk Factors set out in **Section 5** of the Prospectus and Sensitivity Analysis set out in **Section 4.5** of the Prospectus.

Our independent review of the Financial Information has been conducted in accordance with the Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information. Our procedures were based on our professional judgement and consisted of reading of relevant Board minutes, reading of relevant contracts and other legal documents, inquiries of management personnel and the directors of MGP, and analytical and other procedures applied to MGP accounting records.

These procedures do not provide all the evidence that would be required in an audit, therefore the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Financial Information.



Review Conclusion on the Financial Information

Adjusted Pro Forma Historical Financial Information and Pro Forma Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Adjusted Pro Forma Historical Financial Information and Pro Forma Financial Information does not present fairly:
 - MGP adjusted pro forma historical consolidated statement of comprehensive income for the financial years ended, 30 June 2012 and 30 June 2013 and the six month financial period ended 31 December 2013;
 - MGP adjusted pro forma historical consolidated statement of cash flows for the financial years ended, 30 June 2012 and 30 June 2013 and the six month financial period ended 31 December 2013; and
 - MGP pro forma historical consolidated statement of financial position as at 31 December 2013,
- The Pro Forma Transactions do not provide a reasonable basis for the Pro Forma Financial Information;
- The Pro Forma Financial Information has not been prepared on the basis of the transactions set out in **Section 4.10** of the Prospectus;
- The Pro Forma Financial Information does not present fairly MGP pro forma historical consolidated statement of financial position as at 31 December 2013,

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Forecast Financial Information

Based on our review of the Forecast Financial Information, which is not an audit, and based on an investigation of the reasonableness of the Directors' best estimate assumptions giving rise to the Forecast Financial Information, nothing has come to our attention which causes us to believe that:

- The Directors' best estimate assumptions do not provide a reasonable basis for the preparation of the Forecast Financial Information;
- The Forecast Financial Information was not prepared on the basis of the Director's best estimate assumptions;
- The Forecast Financial Information does not present fairly:

- MGP forecast consolidated statement of comprehensive income for the 6 months ended 30 June 2014 and year ended 30 June 2015; and
- MGP forecast consolidated statement of cash flows for the 6 months ended 30 June 2014 and year ended 30 June 2015,

in accordance with the recognition and measurement requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

The best estimate assumptions, set out in **Section 4.4** of the Prospectus, are subject to significant uncertainties and contingencies often outside the control of MGP and the Directors. If events do not occur as assumed, actual results achieved and distributions provided by MGP may vary significantly from the Forecast Financial Information. Accordingly, we do not confirm or guarantee the achievement of the Forecast Financial Information, as future events, by their very nature, are not capable of independent substantiation.

We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purposes other than the purpose for which it was prepared. This Report should be read in conjunction with the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Audit Pty Limited provides audit services to MGP, and Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Report.

Consent

Grant Thornton Corporate Finance has consented to the inclusion of this Investigating Accountants Report in the Prospectus in the form and context in which it is intended but has not authorised the issue of the Prospectus. Accordingly Grant Thornton Corporate Finance makes no representation regarding and takes no responsibility for any other statements or material omissions from the Prospectus.



Financial Services Guide

We have included our Financial Services Guide at Appendix A to this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in this report.

Yours faithfully,

GRANT THORNTON CORPORATE FINANCE PTY LTD

Neil Cooke
Partner

Matthew Leivesley
Partner – Audit & Assurance

Appendix A (Financial Services Guide)

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This Financial Services Guide is dated 21 March 2014.

1. About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Managed Accounts Holdings Limited ("MGP") to provide a report in the form of an Investigating Accountant's Report for inclusion in a Prospectus dated on or about 21 March 2014 ("the Prospectus") relating to the offer of shares in the Company ("the Offer"). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2. This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4. General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

5. Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including this report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report our fees are charged on a fixed basis. Partners, Directors or employees of Grant Thornton Corporate Finance, Grant Thornton Australia Ltd, or other associated entities, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

6. Associations with issuers of financial products

Grant Thornton Corporate Finance and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business. Grant Thornton Audit Pty Ltd is the auditor of the Company.

7. Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

8. Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

7. MATERIAL CONTRACTS AND CONSENTS



MANAGED ACCOUNTS HOLDINGS LIMITED

THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.

IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

7.1 SPONSORING BROKER AND LEAD MANAGER MANDATE

The Company entered into a mandate agreement with Novus Capital Limited ("Novus") on 29 October 2013, under which the Company appointed Novus as the exclusive Lead Manager and Sponsoring Broker to the Offer. Novus' role as the Sponsoring Broker does not include any commitment to underwrite the Offer or any part of it. Novus will determine the allocation of Shares. Further, Novus will determine and pay any brokerage rebates and handling fees.

Fees and expenses

As consideration for its services as Lead Manager and Sponsoring Broker, Novus will receive on successful completion of the Offer and listing:

- a) a brokerage fee of 5.0% of total funds raised pursuant to the Offer (plus GST)
- b) a management fee of 1.0% on the total funds raised pursuant to the Offer (plus GST); and
- c) a financial advisory fee of \$75,000 and
- d) 1,000,000 unlisted options over Shares, exercisable at \$0.20. The options vest immediately and expire on 21 March 2015 (or on the date the ASX determines they are no longer restricted securities) and are unlisted. (please note, these options will be treated as restricted securities under the Listing Rules).

In addition, the Company is paying Novus a monthly retainer of \$7,500 per month, capped at a total of \$75,000 – this retainer is deductible against the financial advisory fee. Further, MGP has agreed to reimburse Novus for certain agreed costs and expenses incurred by Novus in relation to the Offer.

Indemnity

Subject to certain exclusions relating to, among other things, any bad faith or unlawful conduct of an indemnified party, MGP agrees to keep Novus and certain affiliated parties indemnified from losses suffered in connection with the Offer.

Termination

Either MGP or Novus may terminate the mandate agreement any time by giving notice to the other party.

If Novus terminates the mandate agreement, it will be entitled to payment of all fees and expenses that have accrued to date. If MGP terminates the mandate agreement, the Company must pay Novus a \$50,000 break fee in addition to paying all outstanding invoiced fees and expenses.

7.2 CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT

The terms of Mr David Heather employment as the Chief Executive Officer of MGP is set out in an Executive Employment Agreement dated 2 December 2013.

Remuneration

Mr Heather receives an annual fixed remuneration of \$205,949.65 plus 9.25% superannuation (\$19,050.35). Prior to 1 July 2014, MGP and Mr Heather will discuss Mr Heather's right to participate in the Company's Employee Share Option Plan (ESOP) which could entitle Mr Heather to the payment of a bonus and/or allocation of options depending on the achievement of agreed performance objectives. Note, the Board has not yet adopted an ESOP.

Termination

Either Mr Heather or MGP may terminate the employment by giving 3 months notice. On such termination, Mr Heather will be entitled to payment for remuneration and leave entitlements accrued up to the date of the termination plus payment of remuneration and leave entitlements for a further three months.

MGP can terminate the employment at any time without giving notice in certain circumstances, including if Mr Heather engages in any serious misconduct, acts in any way which injures the reputation of MGP or is declared bankrupt.

7.3 CUSTODY AGREEMENT

MGP, as the Managed Account operator, is the custodian of the assets held in the Managed Accounts. MGP appointed HSBC Limited (ABN 11 005 357 522) (Custodian) as its agent to act as the sub-custodian of these assets pursuant to a Custody Agreement dated 30 September 2009. The services provided by the Custodian include holding the assets transferred or delivered to it by MGP as trustee and keeping records of these assets.

The Custodian acts on instructions given by MGP (given in a prescribed manner). However the Custodian is not required to act on any instructions which in the reasonable opinion of the Custodian, is incomplete, ambiguous, contrary to the law or may expose the Custodian to personal loss or liability.

The Custodian may appoint a sub-custodian to perform any of the Custodian's duties.

