

Announcement

OneVue Holdings Limited (ASX: OVH)
28 July 2016



Quarterly update June 2016 quarter

OneVue Momentum Continues

Key Highlights:

- Operating cashflow positive for the quarter and \$18.7m of cash at quarter end with no debt outstanding
- Record new business pipeline of opportunities for Fund Services with potential further organic growth of \$10.0m in additional annualised revenue
- Fund Services unit registry FUA up \$7.7 billion to \$409.9b with three new fund managers added
- Fund Services transactions up 120% on prior corresponding quarter and up 13.6% on the prior quarter, with \$3.1 million per annum of revenues in transition over the next 18 months
- Platform Services FUA reached a record of \$3.3b despite the negative overall market performance. Net inflows were \$101m during the quarter, and \$409m for the year, up 11.7% on prior year
- Launch of new white label 'Compass Funds' with Sentry Group who have over \$5b of funds under advice
- Launch of International SMA capability

Fund Services

Total Fund Services outsourced unit registry FUA closed at \$409.9b at the end of the quarter up \$7.7b on the previous quarter. Transactions processed in the quarter were up 13.6% on the prior quarter and 120% on the prior corresponding quarter.

Activity in the quarter was focused on delivering timely and accurate year end processing and distributions. Despite the end of the financial year lock down three new fund manager transitions were completed during the quarter including one fund manager with more than \$3b in FUA.

The Fund Services unit registry team added 213 new funds during the year and now administers over 450 funds on behalf of 22 fund managers creating the largest outsourced unit registry footprint in the market.

All about you



Contracted transitions will add \$3.1m per annum over the next 18 months and a further pipeline of fund managers, funds and revenues if secured would more than double the organic revenue number over the next 3 years.

OneVue has continued to invest in its products and services during this quarter to retain its market leadership position including FATCA ATO and AMIT regulatory reporting and build its transition support resources which are directly related to securing high probability pipeline opportunities.

The Fund Services business will benefit from the efficiencies of the new scale threshold achieved without commensurate increases in operating costs.

Platform Services

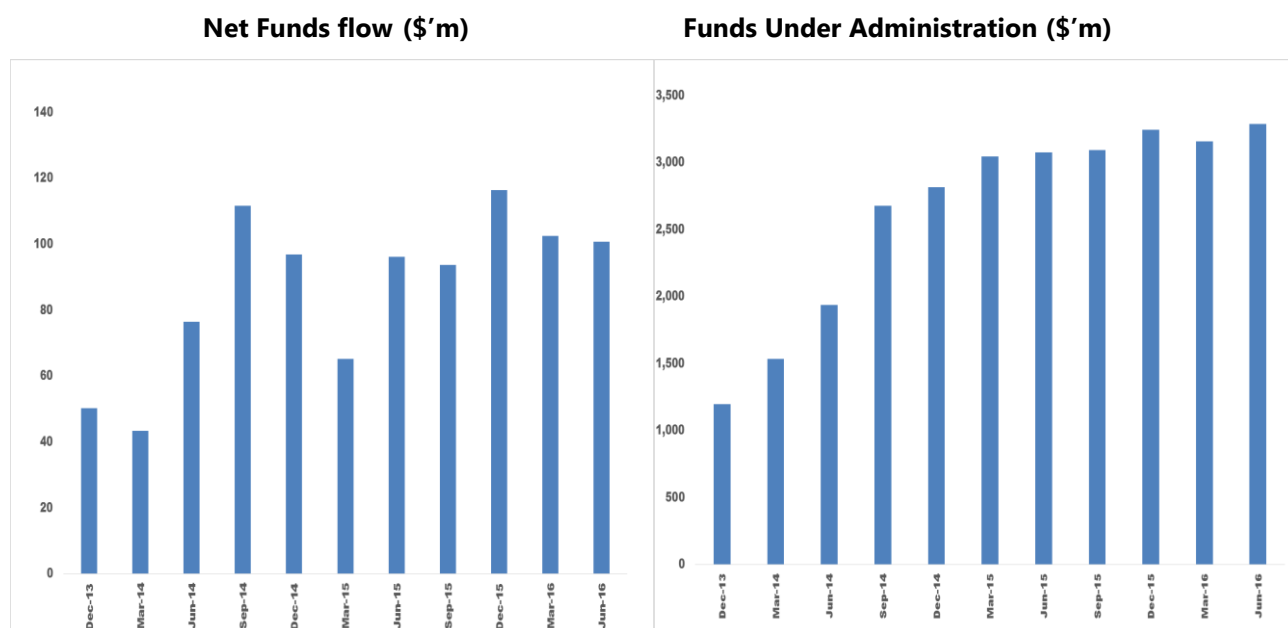
Funds Under Administration (FUA) continued to grow and closed at a record level of \$3.289b at 30 June 2016.

