

Pre Quotation Disclosure

23 June 2014

1. Managed Accounts Holdings Limited Initial Public Offer

Managed Accounts Holdings Limited (“**Managed Accounts**” or “**the Company**”) has successfully completed its initial public offer (“**Offer**”). The Offer comprised an offer of fully paid ordinary shares in the capital of Managed Accounts (“**Shares**”) under the terms of its replacement prospectus dated 4 April 2014 as varied by the supplementary prospectus dated 28 April 2014 (together the “**Prospectus**”).

2. Allotment of Shares

Valid applications under the Offer have been accepted and Shares under the Offer were allotted by Managed Accounts on Thursday 12 June 2014. Managed Accounts is pleased to confirm 14,963,000 fully paid ordinary shares were allotted under the Offer at an issue price of \$0.20 per Share.

Initial holding statements were despatched to successful applicants under the Offer by Managed Accounts on Thursday 12 June 2014.

3. Twenty Largest Shareholders

A statement setting out the names of the 20 largest shareholders of Ordinary Shares and the number and percentage of shares held by those holders is set out below.

Name	Units	%
PARMMS ENTERPRISES PTY LTD <PARMMS INVESTMENT UNIT TRUST>	21,289,372	15.75%
DONALD FINANCIAL ENTERPRISES PTY LTD <THE ELYSUM TRUST A/C>	18,093,389	13.385%
VALEBARK PTY LTD <THE SCULLY INVESTMENT TRUST>	18,093,389	13.385%
ARGO INVESTMENTS LIMITED	12,500,000	9.247%
STARMAY SUPERANNUATION PTY LTD <STARMAY SFUND DON SHARP PENSION AC>	6,777,433	5.014%
STARMAY SUPERANNUATION PTY LTD <STARMAY SFUND COLIN SCULLY AC>	6,777,433	5.014%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,419,999	4.749%
SANCTUARY ENTERPRISES PTY LTD <THOMAS FAMILY TRUST A/C>	5,714,286	4.227%
MR DAVID ALAN HEATHER	2,857,143	2.114%
PARMMS ENTERPRISES PTY LTD <COLLINS FAMILY SFUND A/C>	2,190,516	1.621%
STONEMAGIC PTY LTD	2,000,000	1.480%
MR PAUL LA MACCHIA	1,828,572	1.353%
CHIFLEY PORTFOLIOS PTY LTD <DAVID HANNON RET FUND A/C>	1,466,666	1.085%
MR DAVID ALAN HEATHER + MRS PANAYOTA HEATHER <HEATHER SUPER FUND>	1,392,858	1.03%
NATIONAL NOMINEES LIMITED	1,250,000	0.925%
CITICORP NOMINEES PTY LIMITED	1,250,000	0.925%
TORRES INDUSTRIES PTY LIMITED	950,000	0.703%
BAHRAIN INVESTMENTS PTY LTD <BAHRAIN INVESTMENTS A/C>	875,000	0.647%
MR PETER WISEMAN	857,143	0.634%
EARGLOW PTY LIMITED <BOORNE SUPER FUND A/C>	833,400	0.617%

Total Capital of Top 20 113,416,599 83.905%

Total Issued Capital 135,172,711

4. Distribution schedule of range of Shareholders

A distribution schedule of the number of shareholders of Shares is set out below:

Holding balance ranges	Holdings	Total Units	%
1 - 1,000	0		0
1,001 - 5,000	0		0
5,001 - 10,000	167	1,670,000	1.23%
10,001 - 100,000	151	7,279,747	5.39%
100,001 and over	96	126,222,964	93.38%
Total	414	135,172,711	100.00%

5. Updated statement of commitments

An updated statement of commitments based on the actual amount of funds raised under the Prospectus and as a result of discussions with ASX re Listing Rule 1.3.2(b) is set out below:

As detailed in the prospectus, the main use of funds was to increase the company's prudential capital to \$5m in order for it to comply with a proposed increase by ASIC of MDA operators' surplus assets licence condition.