Fees

The monthly fee paid to the Custodian will be a percentage of the value of the assets held by the Custodian under the Custody Agreement at the end of a month. Further, MGP will pay the Custodian for all out of pocket costs and expenses incurred by the Custodian in providing the services. The Custodian is responsible for any fees paid to any sub-custodian it appoints.

Indemnity

MGP indemnifies the Custodian, its directors, employees and agents against all loss incurred in connection with the performance by the Custodian of the services under the Custody Agreement (including acts and omissions in accordance with instructions from MGP) and any breach by MGP of its obligations under the Custody Agreement, except to the extent that such a claim arises from any fraud, negligence or wilful misconduct of the indemnified entity or person.

Lien

The Custodian will have a lien over the assets it holds under the Custody Agreement for the value of any amount due to the Custodian for expenses incurred by the Custodian in providing the services, any liability incurred by the Custodian in providing the Services (other than liability incurred by the Custodian's own negligence) and any cash advances provided to MGP.

Termination

Either party may terminate with 120 days' notice to the other party. Further, a party may terminate the Custody Agreement without notice if the other party breaches the Custody Agreement and does not remedy the default within 14 business days of being notified of the breach, or if the other party becomes insolvent.

7.4 SOFTWARE SUPPLY AGREEMENT

MGP licenses certain software which forms part of its technology platform from SS&C Technologies Australia Limited (ACN 092 877 882) (Technology Provider) pursuant to a Master Agreement dated on 25 November 2004 as amended by Amending Agreement dated 18 May 2012. The Technology Provider provides MGP with the software and software maintenance and support services. MGP pays the Technology Provider a monthly fee based on the value of MGP's funds under administration.

Warranties

The Technology Provider warrants that it has the intellectual property rights in the software and the services, it will use best efforts to ensure the software do not contain any virus, worm or time bomb, and that its employees are appropriately trained and skilled to perform the implementation and development services. The Technology Provider does not make any other warranties about the software.

Term and termination

The Master Agreement continues until 1 May 2015, following which the Master Agreement will automatically renew each year for a one year period until the Master Agreement is terminated. Following 1 May 2015, either party may terminate the Master Agreement with 60 days' notice to the other party. Further, the Master Agreement may be terminated at any time by a party if the other party breaches the certain provisions of the Master Agreement, materially or repeatedly defaults in its performance of the Master Agreement and does not remedy the default within 30 days being notified of the default, or becomes insolvent.

7.5 VOLUNTARY ESCROW

Existing Shareholders who are Directors or Employees have entered into voluntary escrow deeds with the Company in respect of 79,300,105 Shares. Pursuant to these deeds they have voluntarily agreed not to sell, transfer or otherwise dispose of their interests in those Shares for a period of 12 months from quotation of the Shares on ASX ("Escrow Period").

The voluntary escrow deeds provide that the Company may apply holding locks in respect of the CHESS holdings of the escrowed Shares for the duration of the Escrow Period in order to prevent the disposal of the escrowed Shares.

7.6 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into Deeds of Access, Indemnity and Insurance with each Director which confirm each person's right of access to certain books and records of the Company for a period of seven years after the Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven years expires. The Deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Pursuant to the Deeds of Access, Indemnity and Insurance, the Company shall arrange and maintain Directors' and Officers' Insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven years expires.

The Deeds of Access, Indemnity and Insurance are otherwise on terms and conditions considered standard for agreements of this nature in Australia.

7.7 CONSENTS

The following written consents have been given in accordance with the Corporations Act with respect to the issue of this Prospectus in both paper and electronic form:

Grant Thornton Audit Pty Limited has given their written consent to be named as the Company's Auditor. Grant Thornton Audit Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

Grant Thornton Corporate Finance Pty Ltd has given their written consent to the inclusion in Section 6 of this Prospectus their Investigating Accountant's Report and to all statements referring to this report in the form and context in which they appear and have not withdrawn such consent before lodgement of this Prospectus with ASIC.

Novus Capital Limited has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Corporate Advisor and Sponsoring Broker in the form and context in which it is included, together with all references to it in this Prospectus. Novus Capital Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than any references to it.

