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Media Release

Investors catching dual fund structure wave

Mainstream Fund Services has seen a strong uptake of the new Quoted Funds structure by fund managers and their retail investors.

A Quoted Fund allows retail investors to buy and sell units on the ASX alongside the traditional fund application and redemption process. It represents the convergence of listed and unlisted structures into a single fund. Mainstream has invested heavily in this industry first to create a single registry system for Quoted Funds.

Australia's first Quoted Fund, the Airlie Australian Share Fund (ASX: AASF), went live in June 2020. In the six months to 31 December 2020, a further two Mainstream administered Quoted Funds went live, one of which is a single trust with a closed class and an open class.

The advantage of having a quoted open class is that an investor can apply or redeem for units directly with the fund's unit registry or via their broker.

In the three months to 31 December 2020, Mainstream saw the number of investors it services increase from 86,033 to 157,066 investors and its Funds under Administration grow by \$14 billion to \$225 billion, mainly attributable to Quoted Funds. In total, 78,503 investors, or 50% of the investors serviced by Mainstream, were invested in a Quoted Fund as at 31 December 2020.

Martin Smith, Chief Executive Officer of Mainstream Group Holdings Limited, said "Recent activity has proven this fund structure is taking off by creating greater efficiency in the managed fund industry. An investment manager can now access both listed and traditional fund distribution channels through a single fund structure via Mainstream's single registry structure. This in turn opens up greater choice and efficiency for investors. There is a high level of interest from managers looking to offer their investors the opportunity to invest directly or via the ASX."

For more information

Alicia Gill
Head of Marketing and Company Secretary
Mainstream Group Holdings Limited
company.secretary@mainstreamgroup.com
T +61 2 8259 8859

About Mainstream Fund Services

Mainstream Fund Services is part of Mainstream Group Holdings Limited (ASX: MAI), a global provider of full service fund administration and custody services.

As at December 2020 the Group provides administration services to 1,202 funds and more than 157,000 investors with funds under administration in excess of AUD \$224 billion.

Mainstream employs 305 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>.