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IOOF Investor and Analyst Pack and Investor and Analyst Book

IOOF Holdings Ltd (IOOF) today releases its IOOF Investor and Analyst Pack - a detailed template for presenting IOOF's corporate financial information. This financial information covers 1H21, as well as the comparative periods 1H19, 2H19, 1H20 and 2H20 provided previously in an ASX announcement on Monday, 22 February. All information is presented on a continuing operations basis.

Included with the Pack is the IOOF Investor and Analyst Book, which provides an overview of IOOF's business reporting segments and additional details on the composition of segments and material drivers of gross margin and profitability.

An excel version of IOOF's Analyst and Investor Pack will be available online at <https://www.ioof.com.au/shareholders/asx-announcements>.

- ENDS -

This announcement was approved for release by the IOOF Holdings Ltd Board.

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About IOOF Holdings Ltd

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- **Financial Advice** services via our extensive network of financial advisers.
- **Portfolio & Estate Administration** for advisers, their clients and hundreds of employers in Australia.
- **Investment Management** products that are designed to suit any investor's needs.

Further information about IOOF can be found at www.ioof.com.au



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IOOF Investor and Analyst Pack - Important Disclaimer

While IOOF has sought to ensure the information in the this report is accurate, it makes no representation or warranty as to the accuracy or completeness of any information or statement in this Investor and Analyst Pack. Information and statements in this Investor and Analyst Pack do not constitute investment advice or a recommendation on any matter and should not be relied upon. IOOF also provides statutory reporting as prescribed under the Corporations Act. Those reports are available on the IOOF website.

IOOF Holdings Limited

Group Result - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21		
NPAT										
UNPAT (\$m)	99.9	98.1	61.4	67.5	65.9	(1.6)	(2.4%)	4.5	7.3%	
UNPAT (Continuing Operations) (\$m)	92.5	90.8	56.5	67.6	65.9	(1.7)	(2.5%)	9.3	16.5%	
Statutory NPAT (\$m)	135.4	(106.9)	115.0	32.0	54.4	22.4	70.1%	(60.6)	(52.7%)	
Statutory NPAT (Continuing Operations) (\$m)	69.6	(99.4)	27.8	31.0	54.4	23.4	75.6%	26.6	95.7%	
FUMA										
Closing FUMA (\$b)	137.8	149.5	145.7	202.3	202.4	0.1	0.0%	56.7	38.9%	
Closing FUMA (Continuing Operations) (\$b)	128.2	137.9	145.1	202.3	202.4	0.1	0.0%	57.3	39.5%	
Average FUMA (Continuing Operations) (\$b)	124.4	133.4	142.8	196.4	204.3	7.9	4.0%	61.5	43.0%	
Net Flows (Continuing Operations) (\$b)	(0.2)	(1.0)	1.5	(0.6)	(4.1)	(3.5)	n/a	(5.6)	n/a	
EPS										
UNPAT EPS (cents per share)	28.5	28.0	17.5	19.3	12.4	(6.9)	(35.6%)	(5.1)	(29.2%)	
UNPAT EPS (Continuing Operations) (cents per share)	26.4	25.9	16.1	19.3	12.4	(6.9)	(35.7%)	(3.7)	(23.2%)	
Basic EPS (cents per share)	38.6	(30.5)	32.8	9.1	10.2	1.1	12.2%	(22.6)	(68.8%)	
Diluted EPS (cents per share)	38.5	(30.4)	32.8	9.1	10.2	1.1	12.3%	(22.6)	(68.8%)	
Basic EPS (Continuing Operations) (cents per share)	19.9	(28.4)	7.9	8.9	10.2	1.4	15.8%	2.3	29.0%	
Dividends										
Ordinary dividends declared (\$m)	89.4	42.2	56.2	64.9	51.9	(13.0)	(20.0%)	(4.2)	(7.5%)	
Ordinary dividends declared (cents per share)	25.5	12.0	16.0	11.5	8.0	(3.5)	(30.4%)	(8.0)	(50.0%)	
Special dividends declared (\$m)	-	-	24.6	-	22.7	22.7	n/a	(1.8)	(7.5%)	
Special dividends declared (cents per share)	-	-	7.0	-	3.5	3.5	n/a	(3.5)	(50.0%)	
Payout ratio	89.6%	43.0%	91.6%	96.3%	78.9%	(17.4%)	(18.1%)	(12.7%)	(13.8%)	
Share Price										
Opening share price	\$8.99	\$5.17	\$5.17	\$7.86	\$4.92	(\$2.94)	(37.4%)	(\$0.25)	(4.8%)	
Closing share price	\$5.17	\$5.17	\$7.86	\$4.92	\$3.52	(\$1.40)	(28.5%)	(\$4.34)	(55.2%)	
Total shareholder return	(\$3.57)	\$0.12	\$2.92	(\$2.83)	(\$1.29)	\$1.54	54.5%	(\$4.21)	n/a	
Total shareholder return (%)	(39.7%)	2.3%	56.5%	(35.9%)	(26.1%)	9.8%	27.3%	(82.6%)	n/a	
Ratios										
Cost to income	51.6%	53.5%	62.4%	65.5%	68.2%	(2.7%)	(4.1%)	(5.9%)	(9.4%)	
Return on equity	10.9%	10.9%	7.2%	7.9%	5.7%	(2.2%)	(28.0%)	(1.5%)	(21.5%)	