Registry Direct has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named, together with all references to it in this Prospectus. Registry Direct has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry. Registry Direct has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

8. ADDITIONAL INFORMATION



MANAGED ACCOUNTS HOLDINGS LIMITED

THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.

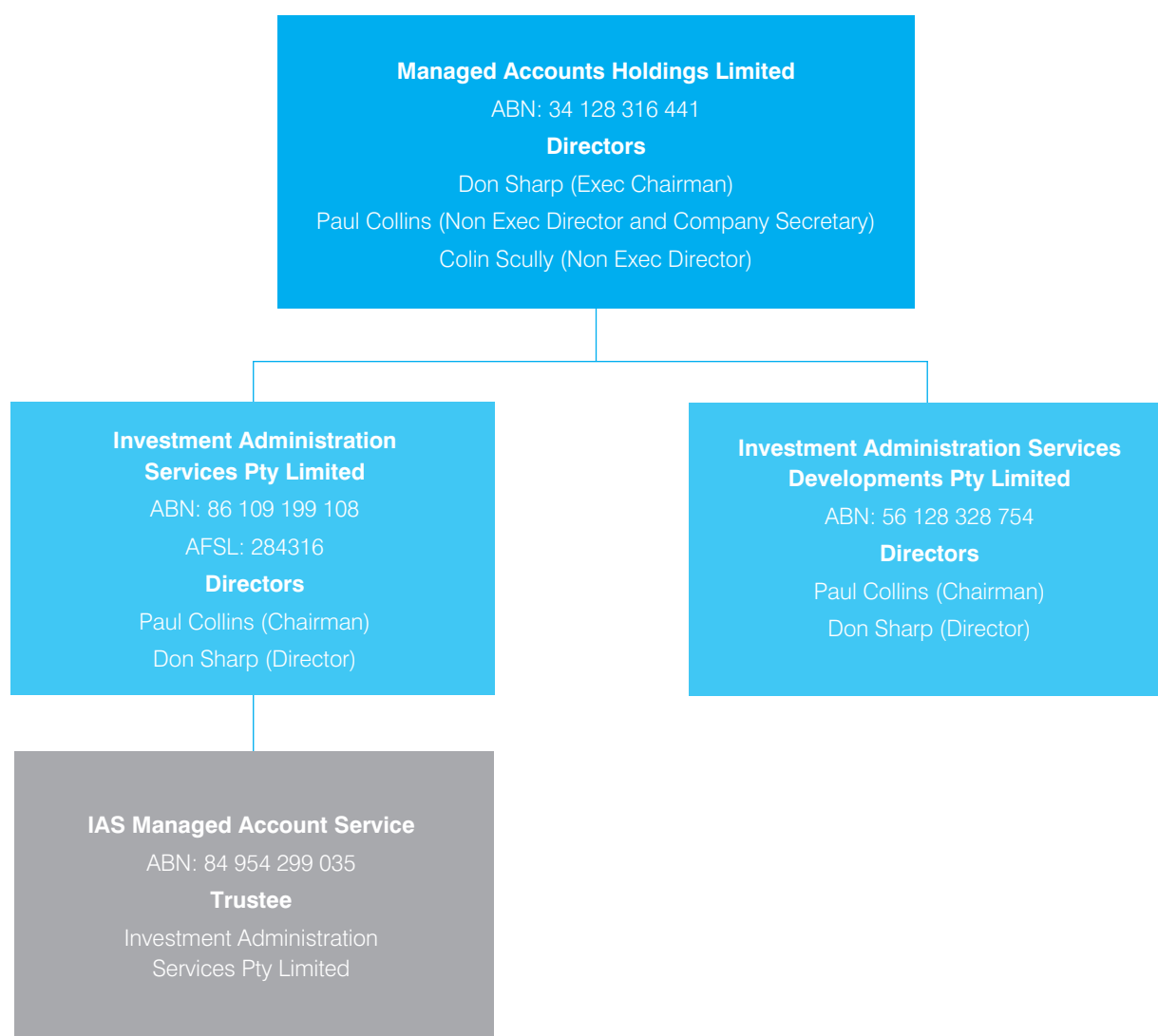
IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

8.1 COMPANY INFORMATION

Managed Accounts Holdings Limited ACN 128 316 441

The MGP Group started with the incorporation of Model Portfolios Pty Ltd in 2004. It then changed its name to Investment Administration Services Pty Ltd in 2006 which still holds MGP's Australian Financial Services Licence.

