

ASX Announcement & Media Release

MDS Financial Group Limited

ACN 091 744 884

Level 8

25 Bligh Street

Sydney VIC 2000

T: +61 2 8114 2222

F: +61 2 8114 2200

asx@mdsfinancial.com.au

www.mdsfinancial.com.au

ASX Code: MWS

Strategic relationship formed with leading Wall Street Asset Management Firm

- MDS Financial Group Ltd ("MDS") and New York based J. Streicher Asset Management LLC ("JSAM") form strategic alliance to develop and market innovative asset management and financial services products
- Companies to develop a unique platform to service the needs of US and Australian investors, as well as specialized offerings for SMSF client base
- MDS to leverage off exposure to the huge U.S. asset management and financial services markets through partnership
- Ongoing relationship planned to grow MDS' market presence in Australia and broader Asia Pacific region
- Companies working closely to develop new products – roll out of first offerings expected in second half of CY 2015

MDS is pleased to announce that as a result of negotiations held over several months, it has signed a Memorandum of Understanding (MOU) to enter into a strategic partnership with JSAM, an affiliate of J. Streicher & Co LLC, a member of the NYSE, that continues to carry on a 105 year-old tradition based in New York.

The relationship has been formalised through negotiations in New York during the first week of February 2015 and includes:

- The signing of terms sheets on:
 - o The establishment of a funding vehicle for the development of a financial product for the Australia market, to be introduced by MDS in the coming months;
 - o An agreement to develop an international stock trading product to allow Australian and US investors to transact inter-border, subject to regulatory approval, through a partnership between JSAM and Common Wealth Partners a NY based private equity group;
 - o The development of further specialized financial products to be utilized by the MDS SMSF client base; and
 - o The establishment of a Joint Venture to be held between the companies to deliver the products to each market.

The JSAM team commented: "We are excited by the opportunity to become involved with MDS in developing these innovative financial products. We see the base that MDS has now established in Australia as a great platform upon which to jointly develop a strong presence in the Asia Pacific region."

"We have held informal discussions with MDS over the past 12 months, and by working closely with the Company's Board and management in an open and honest manner, we have developed a great deal of confidence in their capabilities.

"We believe that the development of these financial products will deliver significant benefits for both JSAM and MDS, and we see this as the foundation for a much deeper and ongoing relationship between the two Companies".

16 February 2015

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Mr. Andrew Phillips, Company Secretary of MDS, added: "We are delighted to have the opportunity to formalise this relationship with a likeminded company. The J. Streicher brand is long established and very well respected in the industry, and much like MDS, is going through a period of management change, strategic growth and realignment of service offerings."

"The profiles of the two Companies are very similar, offering very clear synergies and benefits for both, and also allowing MDS to leverage off the scale offered by exposure to the huge U.S. financial services market through JSAM's presence there."

The JSAM team further added: "Thanks must be given to MDS Executive Chairman, Richard Symon, and JSAM's Vice President of International Sales, Frank Cannarozzo, whose relationship goes back some years, for their development of this partnership over the past months which has culminated in these mutually beneficial arrangements being agreed to."

MDS and JSAM will now work towards achieving the key milestones outlined in the MOUs and on developing these new product offerings, and expects to roll out these out in the first quarter of the Australian financial year 2016. MDS looks forward to updating shareholders on these strategic initiatives over the coming months.

– ENDS –

All market announcements are available to view at www.mdsfinancial.com.au/asx and at www.asx.com.au.

For more information please contact:

Andrew Phillips
Company Secretary
MDS Financial Group Limited
Phone +61 403 388 447

For media inquiries please contact
Ben Jarvis,
Six Degrees Investor Relations
Phone +61 413 150 448

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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.

ABOUT J. STREICHER MANAGEMENT LLC

J. Streicher Asset Management LLC ("JSAM") is a U.S. based, SEC Registered Investment Advisor ("RIA") that focuses on servicing the investment needs of Domestic and International clients (with a focus in the United States, Asia, Latin America and Europe).

J. Streicher Asset Management LLC primary purpose is three-fold:

- **Focus on the Middle Market:** serve the investment needs of the often-overlooked and underserved middle market (traditionally institutions with US\$50 million to US\$1 billion in investable assets)
- **Unique Products & Services:** provide unique investment products and services from emerging managers, alternative investments and proprietary structures
- **Security and Global Reach:** partner with world-class custodial and prime brokerage institutions to assure full transparency and security of our clients' investments

J. Streicher Asset Management LLC is comprised of a group of highly experienced professionals that come from Soros Fund Management, Templeton International, Citigroup and many others along with representing numerous pension funds, sovereign wealth funds, hedge funds and mutual funds. The team members graduated from schools that include Harvard, University of Virginia, George Washington University, University of Maryland, Yale and many others. The group has managed over \$11B in assets.