

4 E Commentary

ASX Announcement

Date of Release: 29 August 2014

Managed Accounts Holdings Limited (ASX: MGP) is pleased to announce it has exceeded its profit prospectus forecast for the year ended 30 June 2014.

Highlights

- a) Funds Under Administration ('FUA') and Adjusted Net Profit Before Tax ('NPBT') as at 30 June 2014 exceeded target forecasts set in the Prospectus;
- b) Strong cash position of over \$6.4 million
- c) The Board of MGP expects to exceed its 2015 FUA forecast of \$1.562bn assuming normal market conditions.

In detail

The Board of MGP is pleased to announce that the Prospectus FUA and Adjusted NPBT forecasts for 30 June 2014 have both been exceeded. This represents a clear validation of MGP's strategy for its shareholders, and highlights the attractiveness of MGP's business model and service offering.

Performance Indicator	30 June 2014 Prospectus Target	30 June 2014 Results (unaudited)
FUA	\$1.043bn	\$1.053bn
Adjusted NPBT	\$410,000	\$429,241

Explanation of profit/ (loss) from ordinary activities after tax (*Appendix 4E item 2.6*)

The company exceeded its adjusted prospectus forecast NPBT of \$410,000 less an adjustment for costs assuming the company was a listed company for the full year of \$93,000 i.e. \$317,000.

The actual NPBT was \$429,241 less an adjustment for costs assuming the company was a listed company for the full year of \$93,000 i.e. \$336,241 and after adjusting for one off costs of ASX listing costs (\$408,794), FOFA expenses (\$121,759) and finance costs (\$88,636) resulted in a loss attributable to members of \$189,948.

Strong Cash Position

Our 100% owned subsidiary trading as Managed Accounts .com .au is required under our AFSL license to have surplus current assets over current liabilities of \$150,000.

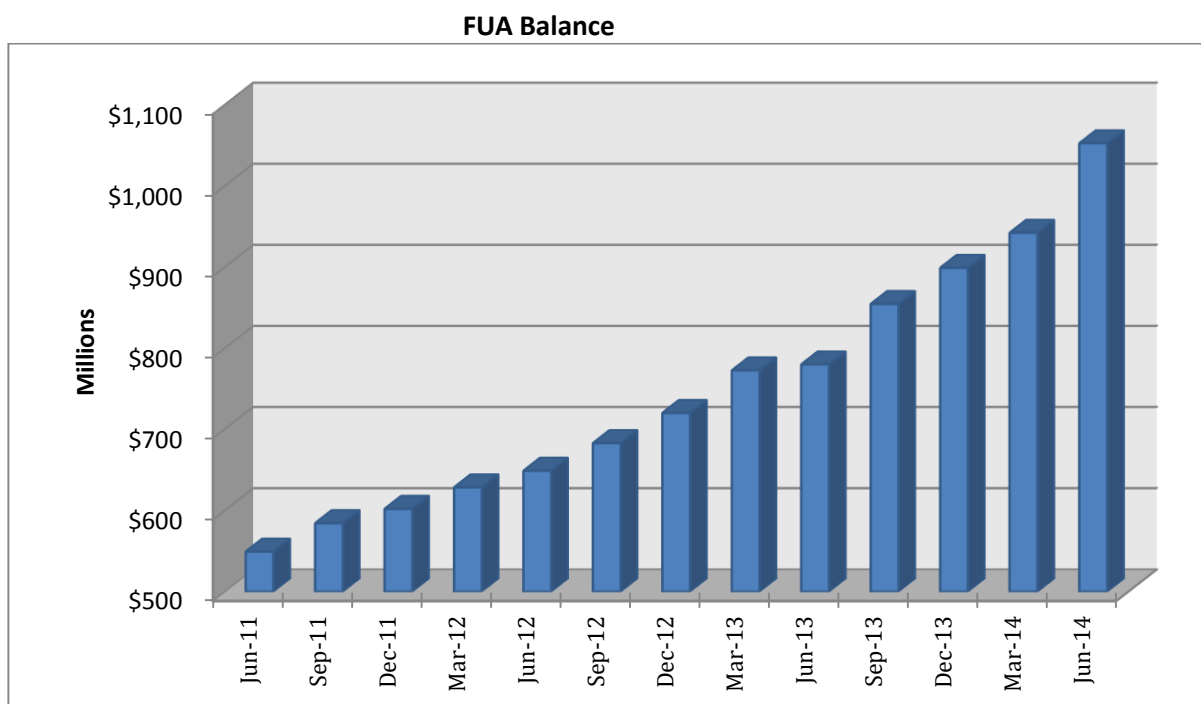
As disclosed in the MGP Prospectus (which achieved above minimum subscription), it is the Board's understanding that ASIC still remains committed to considering proposed changes to its policy on MDA's. MGP is well positioned to meet capital requirements proposed on MDA Operators, and is equally well placed to assist those MDA Operators who may be unable to meet the proposed Consultation Paper 200

Net Tangible Asset (NTA) requirements. These changes could lead to a number of the 190 MDA licensees looking to outsource to a specialist MDA Operator such as MGP.

Based on our current FUA we would be required to have surplus assets of \$5 million. However we expect that this will be phased in over a number of years.

Growth in funds under administration

The graph below highlights the strong growth in FUA over three consecutive years to 30 June 2014, with over 70% of flows emanating from Self Managed Super Funds (SMSFs).



Forecast FUA Year Ended 30 June 2015

The Board of MGP expects to exceed its 2015 FUA forecast of \$1.562bn assuming normal market conditions.

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**30 June 2014 Actual figures are based on unaudited financials*