As at 30 April 2014, the AFS Licence holder within the Managed Accounts group, Investment Administration Services Pty Ltd ("IAS") had loans to the holding company (Managed Accounts) of \$1.3million and another loan of \$3.1million to Managed Accounts other subsidiary Investment Administration Services Developments Pty Ltd ("IASD"). These loans are considered Excluded Assets by ASIC and therefore not included as current assets for calculating the prudential surplus.

Managed Accounts therefore proposes to use the funds raised under the Offer and existing cash to meet its Listing Rule 1.3.2(b) requirement by increasing the issued capital of IAS by \$400,000 via a share issue to MGP. Managed Accounts will undertake to repay the loans to IAS and issue further shares in IAS when Managed Accounts shares are officially quoted on the ASX. Once this occurs, the cash position of MGP and IAS will be:

	('000)	('000)
As per Managed Accounts Prospectus for Minimum Subscription (p41)		5,672
Additional capital raised above Minimum		<u>1,000</u>
Total		6,672
Less Issue Costs of Additional Capital		<u>60</u>
Total		6,612

Less Payments to IAS	
By MGP	1,300
By IASD	<u>3,100</u>
	4,400
Add value of shares issued by IAS to MGP	<u>400</u>
Total Value of shares issue by IAS to MGP	<u>4,800</u>
Cash remaining in Managed Accounts	<u>1,812</u>

Note: IAS will then have surplus current assets less current liabilities of \$5million.

Working Capital MGP & IASD

Cash as Above	1,812
Debtors	101
	<u>1,913</u>
Less Creditors	332
Total working capital	<u>1,581</u>

Notes:

- None of the above changes will have any effect on the Group's consolidated results or the forecasts in the Prospectus; and
- IAS must at all times comply with ASIC's requirements in regard to surplus Assets.

6. Updated pro-forma statement of financial position

Managed Accounts has issued 14,963,000 Shares under its Offer which raised \$2,992,600. This involved additional capital expenditure of approximately \$60,000 over the estimated capital expenditure for the minimum subscription under the Prospectus ("Minimum Subscription"). Therefore, an updated pro-forma statement of financial position of Managed Accounts based on the actual amount of funds raised under the Prospectus is:

Balance Sheet:

\$'000 As at 31 December 2013	Reviewed as at 31 December 2013	Updated Pro forma based on actual funds raised under Prospectus
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,166	6,610
Trade and other receivables	1,060	1,105
Other assets	125	95
TOTAL CURRENT ASSETS	5,351	7,810
NON CURRENT ASSETS		
Plant and equipment	11	11
Deferred tax assets	1,194	1,194
TOTAL NON CURRENT ASSETS	1,205	1,205
TOTAL ASSETS	6,556	9,015
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,396	1,396
Other liabilities	1	1
TOTAL CURRENT LIABILITIES	1,397	1,397
TOTAL LIABILITIES	1,397	1,397
NET ASSETS	5,159	7,618
EQUITY		
Issued capital	9,739	12,600
Retained losses	(4,580)	(4,982)
TOTAL EQUITY	5,159	7,618

7. Escrow

The following shareholders have now entered into ASX mandatory restriction agreements with Managed Accounts under which they are restricted from dealing with the following number of Shares for 24 months after the date of official quotation of the Shares on terms as per the standard ASX mandatory restriction agreement.

Holder	Fully Paid Ordinary Shares
Parmms Enterprises Pty Ltd <Parmms Investment Trust A/C>	16,611,728
Parmms Enterprises Pty Ltd <Collins Family Sfund A/C>	1,139,242
Starmay Superannuation Pty Ltd <Starmay SFund Don Sharp Pension AC>	2,710,973
Starmay Superannuation Pty Ltd <Starmay SFund Colin Scully AC>	2,710,973
Donald Financial Enterprises Pty Ltd <The Elysum Trust A/C>	15,032,827
Valebark Pty Ltd <The Scully Investment Trust>	15,032,827
Mr David Alan Heather + Mrs Panayota Heather(Heather Super Fund>	1,145,715
Mr David Alan Heather	2,614,286
Total	56,998,571

Further to the above, those entities have also entered into voluntary escrow agreements with Managed Accounts for the additional Shares identified below. The period of voluntary escrow is 12 months after the listing of Managed Accounts. The voluntary escrow agreements have been changed from what was disclosed in the Prospectus so they cover only those Shares that are not subject to ASX mandatory restriction agreements.

