

# Announcement

OneVue Holdings Limited (ASX: OVH)  
27 August 2014



## OneVue to acquire Select Asset Management and Select Investment Partners

### Key highlights:

- Select Group established in 2002; recorded total revenue in FY2014 of \$7.1m and has been profitable in each of the past 5 financial years.
- Attractive financial metrics with the acquisition expected to be accretive on an EBITDA per share basis for FY2015
- Total retail Funds Under Management and Administration increases from \$1,940m as at 30 June 2014 to \$2,609m and Total Funds Under Supervision rises from \$711m to \$1,614m
- Transaction is fully funded from existing cash reserves and the issue of OneVue shares
- Brendan Foley, current Chairman and CEO of Select, to be appointed Deputy CEO of OneVue

OneVue Holdings Limited (ASX: OVH) (OneVue) has today agreed to acquire Select Asset Management Limited, trading as Select Fund Services and Select Investment Partners Limited. Completion is expected to occur tomorrow.

Select Fund Services (SAML) is a specialist provider of responsible entity (RE) services and one of Australia's leading REs for multi-asset trusts. The business also provides services to leading single strategy managers and access to Australia via unit trust fiduciary services for global offshore groups. Select Fund Services acts as RE for groups such as Neuberger Berman and Smarter Money Investments (50% owned by Yellow Brick Road) who are also clients of OneVue. It has a 12 year track record in fiduciary and RE services with a stable and experienced operations, technology and compliance team.

Select Investment Partners (SIPL) is a specialist multi-asset investment manager and implemented portfolio consultant with a track record of over 12 years managing diversified multi-asset portfolios. The business is based in Sydney with 15 people. SIPL works with financial planners to enable them to offer Customised Portfolios to their clients.

"The acquisition follows OneVue's stated objective to grow the company organically and acquisitively and is strategically important in delivering value added services to both OneVue's Fund Services and Platform Services' clients", said Connie Mckeage, CEO of OneVue.

The consideration for the Select businesses will be paid \$2.7m in cash and \$4.3m in OneVue scrip. There is also an incentive component, payable in scrip, for total revenue growth above an agreed threshold in Select Investment Partners during FY2015. Shares issued will have an escrow period of up to 12 months. The cash component will be funded from existing cash holdings.

A summary of the key terms is attached.



Brendan Foley, Chairman and CEO of Select, said, "Having worked successfully with OneVue over the last year on a range of projects from unit registry and mFund services to the development of a managed account solution for our customised portfolio solutions, we have seen the complementary nature of our respective client lists and service offerings. By merging the businesses, the current value propositions for our respective clients will be enhanced."

Select and OneVue are complementary businesses. SIPL strengthens OneVue's superannuation trustee business, MAP Funds Management. SAML's services enhance OneVue's existing Fund Services offering by creating a broader suite of unit registry, RE services and mFund distribution.

One of the cornerstones of the transaction is the strong cultural fit of the businesses, and that OneVue's management capabilities are broadened and deepened.

The acquisition is expected to deliver a number of key financial benefits for OneVue:

- Retail Funds Under Management and Administration (FUMA) will increase from \$1,940m to \$2,609m (Excludes one asset consulting contract prior to the acquisition advised as winding up in Nov 2014)
- Total Funds under Supervision (FUS) from RE and trustee services will increase from \$711m to \$1,614m as at June 2014
- Select's consolidated revenue was \$7.1m in FY 2014. Revenue included incentive fees earned in the Investment Partners business of \$1.6m and paid on returns in excess of a bank bill benchmark
- OneVue expects that the transaction will be accretive on an EBITDA per share basis in FY2015
- Revenue impact by offering RE services as part of a broader offering to domestic and international custodians and investment managers
- Cost and capital synergies identified

Select employees will join OneVue at their Sydney office. Brendan Foley, Chairman and Chief Executive Officer of Select, will be appointed Deputy CEO of OneVue and two other Select directors will be appointed to the executive team.

