

29 October 2019

ASX Announcement

Mainstream reports \$10.3 billion increase in FuA for the quarter ended 30 September 2019

Highlights

- › Funds under Administration (FuA) up by \$10.3 billion, or 6%, on prior quarter
- › FuA reaches a record total of \$183.1 billion, equating to YoY growth of 25% (\$36.2bn increase)

Mainstream key statistics

	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	QoQ* growth %	YoY** growth %
FuA (\$billion)	\$183.1	\$172.8	\$162.8	\$147.2	\$146.9	6%	25%
No. of Clients	363	356	355 ¹	340 ¹	326 ¹	2%	11%
No. of Funds	1,015	1,012	959	921	895	0%	13%

*QoQ growth represents the growth over the previous quarter ended 30 June 2019.

**YoY growth represents the growth over the previous 12-month period ended 30 September 2018.

Mainstream Group Holdings Limited (ASX: MAI) today announced that its Funds under Administration (FuA) grew to a record \$183.1 billion during the quarter ended 30 September 2019. This represented an increase of 6% on the prior quarter and 25% on the prior 12 months.

The number of clients increased by 7 and net funds increased by 3, with some consolidation of smaller clients, consolidation of some remaining super funds and closure of smaller funds. The number of new funds launched/transitioned in the quarter was 38.

The \$10.3 billion increase in FuA during the quarter was driven by:

- › Net inflows² from clients of \$4.3 billion
- › Market movements of \$6.0 billion

Top 10 clients performed exceptionally well during the period, especially considering cash distributions (a net outflow) of more than \$1.5 billion were paid.

¹ These prior quarters have been restated for comparative purposes to exclude 28 clients with dual contracts.

² Net inflows refers to applications and new clients less redemptions, cash distributions and lost clients.

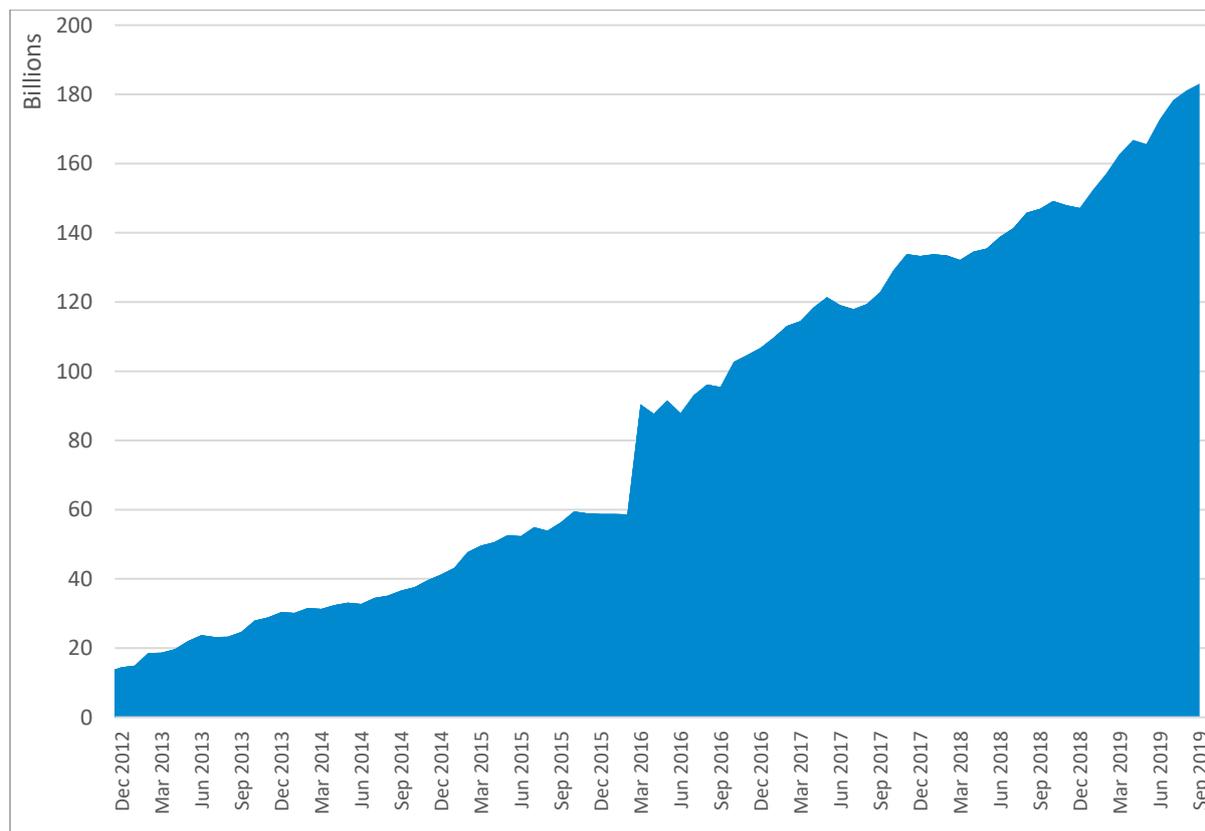
The US Private Equity business increased its FuA by \$0.8 billion, or 14%, to \$6.3 billion during the quarter with many clients still in capital raising mode.

In Australia, funds under custody was relatively flat, up 2% to \$5.1 billion, but the cash balance in custody of these funds increased by \$178 million during the quarter.

Mainstream earns revenue based on long term contracts with its clients, with fees usually calculated based on a combination of minimum fees or basis points plus the number of transactions and investors.

Mainstream Chief Executive Officer Martin Smith commented, “Mainstream experienced a strong net increase of \$10 billion in Funds under Administration for the September 2019 quarter and our total FuA is now a record \$183 billion. This result was above our expectations as this is the quarter when many clients make financial year-end cash distributions to their investors and are busy with financial reporting obligations. While we are seeing some rationalisation of small boutique managers in some markets, this has been offset by strong inflows and performance from our core client base in key markets.”

Mainstream’s Funds under Administration (FuA) to 30 September 2019



For more information

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About Mainstream Group Holdings

Mainstream Group Holdings Limited (ASX: MAI) provides fund and superannuation administration services underpinned by investment in people, processes and technology.

As at September 2019 the Group provides administration services to 1,015 funds and more than 103,000 investors with funds under administration in excess of AUD \$183 billion.

Mainstream employs 277 people, with operations in Australia, Singapore, Hong Kong, the United States, the Isle of Man, Malta, Ireland and the Cayman Islands.

For more information, please visit: <https://www.mainstreamgroup.com>.