Holder	Fully Paid Ordinary Shares
Parmms Enterprises Pty Ltd <Parmms Investment Trust A/C>	4,677,644
Parmms Enterprises Pty Ltd <Collins Family Sfund A/C>	1,051,274
Starmay Superannuation Pty Ltd <Starmay SFund Don Sharp Pension AC>	4,066,460
Starmay Superannuation Pty Ltd <Starmay SFund Colin Scully AC>	4,066,460
Donald Financial Enterprises Pty Ltd <The Elysum Trust A/C>	3,060,562
Valebark Pty Ltd <The Scully Investment Trust>	3,060,562
Mr David Alan Heather + Mrs Panayota Heather<Heather Super Fund>	247,143
Mr David Alan Heather	242,857
Total	20,472,962

The following holders, as nominees of Novus Capital Limited under the terms of the Sponsoring Broker and Lead Manger Mandate as summarised in Section 7.1 of the Prospectus, have entered into ASX mandatory restriction agreements with Managed Accounts under which they are restricted from dealing with the following number of unquoted options for 24 months after the date of official quotation of the Shares of Managed Accounts on terms as per the standard ASX mandatory restriction agreement.

Holder	Unquoted options exercisable at \$0.20 expiring on the later of 21 March 2015 or 24 months from quotation of the Shares
Grosvenor Place Investments Pty Ltd	650,000
Davington Advisory Pty Ltd	350,000

As noted in the Prospectus, the following individual has entered into a voluntary escrow agreement. The period of voluntary escrow is 12 months after the listing of Managed Accounts.

Holder	Fully Paid Ordinary Shares
Mr Paul La Macchia	1,828,572

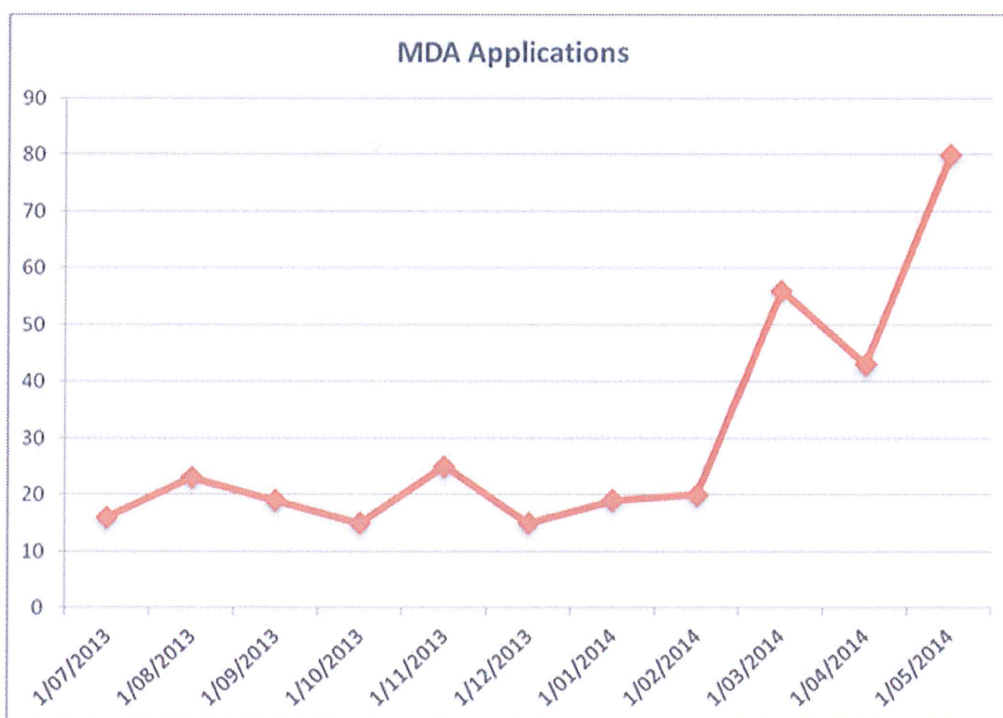
A further **56** shareholders who purchased Shares pre-Offer have entered into ASX mandatory restriction agreements with Managed Accounts for a total of **13,404,811** Shares under which they are restricted for the period of 12 months from the issue date of those Shares (being until 29 November 2014).