IOOF Holdings Limited

Underlying Group Result - P&L Summary (Continuing Operations)

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
	\$m	\$m	\$m	\$m	\$m	\$m	%	\$m	%
Revenue	463.0	502.0	509.3	634.3	643.5	9.2	1.5%	134.2	26.4%
Direct Costs	(209.0)	(259.3)	(261.0)	(305.0)	(294.2)	10.8	3.5%	(33.2)	(12.7%)
Gross Margin	254.1	242.7	248.3	329.3	349.3	20.0	6.1%	101.0	40.7%
Other Revenue	6.6	8.6	6.0	5.4	2.0	(3.3)	(61.9%)	(3.9)	(65.9%)
Share of equity profit/loss	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.3)	(81.1%)	(0.6)	n/a
Operating Expenditure	(149.3)	(157.6)	(163.7)	(220.7)	(239.8)	(19.0)	(8.6%)	(76.1)	(46.5%)
Net Non-cash	(8.9)	(5.0)	(12.4)	(14.6)	(14.9)	(0.3)	(2.0%)	(2.5)	(20.4%)
Net Interest	27.7	36.5	1.0	(3.9)	(3.4)	0.5	12.5%	(4.4)	n/a
Income Tax Expense/Non-controlling Interest	(37.7)	(34.5)	(22.6)	(27.4)	(26.7)	0.7	2.5%	(4.1)	(18.2%)
UNPAT	92.5	90.8	56.5	67.6	65.9	(1.7)	(2.5%)	9.3	16.5%