Investment Administration Services Holdings Ltd was incorporated on 5 November 2007. This company was recently renamed Managed Accounts Holdings Limited to better reflect the company's core operations. The Company is the parent company of Investment Administration Services Pty Ltd (the MDA operator and holder of the AFSL) and Investment Administration Services Development Pty Ltd (in which the Group's Information Technology is developed and maintained) both of which are wholly-owned. Together, these companies make up the Group, which conducts the Business.



8.2 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request from the Share Registry at 1300 55 66 35.

Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with Existing Shares.

Voting Rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

Dividend Rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

Variation of Rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

General Meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

Rights on Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

- Divide among the shareholders the whole or any part of the Company's property; and
- Decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

8.3 INTERESTS OF DIRECTORS AND CEO

Other than as set out below or elsewhere in this Prospectus no Director has or has had, within two years before lodgement of this Prospectus with ASIC:

- any interest in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or in the Offer; and
- no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director, either to induce him to become, or to qualify him as a Director, or otherwise, for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Shareholding Qualifications

The Directors and CEO are not required to hold any Shares under the Constitution of the Company.

Directors' and CEO Security Holdings

Set out in the table below are details of the Directors' and CEO interests in the Shares of the Company as at the date of this Prospectus.

DIRECTORS' AND CEO SECURITY HOLDINGS

Interests of the Directors and CEO

And their related parties	Number of Shares	% of Existing Shares	% of Pro Forma Shares*
Mr Colin Scully	24,870,822	20.69%	17.13%
Mr Don Sharp	24,870,822	20.69%	17.13%
Mr Paul Collins	23,479,888	19.53%	16.17%
Mr David Heather	4,250,001	3.54%	2.93%
TOTAL	77,471,533	64.45%	53.36%

* Based on Full Subscription

Directors Remuneration

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Directors prior to the first annual general meeting. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase shall have been given to Shareholders in the notice convening the meeting. The total aggregate Director Fees, as agreed by existing Shareholder prior to this Offer, is \$180,000 and as a guideline, non executive director's fees will be \$50,000 per annum for the Chairman and \$30,000 per annum for the other non-executive directors.

For the period 1 July 2013 to 31 January 2014, Mr Don Sharp's private company acted as a consultant to the Company and was remunerated a total of \$60,000.

In February 2014 the Board resolved to remunerate the Executive Chairman an annual amount of \$84,937.50 (inclusive of compulsory Superannuation) and each of the non executive Directors an annual amount of \$1. This will be reviewed by the Board, should the Board appoint one or more independent non executive Directors.

8.4 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in the Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, within two years before lodgement of the Prospectus with ASIC:

- any interest in the formation or promotion of the Company; or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or in the Offer; and
- not received any amounts or benefits or has not agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offer.

Gadens Lawyers acted as legal adviser as to Australian Law. Total fees payable to Gadens Lawyers for work done in relation to this Prospectus and other matters are approximately \$78,000.

Novus Capital Limited has acted as Corporate Advisor and Sponsoring Broker to the Issue. Total fees and commissions payable to Novus Capital Limited in relation to the Prospectus are approximately up to \$300,000 and a financial advisory fee of \$75,000.

Grant Thornton Corporate Finance Pty Ltd has prepared the Investigating Accountant's Report which is included as part of this Prospectus. Total fees payable to Grant Thornton Corporate Finance Pty Ltd for work done in relation to this Prospectus are approximately \$67,500.