"This acquisition will enable us to more effectively deliver a broader range of client solutions. I welcome our new shareholders and I am delighted to be working with a team of people who are aligned with the OneVue team in their thinking and equally committed to making a difference" Connie Mckeage, CEO of OneVue, concluded.

- Ends -

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### About OneVue Holdings Limited (ASX: OVH)

OneVue is a wholesale provider of services to participants in the wealth management industry with a focus on the superannuation and investment management sectors. OneVue offers these services through two operating divisions, otherwise known as verticals: Fund Services and Platform Services. The Fund Services vertical provides outsourced unit registry services and installed software to a range of investment managers, custodians and trustees. The Platform Services vertical provides an investment platform for investment administration, tax and reporting services for both superannuation and other investments.

### About Select Fund Services and Select Investment Partners

Select Fund Services is a specialist provider of RE and trustee services to third party domestic and international fund managers. It has a 12 year track record in offering these services with a stable and experienced operations, technology and compliance team. Select Investment Partners is a specialist multi-asset investment manager and implemented portfolio consultant. It has a track record of over 12 years in the provision of these to non-aligned financial advisory groups.

### Key Terms

OneVue Holdings Limited (ASX: OVH) (OneVue) has today agreed to acquire Select Asset Management Limited, trading as Select Fund Services and Select Investment Partners Limited.

### Select Asset Management Limited, trading as Select Fund Services (SAML)

Transaction Structure	OneVue Holdings Limited acquires 100% of the issued capital of SAML, from a total of 20 vendor shareholders (comprised of current and past employees of SAML, and an institutional investor).
SAML Business Overview	<p>SAML provides RE and trustee services, operating funds as RE and trustee for third party fund managers in addition to the funds managed or advised on by SIPL. Total FUS at 30 June 2014 was approximately \$903m.</p> <p>Revenue in FY2014 was \$2.175m (excluding interest and investment income), and Net Assets at completion are expected to be approximately \$4.85m, including \$4.8m in Regulatory Capital.</p>
Consideration	Consideration comprises \$2.719m in cash paid at completion. SAML holds regulatory capital comprising mostly of cash. OneVue will pay SAML shareholders an additional \$2.400m at completion, plus a further amount equal to SAML's actual Regulatory Capital at completion minus the \$2.400m already paid. This will be paid in cash to the SAML vendor shareholders by OneVue upon the earlier of the date the SAML and OneVue RE licenses are merged, or 6 months after completion.
Completion Date	28 August 2014 (subject to receipt of consideration)

### Select Investment Partners Limited (SIPL)

Transaction Structure	OneVue Holdings Limited acquires 100% of the issued share capital of SIPL, from a total of 28 vendor shareholders (comprised of current and past employees of SIPL and an institutional investor).
SIPL Business Overview	<p>SIPL provides investment management and implemented portfolio consulting services through its Customised Portfolios offering to non-aligned financial advisory groups in either a unit trust or SMA structure. SIPL is also the investment manager for a number of Select branded funds. Total FUMA at 30 June 2014 was approximately \$669m.</p> <p>Revenue in FY2014 was \$5.385m (including \$1.62m in performance fees, and excluding interest and investment income), and Net Assets at completion are expected to be approximately \$0.4m.</p>
Consideration	<p>The aggregate consideration comprises:</p> <p>(a) Base Consideration paid on completion of \$4.300m in fully paid ordinary shares in OneVue Holdings Limited (OneVue) at an agreed price of \$0.35 each, being a total of 12.286m OneVue shares (and representing approximately 7.4% of OneVue's expanded issued capital); plus</p> <p>(b) Deferred Consideration to be calculated as 50% of actual Select Brand Book Revenue for FY2015 minus \$0.5m, payable in respect of the two 6 monthly periods of FY2015 and in fully paid ordinary shares in OneVue at an agreed price of \$0.35 each.</p>
Voluntary Escrow Arrangements	The OneVue shares issued to SIPL vendor shareholders under the Base Consideration and Deferred Consideration components will be subject to a 12 month escrow in respect of 50% of the shares issued, and a 6 month escrow in respect of the balance of 50% of the shares issued.
Completion Date	28 August 2014 (subject to receipt of consideration)