IOOF Holdings Limited

Underlying Group Result - P&L Detail

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
	\$m	\$m	\$m	\$m	\$m	\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	445.6	480.9	486.2	606.1	617.7	11.7	1.9%	131.6	27.1%
Other Fee Revenue	17.4	21.1	23.1	28.2	25.8	(2.5)	(8.7%)	2.6	11.4%
Service and Marketing fees expense	(196.5)	(246.3)	(246.9)	(282.8)	(272.3)	10.5	3.7%	(25.4)	(10.3%)
Other Direct Costs	(12.4)	(12.9)	(14.0)	(22.2)	(21.8)	0.3	1.4%	(7.9)	(56.1%)
Amortisation of deferred acquisition costs	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	-	-%	0.0	25.0%
Total Gross Margin	254.1	242.7	248.3	329.3	349.3	20.0	6.1%	101.0	40.7%
Other Revenue									
Stockbroking revenue	2.3	2.3	1.7	1.6	1.7	0.0	1.2%	(0.0)	(1.8%)
Stockbroking service fees	(0.6)	(0.7)	(0.7)	(0.6)	(0.5)	0.0	6.9%	0.1	18.2%
Dividends and distributions received	0.7	0.6	0.8	0.6	0.3	(0.4)	(60.3%)	(0.5)	(68.4%)
Net fair value gains/(losses) on other financial assets at fair value through profit or loss	-	0.1	0.0	(0.1)	0.0	0.1	n/a	0.0	50.0%
Other revenue	4.3	6.3	4.2	3.7	0.7	(3.1)	(82.6%)	(3.5)	(84.3%)
Total Other Revenue	6.6	8.6	6.0	5.4	2.0	(3.3)	(61.9%)	(3.9)	(65.9%)
Equity Accounted Profits									
Share of profits of associates and jointly controlled entities accounted for using the equity method	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.3)	(81.1%)	(0.6)	n/a
Total Equity Accounted Profits	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.3)	(81.1%)	(0.6)	n/a
Operating Expenditure									
Salaries and related employee expenses	(95.3)	(100.1)	(108.6)	(159.4)	(178.3)	(18.9)	(11.8%)	(69.7)	(64.1%)
Employee defined contribution plan expense	(7.3)	(7.8)	(8.5)	(10.0)	(10.6)	(0.7)	(6.7%)	(2.1)	(24.4%)
Information technology costs	(17.7)	(18.9)	(19.9)	(20.3)	(21.1)	(0.8)	(4.0%)	(1.2)	(6.0%)
Professional fees	(4.5)	(5.3)	(4.4)	(11.0)	(9.6)	1.4	12.8%	(5.2)	n/a
Marketing	(5.6)	(5.0)	(6.6)	(2.8)	(2.2)	0.6	22.0%	4.4	67.1%
Office support and administration	(7.2)	(8.5)	(9.0)	(12.6)	(13.4)	(0.9)	(7.0%)	(4.4)	(48.8%)
Occupancy related expenses	(8.8)	(9.3)	(3.0)	(3.8)	(4.1)	(0.4)	(10.1%)	(1.1)	(37.1%)
Travel and entertainment	(3.2)	(2.9)	(3.6)	(1.0)	(0.5)	0.5	53.5%	3.1	86.9%
Other	0.3	0.0	(0.0)	-	-	-	n/a	0.0	100.0%
Total Operating Expenditure	(149.3)	(157.6)	(163.7)	(220.7)	(239.8)	(19.0)	(8.6%)	(76.1)	(46.5%)
Net non cash (Ex. Amortisation from acquisitions)									
Share based payments expense	(4.4)	(0.4)	(1.8)	(1.2)	(1.2)	0.0	0.9%	0.6	35.0%
Depreciation of property, plant and equipment	(4.1)	(4.3)	(10.2)	(13.0)	(13.4)	(0.4)	(2.9%)	(3.1)	(30.8%)
Amortisation of intangible assets - IT development	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	0.1	15.9%	-	-%
Total Net non cash (Ex. Amortisation from acquisitions)	(8.9)	(5.0)	(12.4)	(14.6)	(14.9)	(0.3)	(2.0%)	(2.5)	(20.4%)

IOOF Holdings Limited

Underlying Group Result - P&L Detail (continued)

Net Interest

Interest income on loans to directors of controlled and associated entities	0.1	0.1	0.1	0.0	-	(0.0)	(100.0%)	(0.1)	(100.0%)
Interest income from non-related entities	32.4	44.5	8.7	2.5	2.0	(0.5)	(20.0%)	(6.7)	(77.0%)
Finance Costs	(4.8)	(8.1)	(7.8)	(6.5)	(5.4)	1.0	15.5%	2.4	30.2%
Total Net Interest	27.7	36.5	1.0	(3.9)	(3.4)	0.5	12.5%	(4.4)	n/a

Income Tax & NCI

Non-controlling Interest	0.1	0.1	0.6	(0.4)	0.0	0.4	n/a	(0.6)	(97.7%)
Income tax expense	(37.9)	(34.6)	(23.2)	(27.1)	(26.8)	0.3	1.1%	(3.5)	(15.2%)
Total Income Tax & NCI	(37.7)	(34.5)	(22.6)	(27.4)	(26.7)	0.7	2.5%	(4.1)	(18.2%)