8.5 EXPENSES OF THE OFFER

The total expenses of the Offer are expected to be applied towards the items set out in the table below (exclusive of GST):

Item of Expenditure	Full Subscription	Minimum Subscription
	\$5,000,000	\$2,000,000
ASX/ ASIC fees	\$78,000	\$75,000
Sponsoring Broker fees and commissions	\$300,000	\$120,000
Adviser fees (financial advisory, accounting and legal)	\$220,000	\$220,000
Printing, and design	\$30,000	\$30,000
Marketing and promotions and other	\$37,000	\$35,000
TOTAL	\$665,000	\$480,000

8.6 ELECTRONIC PROSPECTUS

Pursuant to ASIC RG 107 the distribution of an electronic prospectus and electronic application form is allowed on the basis that it is:

- (a) is identical in format and content to the disclosure document lodged with ASIC—for example, where the electronic disclosure document is merely a scanned copy of the paper disclosure document lodged with ASIC, saved or stored in portable document format (PDF); or
- (b) contains the same information in the same sequence and with the same prominence, as the lodged disclosure document, with the exception of modifications that are immaterial and reflect necessary adjustments or increased functionality when using different electronic media – for example, modifications to enable the electronic document to be accessed and displayed in html format or on a web-based platform.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Sponsoring Broker on (02) 9375 0104. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.managedaccounts.com.au or the Sponsoring Broker's website www.novuscapital.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.7 LITIGATION

To the Directors knowledge there is no material litigation against the Company or initiated by the Company as at the date of this Prospectus.

8.8 TAXATION

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

8.9 FOREIGN SELLING RESTRICTIONS

No action has been taken to register or qualify Shares that are subject to the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

8.10 SUBSTANTIAL HOLDERS

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus (and their post offer/ shareholdings) are set out in the table below.

On completion of the Offer and assuming that no existing substantial Shareholders subscribe and receive additional Shares pursuant to the Offer:

Minimum Subscription		
Shareholder	Shares	%
Entities controlled by Mr Colin Scully	24,870,882	19.10%
Entities controlled by Mr Don Sharp	24,870,882	19.10%
Entities controlled Mr Paul Collins	23,479,888	18.03%
Argo Investments Limited	12,500,000	9.60%
Full Subscription		
Shareholder	Shares	%
Entities controlled by Mr Colin Scully	24,870,882	17.13%
Entities controlled by Mr Don Sharp	24,870,882	17.13%
Entities controlled by Mr Paul Collins	23,479,888	16.17%
Argo Investments Limited	12,500,000	8.61%

The Company will announce to ASX details of its top 20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

9. DIRECTOR'S DECLARATION

The Replacement Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive. With respect to any statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements.

The Replacement Prospectus is prepared on the basis that certain matters may be reasonably expected to be known by likely investors or their professional advisers.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Managed Accounts Holdings Limited.



Mr Don Sharp
Executive Chairman
4 April 2014

Managed Accounts Holdings Limited | ACN 128 316 441

Suite 402, Level 4, 8-10 Loftus Street, Sydney NSW 2000 | PO Box R1197 Royal Exchange NSW 1225

t: 1800 446 971 | f: +61 2 8221 9849 | w: managedaccounts.com.au

MANAGED ACCOUNTS HOLDINGS LIMITED 69

THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.

IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

10. GLOSSARY

Annualised means a value for a given period that is less than one year, but that is computed as if the rate were for a full year.

Applicants means persons to whom an Offer is made under this Prospectus and who apply for Shares under the Offer.

Application Monies means the amount of money in dollars and cents payable for Shares at 20 cents per Share pursuant to this Prospectus.

Application Form means the application form attached to, and forming part of this Prospectus.

AEST means Eastern Standard Time in Australia.

AFS means Australian Financial Services

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as the context requires.

Listing Rules means the listing rules of ASX.

Board means the board of directors of the Company.

Cash Formula means an ASX formula for calculating the number of Shares to be restricted from trading based on the Share price paid by the holder of the Shares compared to the Offer price

CHESS means Clearing House Electronic Sub-register System operated in accordance with the Listing Rules and the ASX Settlement and Transfer Corporation Pty Ltd (ACN 008504532).

Closing Date means the date by which the Application Forms must be lodged for the Offer, as set out in the "KEY INFORMATION AND INVESTMENT OVERVIEW" section of this Prospectus (subject to the Closing Date being varied by the Company).

