

# ASX Announcement & Media Release

## MDS Financial Group Limited

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ASX Code: MWS

## Directors

**Richard Symon**  
Executive Chairman  
**Scott Beeton**  
CEO & Managing Director  
**Marcel Collignon**  
Executive Director  
**Peter Stirling**  
Non-Executive Director  
**Jamie Khoo**  
Independent Non-Executive Director

## Secretariat

**Andrew Phillips**  
Company Secretary

3.80 billion listed shares

## MDS Financial Group Ltd to acquire Sequoia Wealth Group Pty Ltd and rebrand all MDS entities with Sequoia name

- MDS Financial Group Ltd (MDS) to acquire wealth management business Sequoia Wealth Group Pty Ltd (SWG)
- Acquisition to be made in exchange for MDS scrip
- Wealth management division will provide synergies and significant growth opportunities
- MDS to rebrand parent company as Sequoia Financial Group, operating businesses will also use Sequoia name to strengthen market awareness

MDS Financial Limited (ASX: MWS) ("MDS" or "the Company") is pleased to announce that it has signed a Non-Binding Term Sheet to acquire privately owned Sequoia Wealth Group Pty Ltd (SWG), which commenced operations in February 2014. SWG is a stand-alone business that provides specialised service and advice in the wealth management sector.

SWG is independent of its minority shareholder, Sequoia Financial Group Ltd, and currently operates in Sydney and Perth with seven investment advisers who have come from leading broking houses and advisory firms. It currently has approximately \$150 million in Funds Under Advice (FUA) and is expected to generate annualised revenue of \$1.5 million with strong EBIT.

SWG is in the process of applying for its own Australian Financial Services License (AFSL) which it expects to be granted in the second quarter of 2015. It is actively pursuing opportunities for expansion in Queensland and Melbourne, as well as organically growing its current business in Sydney and Perth, having been approached by a number of stockbrokers and advisors who wish to join the group.

The Board of MDS has taken the decision to acquire the business in an all scrip transaction to enable MDS to capitalise on SWG's next growth phase, while also increasing brokerage revenue through its wholly owned subsidiary D2MX and unlocking shareholder value.

As a result of this transaction, and following the completion of the recent acquisition of Sequoia Financial Group Ltd, the Board has also taken the decision to rebrand MDS as Sequoia Financial Group Limited, and its operating businesses will also include the Sequoia name. The MDS Board believes that the Sequoia brand has an excellent reputation and good market recognition, and that a single brand will help deliver greater opportunities and scale.

MDS Chairman, Mr Richard Symon commented: "This is a great opportunity for MDS. This acquisition builds on our strong foundations of SMSF, broking, corporate advisory and financial software, and reflects our strategy of building on these unique offerings for inter alia, financial advisers, accountants, mortgage brokers and self-directed investors. Over the medium term we intend to grow this part of the business into a much larger wealth management operation with an unrivalled suite of products and services."

4 February 2015

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"In addition to this transaction, and following the recent acquisition of SFG, we also believe that it is now appropriate to rebrand MDS and its operating businesses as Sequoia to better reflect the make-up of the combined entity. We are confident that by having one strong, well recognised and focused brand, we can achieve better market recognition and capitalise on further growth opportunities. We are very encouraged by the prospects for Sequoia and look forward to completing these initiatives and taking the next steps in our growth."

The Board of MDS will now seek shareholder approval for the acquisition of SWG, the proposed name change and rebranding, and other initiatives. The Company will soon advise shareholders of an Extraordinary General Meeting to vote on these matters, and expects this to be held in April 2015.

– Ends –

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## ABOUT MDS FINANCIAL GROUP

MDS Financial Group is a full-service corporate advisory and capital markets specialist with clients in Australia and the Asia-Pacific region. The Company is listed on the Australian Securities Exchange Ltd (ASX), and has three licensed subsidiaries. One of its licensed subsidiaries is an ASX market participant, with institutional and third-party wholesale brokerage facilities underpinned by substantial retail online trading and market data services. MDS recently completed a transaction to acquire 100% of Sequoia Financial Group, which delivers financial products and services to self-directed investors, SMSF Trustees and their advisers through its wholly owned subsidiaries, Sequoia Superannuation Pty Ltd, Sequoia Asset Management Pty Ltd and Sequoia Specialist Investments Pty Ltd. SFG provides general advice to retail clients, is a leading originator of structured financial products and provides administration services to self-managed superannuation funds. Through the acquisition of SFG, MDS has now become a fully diversified financial services firm, offering an unrivalled suite of products and services to the sector.