Underlying NPAT excluding Discontinued Operations

Underlying NPAT excluding Discontinued Operations	92.5	90.8	56.5	67.6	65.9	(1.7)	(2.5%)	9.3	16.5%
Discontinued Operations - Corporate Trust	(0.2)	(0.1)	-	-	-	-	n/a	-	n/a
Discontinued Operations - Ord Minnett	6.6	6.7	3.6	-	-	-	n/a	(3.6)	(100.0%)
Discontinued Operations - IOOF NZ	0.5	0.2	0.2	(0.1)	-	0.1	100.0%	(0.2)	(100.0%)
Discontinued Operations - PVM	0.4	0.5	1.0	-	-	-	n/a	(1.0)	(100.0%)
Underlying NPAT (pre-amortisation of intangible assets)	99.9	98.1	61.4	67.5	65.9	(1.6)	(2.4%)	4.5	7.3%

IOOF Holdings Limited

Financial Advice and Distribution - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
Segment EBITDA (\$m)	46.9	41.8	43.4	35.4	30.5	(4.9)	(13.9%)	(12.9)	(29.8%)
Closing FUAdv (\$b)	51.3	55.7	58.6	54.2	47.9	(6.3)	(11.6%)	(10.7)	(18.2%)
Average FUAdv (\$b)	54.0	53.7	58.5	55.9	53.8	(2.1)	(3.7%)	(4.6)	(7.9%)
Net flows (\$b)	(0.6)	(0.1)	0.2	0.1	(1.1)	(1.1)	n/a	(1.2)	n/a
Gross margin (\$m)	97.5	90.6	92.4	85.3	82.1	(3.3)	(3.8%)	(10.3)	(11.2%)
Gross margin	0.36%	0.34%	0.31%	0.31%	0.30%	(0.00%)	(1.4%)	(0.01%)	(3.8%)
Net operating margin	0.17%	0.16%	0.15%	0.13%	0.11%	(0.01%)	(10.7%)	(0.03%)	(22.4%)
Cost to income	54.0%	55.4%	54.7%	59.1%	62.6%	(3.6%)	(6.1%)	(8.0%)	(14.6%)

Financial Advice and Distribution - P&L

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
	\$m	\$m	\$m	\$m	\$m	\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	187.0	183.0	185.2	170.6	163.4	(7.2)	(4.2%)	(21.8)	(11.8%)
Other Fee Revenue	7.9	7.8	7.7	9.5	9.3	(0.3)	(2.6%)	1.6	20.0%
Service and Marketing fees expense	(90.6)	(92.9)	(94.7)	(89.2)	(85.3)	3.9	4.4%	9.4	10.0%
Other Direct Costs	(6.8)	(7.3)	(5.8)	(5.6)	(5.3)	0.3	4.7%	0.5	8.4%
Amortisation of deferred acquisition costs	(0.0)	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	97.5	90.6	92.4	85.3	82.1	(3.3)	(3.8%)	(10.3)	(11.2%)
Other Revenue	4.3	3.1	3.6	2.1	1.3	(0.7)	(35.4%)	(2.3)	(63.1%)
Equity Accounted Profits	0.0	0.0	(0.1)	(0.4)	(0.7)	(0.3)	(76.9%)	(0.6)	n/a
Operating Expenditure incl Corporate Recharge	(55.0)	(51.9)	(52.5)	(51.6)	(52.2)	(0.6)	(1.2%)	0.3	0.5%
Segment EBITDA	46.9	41.8	43.4	35.4	30.5	(4.9)	(13.9%)	(12.9)	(29.8%)

IOOF Holdings Limited

Portfolio and Estate Administration - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
Segment EBITDA (\$m)	62.6	60.5	52.6	43.9	41.2	(2.7)	(6.1%)	(11.5)	(21.8%)
Closing FUAdm (\$b)	38.9	43.1	44.9	42.0	44.8	2.8	6.8%	(0.0)	(0.1%)
Average FUAdm (\$b)	40.2	41.1	44.2	42.7	43.0	0.3	0.7%	(1.1)	(2.6%)
Net flows (\$b)	0.7	0.8	0.8	0.6	0.3	(0.3)	(54.8%)	(0.5)	(65.8%)
Gross margin (\$m)	119.1	112.8	111.5	100.0	102.1	2.1	2.1%	(9.4)	(8.4%)
Gross margin	0.59%	0.55%	0.50%	0.47%	0.47%	0.00%	0.0%	(0.03%)	(6.3%)
Net operating margin	0.31%	0.30%	0.24%	0.21%	0.19%	(0.02%)	(8.0%)	(0.05%)	(19.9%)
Cost to income	47.5%	46.4%	52.8%	56.1%	59.7%	(3.5%)	(6.3%)	(6.9%)	(13.0%)