Company means Managed Accounts Holdings Limited (ACN 128 316 441).

Corporations Act means the Corporations Act 2001.

CP200 means ASIC Consultation Paper 200 (Managed discretionary accounts: Update to RG 179)

Directors means the directors of the Company

EBITDA means Earnings before Interest Tax and Depreciation and Amortisation

Existing Shares means the ordinary Shares in the Company on issue as at the date of this Prospectus.

Financial Year (or FY) means a period of 12 months ending on 30 June.

FoFA means Future of Financial Advice

FUA means Funds under Administration

Full Subscription means the maximum subscription amount of \$5,000,000 by the issue of 25,000,000 Shares at 20 cents each pursuant to this Prospectus.

Group means the Company and the Subsidiaries and Group Company means any of them.

GS007 means GUIDANCE STATEMENT GS 007 (Audit Implications of the Use of Service Organisations for Investment Management Services) issued by Auditing and Assurance Standards Board (AUASB)

HSBC means HSBC Limited (ABN 11 005 357 522)

IAS means Investment Administration Services Pty Ltd ACN 109 199 108 a wholly subsidiary of Managed Accounts Holdings Ltd

IASD means Investment Administration Services Developments Pty Ltd ACN 128 328 754 a wholly subsidiary of Managed Accounts Holdings Ltd

IASH means Investment Administration Services Holdings Limited (the name of the holding company before the name change to Managed Accounts Holdings Limited)

IP means Intellectual Property

IT means Information Technology

IMA means Independently Managed Account

Issue means the issue of Shares in accordance with the Offer.

Lead Manager see Sponsoring Broker

Licencee means the holder of an Australian Financial Services Licence

Listing means the securities of the company are listed on the ASX

Listing Rules means the official listing rules of ASX.

MGP means the proposed ASX code for the company Managed Accounts Holdings Limited

Minimum Subscription means the minimum subscription amount of \$2,000,000 by the issue of 10,000,000 Shares at 20 cents each pursuant to this Prospectus.

MDA means Managed Discretionary Account

NPAT means Net Profit After Tax

NPBT means Net Profit Before Tax

NTA means Net Tangible Assets

Offer means the offer of Shares pursuant to this Prospectus.

Offer Price means 20 cents per Share.

Official List means the official list of ASX.

Opening Date means the opening date of the Offer as set out in the "KEY INFORMATION AND INVESTMENT OVERVIEW" section of this prospectus.

Pari-passu means having equal rights of payment, or equal seniority

Platform see WRAP

Prospectus or Replacement

Prospectus means this document which replaces the prospectus dated 21 March 2014 issued by the Company

Shareholder means a holder of Shares.

Share Registry means Registry Direct ABN 35 160 181 840

SMA means Separately Managed Account

SMSF means self managed superannuation fund

Sponsoring Broker means Novus Capital Limited (AFSL: 238168) the licensed company which manages, for a fee, the listing process of MGP

RITC means Reduced Income Tax Credit

UMA means Unified Managed Account

WRAP means a service that allows you to 'wrap' your investments into one package or portfolio of investments.



**OFFER
CLOSES
5:00PM
2 May 2014**

Broker Reference – Stamp Only

APPLICATION FORM

Fill out this Application form if you wish to apply for Shares in Managed Accounts Holdings Limited

- Please read the Replacement Prospectus dated 4 April 2014.
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using **BLACK** or **BLUE** pen.

Broker Code

Advisor Code

A Number of shares you are applying for

x \$0.20 per share =

B Total amount payable

Minimum of 10,000 Shares to be applied for, and thereafter in multiples of 1,000 Shares

C Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

X

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque	Cheque No.	BSB No.	Account No.	Cheque Amount A\$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

H Contact telephone number (daytime/work/mobile)

Email address

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Managed Accounts Holdings Limited (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

MANAGED ACCOUNTS HOLDINGS LIMITED

THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.

IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.