Growth in inflows over the year were partially offset by the \$199.7m negative impacts of the overall market decline (as evidenced by the 4.1% drop in the ASX 200)

Net inflows for the quarter were \$101m, taking the total net inflows for the twelve months to \$413m up 11.7% on the prior year.

New product initiatives and business achievements during the quarter included:

- Release of a new white label 'Compass Funds' with Sentry Group who advise on over \$5b of funds
- Launch of International SMA capability
- Launch of model of model capability, allowing the management of client portfolios across SMAs, managed funds and listed securities
- There are now 5 suites of managed fund model portfolios within the product structure of an SMA or MDA, allowing advisers to increase their back office efficiency



Appendix 4C cash flow

Cash at the end of the 30 June 2016 quarter amounted to \$18.7m (\$21.1m at 31 March 2016), with no debt outstanding (\$2.0 m at 31 March 2016).

Operating cash flows for the quarter were positive by \$208k and included:

- Receipts from customers of \$7.9m were up on the prior quarter reflecting a stronger last quarter performance, including performance fees received of \$229k, as well as the collection of prior quarter accounts receivables from new Fund Services clients totalling \$560k.
- Other working capital was up due to timing of payments.
- Once off or Non-recurring costs of \$282k which mainly relate to a restructuring of the investment management area

Investing cash outflows included \$638k for ongoing development of software and capitalisation of Fund Services major contract establishment costs. In addition there were transaction costs of \$50k paid in relation to the proposed merger with Diversa Limited which was announced on 14 June 2016.

Financing cash flows in the quarter reflect the repayment of the remaining \$2.0 million borrowing outstanding from the Super Managers Australia Pty Ltd acquisition.

Diversa Merger Update

OneVue and Diversa announced on 14 June 2016 that they had entered into a Scheme Implementation Deed (SID), under which it is proposed that OneVue will acquire all of Diversa's ordinary shares under a Scheme of Arrangement (Scheme).



The Boards of both Diversa (in the absence of a superior proposal) and OneVue have each unanimously agreed to support the transaction.

The Scheme is subject to the approval of Diversa shareholders at a Scheme meeting.

The meeting is currently anticipated to be held in late September 2016.

OneVue anticipates that the combination of the two businesses will be earnings-per-share (EPS) accretive in the first year (excluding any one off transaction and integration costs) due to the significant level of expected synergies (in the order of \$4 million per annum by the end of FY18 (excluding one-off transactions and integration costs)).

The proposed merger will bring together two highly complementary and culturally aligned businesses with a shared vision of capitalising on the growth in the superannuation services market by offering comprehensive and quality superannuation, trustee and fund administration services.

Diversa announced on 22 July 2016 that its FUTMA (Funds under trusteeship, management and administration) as at 30 June 2016 had grown to \$8.7bn, up from \$8.1bn in the previous quarter, with growth of nearly 30% over the financial year.

Diversa also advised that it expects its financial results for the year ended 30 June 2016 will exceed guidance previously issued with revenues of \$13.5 to \$14million (compared to previous guidance of \$12.5million to \$13.5million) and EBITDA expected of \$2.5million to \$3.0million (compared to previous guidance of \$2.0million to \$2.5million).

The Diversa Board also noted that it is confident that the business is in a strong position to continue its growth momentum and contribute an integral share of the revenue and earnings to the OneVue business post the proposed merger.

- Ends -

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About OneVue Holdings Limited (ASX: OVH)

OneVue Holdings Limited is an Australian listed company on the All Ordinaries Index. OneVue delivers investors true choice and control by creating digital gateways between investors and their financial community. OneVue was winner in 2014 for Best Online SMSF and winner in 2013 for SMSF Providers Premium Service. In 2015 OneVue was a finalist for SuperRatings Rising Star.

For further information, please visit: <https://www.onevue.com.au>

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