



## **Mariner Financial takes on powerful partners**

30 May 2003

Former Challenger chief Bill Ireland continues to innovate in financial services

Emerging financial services group Australian Assets Corporation [ASX: AUA] has unveiled the next stage of its development, announcing that it is negotiating a strategic relationship with international investment bank Babcock & Brown and leading superannuation fund provider Industry Fund Services Pty Ltd (IFS).

According to Australian Assets Managing Director, Mr Bill Ireland, the powerful new relationship will underpin the group's objective of becoming a significant force in the Australian financial services industry.

Subject to shareholder approval at an EGM on 30 June 2003, the names of Australian Assets Corporation and listed subsidiary company Beyond Online will be changed to Mariner Financial Limited and Mariner Retirement Solutions Limited, respectively.

As the core brand, Mariner Financial's primary activity will be the distribution of a broad range of financial products. It will also provide strong branding and marketing, educational and technical support, and a dedicated distribution capability to Mariner Retirement Solutions.

Mariner Retirement Solutions will focus on the development and supply of innovative retirement income products, which will be backed by the income from investment assets with long-term cash flow streams, including property.

Under the proposed new relationship, Babcock & Brown will provide specialist expertise including the sourcing, acquiring, and financial structuring of investment assets. IFS will facilitate distribution opportunities via its 3 million-strong superannuation fund member connection. It is proposed that both Babcock & Brown, directly or through a fund it will manage, and IFS will take equity in Mariner Financial and Mariner Retirement Solutions.

"The Mariner group will provide a fresh direction in Australian financial services by utilising the expertise of specialist companies and individuals to develop new solutions to meet the financial needs of retirees and other investors alike," Mr Ireland said.

"Babcock & Brown and IFS are significant players in the financial services industry and this strategic relationship presents a tremendous opportunity."

Mr Ireland said the proposed changes were designed to capture demand in the growing funds management and retirement income markets.

"We see a lot of potential in Mariner Retirement Solutions, given the current Australian demographics. Since 1982 the number of Australians aged 65 and over has increased by 66 per cent," he said.

"We will look at launching a number of products over the coming year for retirees which will offer investors real choice. These specialised products involve acquiring and structuring investment assets with long-term cash flow streams, including property, that will take advantage of Babcock & Brown's considerable strengths in these areas."

Details of the relationship being discussed include:

- the proposed acquisition of 5 million shares each, by Babcock & Brown directly or through a fund it will manage, and IFS, in Mariner Financial's proposed 16 million share placement;
- the proposed acquisition of 90 million shares by Babcock & Brown, directly or through a fund it will manage, and 60 million shares by IFS, in Mariner Retirement Solutions' proposed 198 million share placement;
- the establishment of a Capital Collateral Fund (CCF) to credit enhance products developed by Mariner Retirement Solutions and to share in the residual value of its underlying assets;
- Babcock & Brown to advise on sourcing, acquiring and disposing of all investment assets on behalf Mariner Retirement Solutions;
- the opportunity for IFS to provide funding sources for CCF and to distribute tailored product to its 3 million strong membership base;
- the application for a life insurance licence, or the acquisition of a life company by Mariner Retirement Solutions, to allow it to extend its product offering and enhance distribution opportunities The application for a life insurance licence, or the acquisition of a life company by Mariner Retirement Solutions, to allow it to extend its product offering and enhance distribution opportunities;
- reconstitution of both Mariner Financial and Mariner Retirement Solutions boards to reflect these changes.

All placements and other arrangements relating to this strategic relationship are subject to certain conditions precedent being fulfilled.

As Challenger International's founder and outgoing Managing Director, Mr Ireland took a strategic interest in Australian Assets and its subsidiary, Beyond Online, in early May, when he was appointed Managing Director.

## **About Babcock & Brown Pty Ltd**

<[www.babcockbrown.com.au](http://www.babcockbrown.com.au)>

Babcock & Brown is an independent international investment banking firm specialising in domestic and cross-border leasing, property investment and finance, project finance, infrastructure development and finance, corporate finance and funds management, structured finance, and asset-based debt finance

Babcock & Brown is recognised as a world leader in its field and, since its inception in the United States in 1977, has successfully completed over USD230 billion of innovative financings for some of the world's largest corporate and government bodies, including over USD22 billion in 2002.

Babcock & Brown has over 500 staff in offices in Sydney, Melbourne and Brisbane as well as in all the world's major financial centres. Babcock & Brown is principally owned by its professional staff, with 20% owned by HypoVereinsbank, Germany's second largest bank.

## **About Industry Fund Services Pty Ltd**

<[www.industryfunds.com.au](http://www.industryfunds.com.au)>

IFS was established in 1994 to provide a range of consulting and strategic advisory services to the industry fund movement. With offices located in all capital cities, IFS presently provides:

- advice and management of alternative asset classes for fund trustees;
- personal financial planning for fund members;
- management of non-superannuation unit trusts and retirement income stream products available to fund members;
- licensing and compliance services to trustee boards;
- management overview of key strategic investments such as Members Equity Pty Ltd and Superpartners Pty Ltd.

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## **Note to the editors**

Established in 2003, Mariner Financial Limited is an Australian-owned financial services company listed on the Australian Stock Exchange [ASX: MFI]. Mariner's primary focus is servicing Australia's growing superannuation market by providing uniquely structured investment and retirement income solutions. It also provides strong branding and marketing, education and technical support, and a dedicated distribution capability to its subsidiary company, Mariner Retirement Solutions [ASX: MRT].

For further information, please visit the Mariner website at <[www.marinerfunds.com.au](http://www.marinerfunds.com.au)>.

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