Guide to the Application Form

YOU SHOULD READ THE REPLACEMENT PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than **10,000 shares** and then in multiples of **1,000 shares**. Multiply by **\$0.20** AUD to calculate the total for Shares and enter the **\$amount** at B.
- B. Write your **full name**. Initials are not acceptable for first names.
- C. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- E. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- F. Complete cheque details as requested. Make your cheque payable to Managed Accounts Holdings Ltd – Trust Account, cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- G. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- H. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:

Managed Accounts Holding Limited
C/- Registry Direct
PO Box 18366
Collins Street East
Melbourne VIC 8003

Delivery address:

Managed Accounts Holding Limited
C/- Registry Direct
Level 2 Professional Chambers
120 Collins Street
Melbourne VIC 3000

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Registry Direct on 1300 55 66 35.

Privacy Statement:

Registry Direct advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.registrydirect.com.au/privacy>).

MANAGED ACCOUNTS HOLDINGS LIMITED

THIS IS A REPLACEMENT PROSPECTUS DATED 4 APRIL 2014.

IT REPLACES A PROSPECTUS DATED 21 MARCH 2014 RELATING TO SHARES OF MANAGED ACCOUNTS HOLDINGS LIMITED.



**OFFER
CLOSES
5:00PM
2 May 2014**

Broker Reference – Stamp Only

APPLICATION FORM

Fill out this Application form if you wish to apply for Shares in Managed Accounts Holdings Limited

- Please read the Replacement Prospectus dated 4 April 2014.
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using **BLACK** or **BLUE** pen.

Broker Code

Advisor Code

A Number of shares you are applying for

x \$0.20 per share =

B Total amount payable

Minimum of 10,000 Shares to be applied for, and thereafter in multiples of 1,000 Shares

C Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

X

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque	Cheque No.	BSB No.	Account No.	Cheque Amount A\$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

H Contact telephone number (daytime/work/mobile)

Email address

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Managed Accounts Holdings Limited (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

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Guide to the Application Form

YOU SHOULD READ THE REPLACEMENT PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than **10,000 shares** and then in multiples of **1,000 shares**. Multiply by **\$0.20 AUD** to calculate the total for Shares and enter the **\$amount** at B.
- B. Write your **full name**. Initials are not acceptable for first names.
- C. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
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CORPORATE DIRECTORY

DIRECTORS

Mr Don Sharp (Executive Chairman)
Mr Colin Scully (Non-Executive Director)
Mr Paul Collins (Non Executive Director)

JOINT COMPANY SECRETARY

Mr. Don Sharp and Mr Paul Collins

REGISTERED OFFICE

Level 4
8-10 Loftus Street
Sydney, NSW 2000

PRINCIPAL PLACE OF BUSINESS

Level 4
8-10 Loftus Street
Sydney, NSW 2000

CORPORATE ADVISOR

Novus Capital Limited
Level 24 Royal Exchange Building
56 Pitt Street
Sydney NSW 2000

SPONSORING BROKER

Novus Capital Limited
Level 24 Royal Exchange Building
56 Pitt Street
Sydney NSW 2000

SHARE REGISTRY

Registry Direct
Level 2 Professional Chambers
120 Collins Street
Melbourne VIC 3000

AUDITORS

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000

INVESTIGATING ACCOUNTANTS

Grant Thornton Corporate Finance Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000

LEGAL ADVISERS

Gadens Lawyers
Level 16
77 Castlereagh Street
Sydney NSW 2000

CUSTODIAN

HSBC Bank Australia Limited
580 George Street
Sydney NSW 2000

INVESTOR RELATIONS ADVISER

Finance News Network Pty Ltd
Level 24 Royal Exchange Building
56 Pitt Street
Sydney NSW 2000

WEBSITE

www.managedaccounts.com.au

PROPOSED ASX CODE

MGP



MANAGED ACCOUNTS HOLDINGS LIMITED
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Managed Accounts Holdings Limited
ACN 128 316 441
PO Box R1197 Royal Exchange NSW 1225
Suite 402, 8 – 10 Loftus Street, Sydney NSW 2000
Phone: 1800 446 971
Fax: (02) 8221 9849
Website: www.managedaccounts.com.au

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