

13 October 2017

Fund governance services leader Equity Trustees acquires majority stake in UK provider

EQT Holdings Limited (ASX: EQT), the holding company for Equity Trustees, today announced an agreement to acquire 60% of London-based Treasury Capital Limited (Treasury Capital), a provider of independent fund governance services to the funds management industry.

Treasury Capital provides Authorised Corporate Director (ACD) services in the UK and UCITS (Undertakings for Collective Investment in Transferable Securities) Management Company solutions in Ireland through its subsidiary Treasury Capital Fund Solutions. The initial investment, which is not material, is expected to contribute to earnings from late calendar 2018 and will be funded out of existing cash and debt facilities.

Equity Trustees' Chairman Tony Killen, said the acquisition, which has received approval from the Financial Conduct Authority (FCA) in the UK, provided Equity Trustees with a presence in London and a platform to grow its fiduciary services in the US\$70 trillion global funds management industry.

"With markets rapidly globalising, Equity Trustees is positioning itself to be a provider of choice for independent, trusted services to fund managers internationally," he said.

Equity Trustees' Managing Director Mick O'Brien said, "This acquisition is the first step in our plan to expand our corporate services into the global market, including the important UK and European markets which are global funds management centres, and Asia, where UCITS vehicles are the dominant offshore structure used by most global funds managers.

"Funds management vehicles and regulations are being increasingly streamlined so they can be offered across multiple countries. There is also an increasing need for independent services as fund managers grow and seek to operate across international borders."

The roles of ACDs and Management Companies are similar to that of Responsible Entities (RE/Trustee) in Australia, which are required by law for the operation of managed investment schemes and perform a central governance and management role. Equity Trustees is Australia's leading provider of RE services.

Mr O'Brien said Equity Trustees and Treasury Capital were a strong strategic fit, as both operate independent, specialist, open architecture models.

"Global investors are seeking to ensure the highest levels of independence and professionalism when it comes to the management of their money," he said.

Equity Trustees is acquiring the interests of DMC Capital Partners' existing ordinary equity in the company, plus a portion of the founding management team's ordinary equity. Treasury Capital's founding management team of James Gardner, Kevin Lavery and Leanne Isaacs will retain a 40% interest in the company, being the balance of the ordinary equity. Equity Trustees will also acquire all outstanding preference shares of the company. The acquisition is subject to satisfaction of certain conditions precedent and is expected to be completed in the next month.

Treasury Capital Fund Solutions' co-CEO Kevin Lavery, said the partnership with Equity Trustees would provide Treasury Capital with the strength and expertise to continue to grow its fund operator services.

"This transaction with Equity Trustees moves us closer to becoming the premier provider of fund operator services in both the UK and Ireland with the support of one of the largest players in this industry," he said.

EQT Holdings Limited

ASX Announcement



"Equity Trustees' culture and desire to ensure the best outcome for its clients and fund investors perfectly complements our offering."

Harvey Kalman, the Executive General Manager of Equity Trustees' Corporate Trustee Services will be instrumental in supporting the development of the partnership and ensuring Equity Trustees' extensive global client list is introduced to the new services being provided through Treasury Capital Fund Solutions.

Mr O'Brien said Equity Trustees' Corporate Trustee Services division was also well positioned for changes being introduced to Australian legislation for the governing of managed funds that will align more with global best practice.

This is likely to see the Australian market introducing collective investment vehicles similar to those used throughout Europe, UK and Asia.

"There are significant opportunities, particularly in Asia, to grow our independent fiduciary role."

Further information

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Equity Trustees was established in 1888 for the purpose of providing independent and impartial Trustee and Executor services to help families throughout Australia protect their wealth. As Australia's leading specialist trustee company, we offer a diverse range of services to individuals, families, and corporate clients including asset management, estate planning, philanthropic services and Responsible Entity (RE) services for external Fund Managers.

EQT Holdings Limited is a public company listed on the Australian Securities Exchange (ASX: EQT).

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