Portfolio and Estate Administration - P&L

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
	\$m	\$m	\$m	\$m	\$m	\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	204.5	197.5	202.2	187.7	186.7	(1.0)	(0.5%)	(15.5)	(7.7%)
Other Fee Revenue	4.6	3.9	4.5	4.3	4.4	0.1	2.6%	(0.1)	(2.0%)
Service and Marketing fees expense	(87.2)	(86.0)	(91.2)	(87.4)	(85.8)	1.6	1.9%	5.4	6.0%
Other Direct Costs	(2.6)	(2.5)	(3.9)	(4.5)	(3.2)	1.3	29.5%	0.7	18.2%
Amortisation of deferred acquisition costs	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	-	-%	0.0	25.0%
Total Gross Margin	119.1	112.8	111.5	100.0	102.1	2.1	2.1%	(9.4)	(8.4%)
Other Revenue	-	-	-	-	-	-	n/a	-	n/a
Equity Accounted Profits	-	-	-	-	-	-	n/a	-	n/a
Operating Expenditure incl Corporate Recharge	(56.6)	(52.4)	(58.9)	(56.1)	(60.9)	(4.8)	(8.5%)	(2.0)	(3.4%)
Segment EBITDA	62.6	60.5	52.6	43.9	41.2	(2.7)	(6.1%)	(11.5)	(21.8%)

IOOF Holdings Limited

Investment Management - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
Segment EBITDA (\$m)	27.6	24.8	29.4	26.5	23.8	(2.7)	(10.2%)	(5.6)	(19.0%)
Closing FUM (\$b)	21.3	22.9	23.6	22.4	21.8	(0.5)	(2.4%)	(1.8)	(7.5%)
Average FUM (\$b)	21.8	22.2	23.3	22.7	22.5	(0.1)	(0.5%)	(0.8)	(3.4%)
Net flows (\$b)	(0.3)	(0.3)	(0.3)	(0.1)	(2.2)	(2.1)	n/a	(1.9)	n/a
Gross margin (\$m)	32.7	30.4	34.6	31.9	30.8	(1.1)	(3.3%)	(3.8)	(11.0%)
Gross margin	0.30%	0.28%	0.29%	0.28%	0.27%	(0.01%)	(4.1%)	(0.02%)	(8.1%)
Net operating margin	0.25%	0.23%	0.25%	0.24%	0.21%	(0.03%)	(11.0%)	(0.04%)	(16.4%)
Cost to income	15.7%	18.3%	15.0%	16.8%	22.7%	(6.0%)	(35.6%)	(7.7%)	(51.2%)

Investment Management - P&L

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
	\$m	\$m	\$m	\$m	\$m	\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	49.4	46.3	51.3	47.0	47.0	(0.0)	(0.0%)	(4.3)	(8.4%)
Other Fee Revenue	1.9	5.2	3.6	3.7	2.6	(1.2)	(30.8%)	(1.0)	(28.3%)
Service and Marketing fees expense	(15.7)	(17.9)	(17.0)	(16.1)	(15.6)	0.6	3.4%	1.4	8.4%
Other Direct Costs	(2.9)	(3.1)	(3.3)	(2.8)	(3.2)	(0.4)	(15.6%)	0.1	3.3%
Amortisation of deferred acquisition costs	-	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	32.7	30.4	34.6	31.9	30.8	(1.1)	(3.3%)	(3.8)	(11.0%)
Other Revenue	-	-	-	-	-	-	n/a	-	n/a
Equity Accounted Profits	-	-	-	-	-	-	n/a	-	n/a
Operating Expenditure incl Corporate Recharge	(5.2)	(5.6)	(5.2)	(5.3)	(7.0)	(1.7)	(31.1%)	(1.8)	(34.6%)
Segment EBITDA	27.6	24.8	29.4	26.5	23.8	(2.7)	(10.2%)	(5.6)	(19.0%)

