



## ASX to consult on the future of the ASX Managed Fund Settlement Service (mFund)

ASX Limited and ASX Settlement Pty Limited (together ASX) are aiming to release a consultation paper in June 2023 to seek feedback regarding a proposed wind down and closure of the ASX Managed Fund Settlement Service (mFund). ASX expects the consultation period to remain open for six weeks.

ASX is giving this notice in the interest of transparency and to give our stakeholders advance notice of the consultation. A final decision regarding mFund has not yet been made and the mFund service will continue to operate as normal throughout the consultation process.

It is expected that the consultation will seek feedback on matters such as industry preferences for transacting in managed funds via ASX and key considerations (such as timing and process) relevant to a wind down should a decision be made to close mFund.

### **Background to the upcoming consultation**

mFund launched approximately nine years ago to provide a faster and more efficient method for investors and financial advisors to access unlisted managed funds. Thus far, mFund has only attracted \$1.6bn in funds under management (FUM) across 232 funds.<sup>1</sup>

Data suggests an increasing issuer and investor preference for exchange-traded funds (ETFs) and there has been significant growth in the ETF market via ASX, which now has \$136bn of FUM across 283 funds.<sup>1</sup>

ASX also notes the expansion of active ETFs in the Australian market as well as the strong growth of ETFs overseas and expects that Australian investors and product issuers will continue to prefer to transact using ETFs.

If you have any questions, please don't hesitate to contact me or Andrew Champion and Rory Cunningham from the ASX Investment Products team.

Regards,

Blair

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<sup>1</sup>As at 28 February 2023