8. Forecast Funds Under Administration (FUA)

The Company has worked hard to promote and develop its business, and testament to this is that on Monday 26 May 2014 it broke through the milestone \$1,000,000,000 FUA barrier.

Managed Accounts firmly believes that the combination of its prominent positioning in the sector, the quality of our business model and its reputation for service to clients, along with emerging demand from the sector for Managed Accounts will lead to continuing growth and further credibility of the Company.

For the month of May 2014 Managed Accounts received a record number of applications from its client's for the Managed Discretionary Account Service ("MDA Service"), adding to the testament of continued growth. The graph below shows the growth in number of applications from 1 July 2013 for our MDA Service, highlighting the transition from new MDA Services (see point 12) and accelerated interest in the MDA Service.



9. MDA Applications

To provide a high level understanding of the steps required for a new application to be operational in our Service:

- A client signs an application form.
- Existing cash is transferred.
- Any existing securities and managed funds transfer documentation is completed in readiness for the transfer to HSBC who acts as the sub-custodian.
- The time to complete the transfer of existing securities and managed funds can range from a few days to weeks, depending on a range of external factors, mainly registry or broker turnaround times
- FUA fees are charged after cash and existing securities and managed funds are transitioned to the Service.

The Prospectus forecast highlights that for 30 June 2014 the Company will achieve \$1,043,231,000 in FUA. Based on the applications received to date, the Company has confidence that it will meet its forecast FUA at 30 June 2014 – notwithstanding any external market factors.

10. New Services

As at 31 December 2013, there were eighteen live MDA Services. In February 2014 the Company announced a further three High Net Worth (HNW) new clients commenced writing business - namely Redgum Wealth, Affinity Wealth and GPS Wealth. The Company can confirm that these three firms are on target with budgeted FUA for 30 June 2014.

In addition, an MDA Service has been recently implemented for Lonsec Stockbroking with one financial advice firm using this MDA Service to date. For a recognised brand such as Lonsec Stockbroking to select the Company to deliver their MDA Service signifies further confidence for the business.

Furthermore, the Company has executed a Memorandum of Understanding with three quality advice firms to create an MDA Service for distribution to their clients. The Company expects that it will be receiving applications and inflows from at least one of these firms prior to 30 June 2014.

11. Financial Forecasts

The Board has reviewed the profit forecast to 30 June 2014, as set out in the Prospectus. Based on the assumptions used in that forecast, the Board is confident profit for 30 June 2014 will be in line with the Prospectus forecast, except for implementation fees for new MDA Services that are billed progressively over the completion time required to build a new MDA Service. It is unlikely that the three new MDA Services will be completed by 30 June 2014 therefore impacting income for this financial year. However these implementation fees will be recognised in the next financial year's income.

12. Existing MDA Services

A number of existing firms have transitioned the majority of their clients to the MDA Service. In previous discussions with principals of these firms, there was strong willingness towards potential acquisitions of other advice businesses to further consolidate their book of business and provide a better outcome to their clients – such is the positive effect the MDA Service can deliver via scale and efficiency.

Managed Accounts has been informed by several firms that they have now acquired other books of business, which will likely result in further inflows into the MDA Service.

No allowance for client acquisitions was included in our 2014 or 2015 forecast assumptions. This should therefore bode well for the Company's forecast FUA and Revenue for the 2015 financial year.

13. ASIC Surveillance

On page 47 (5.11) of the Prospectus it was stated "The Company recently (February 2014) had an onsite surveillance visit from ASIC and provided the requested production of books and records".

Managed Accounts is pleased to report that after ASIC's review of its business model and compliance framework, there was only one issue raised i.e. obtaining written confirmation from advisory firms (recommending the MDA Service to their clients) that they have undertaken a 13 monthly review of their clients circumstances to confirm that the MDA Service is still suitable.

Managed Accounts is currently obtaining confirmation that these reviews have been undertaken via an online process. The Company has responded to ASIC and sought some clarification of whether this is acceptable and will provide further update as and when necessary.



Paul Collins
Director

