



MEDIA RELEASE

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ASX to launch a new managed funds settlement service

ASX has received regulatory clearance to launch its new managed funds settlement solution - mFund Settlement Service. It will be launched in the first half of this calendar year following the completion of customer connectivity.

mFund has been developed for investors, brokers and fund managers to improve the timeliness and reduce the costs associated with investing in managed funds. The service will replace the traditional paper-based processes and use the same electronic system (CHESS) familiar to investors and brokers for settling - or finalising - ASX share transactions.

mFund is an electronic processing service that allows investors to use an ASX broker when they buy and sell units in unlisted managed funds. CHESS will automate and track the process of these transactions and remove much of the paperwork.

Through the use of ASX's CHESS infrastructure, investors will receive a consolidated report that summarises all of their holdings in shares, other products such as Australian Government bonds and ETFs, and managed funds purchased using the mFund service. A broad range of unlisted managed funds (mFund products) will be admitted to ASX.

ASX is working with around 60 Foundation Members to deliver mFund. These include fund managers and their unit registries, ASX brokers, back office providers, and other distributors of financial services such as administration service providers and independent financial adviser groups.

Peter Hiom, ASX Deputy CEO, said: "ASX is delighted to partner the managed funds industry to bring mFund to market, which will broaden the industry's distribution network. It will allow brokers to offer a greater choice of products to their clients, and provide investors with a more convenient and efficient method for transacting in managed funds. The current process can be time consuming and paper intensive, and it is often difficult to get an overview of your holdings. The new mFund service changes all this."

Andrea Slattery, CEO of the Self-Managed Superannuation Fund (SMSF) Professionals' Association of Australia (SPAA), said: "SMSF trustees want control over their own retirement savings and greater investment flexibility in how they achieve this. Any service that helps meet this goal will demand their attention, as well as that of the SPAA specialist advisors advising them in this superannuation sector."

"The more services that are offered to help SMSF trustees and their advisors oversee their investment portfolios, the greater the integrity that can be built into our sector that now accounts for more than \$500 billion in funds under management."

mFund products are unlisted and not traded between investors on the market, but will be settled directly with fund managers via CHESS. Unit prices are set by the fund manager, usually at the end-of-the-day.

For further information on mFund, please visit: www.mfund.com.au.

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