IOOF Holdings Limited

Ex-ANZ Pensions and Investments - Key Measures

Includes P&I coupon interest prior to completion of acquisition on 31 January 2020

	2H20	1H21	2H20 v 1H21	
Segment EBITDA (\$m)	37.4	49.3	11.9	31.9%
Closing FUMA (\$b)	67.4	70.4	3.0	4.5%
Average FUMA (\$b)	69.8	68.3	(1.5)	(2.1%)
Net flows (\$b)	(0.8)	(1.0)	(0.2)	(25.7%)
Gross margin (\$m)	100.9	125.3	24.5	24.2%
Gross margin	0.35%	0.36%	0.02%	4.6%
Net operating margin	0.13%	0.14%	0.01%	11.0%
Cost to income	63.1%	60.7%	2.5%	3.9%

Ex-ANZ Pensions and Investments - P&L

	2H20 \$m	1H21 \$m	2H20 v 1H21	
			\$m	%
Gross Margin				
Management and Service fees revenue	165.3	194.7	29.5	17.8%
Other Fee Revenue	2.9	5.5	2.5	86.7%
Service and Marketing fees expense	(57.9)	(64.8)	(6.9)	(11.9%)
Other Direct Costs	(9.4)	(10.1)	(0.6)	(6.8%)
Amortisation of deferred acquisition costs	-	-	-	n/a
Total Gross Margin	100.9	125.3	24.5	24.2%
Other Revenue	0.5	0.1	(0.5)	(90.7%)
Equity Accounted Profits	-	-	-	n/a
Operating Expenditure incl Corporate Recharge	(64.0)	(76.1)	(12.1)	(18.8%)
Segment EBITDA	37.4	49.3	11.9	31.9%

IOOF Holdings Limited

Ex-ANZ Pensions and Investments - Historical Unaudited Proforma Information

	1H19	2H19	1H20	2H20 ¹	1H21	2H20 v 1H21		1H20 v 1H21	
	Unaudited \$m	Unaudited \$m	Unaudited \$m	Unaudited \$m	Reported \$m	\$m	%	\$m	%
Gross Margin	153.6	146.9	144.5	125.3	125.3	0.0	0.0%	(19.2)	(13.3%)
Other Revenue	2.4	2.6	1.9	2.1	0.1	(2.1)	(97.6%)	(1.9)	(97.4%)
Equity Accounted Profits	-	-	-	-	-	-	n/a	-	n/a
Operating Expenditure	(82.3)	(80.6)	(85.9)	(81.3)	(76.1)	5.2	6.4%	9.8	11.4%
Segment Profit After Tax	73.7	68.9	60.5	46.1	49.3	3.2	6.9%	(11.2)	(18.5%)

¹Proforma result for six month period (IOOF ownership for the 5 months post-31 January 2020)

IOOF Holdings Limited

Ex-ANZ Wealth Management - Key Measures

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
Segment EBITDA (\$m)	(7.5)	(15.5)	(15.5)	(10.9)	(13.4)	(2.4)	(22.0%)	2.2	14.0%
Closing FUAdv (\$b)	16.7	16.1	18.0	16.3	17.4	1.1	6.4%	(0.6)	(3.5%)
Average FUAdv (\$b)	17.0	16.4	16.8	17.2	16.6	(0.6)	(3.5%)	(0.2)	(1.4%)
Net flows (\$b)	-	(1.3)	0.8	(0.3)	(0.1)	0.2	74.5%	(0.9)	n/a
Gross margin (\$m)	4.1	8.4	9.4	11.1	8.2	(2.8)	(25.7%)	(1.2)	(12.8%)
Gross margin	0.10%	0.10%	0.11%	0.13%	0.10%	(0.03%)	(24.0%)	(0.01%)	(11.9%)
Net operating margin	(0.17%)	(0.19%)	(0.18%)	(0.13%)	(0.16%)	(0.03%)	(24.7%)	0.02%	12.9%
Cost to income	231.6%	218.6%	246.6%	185.6%	254.7%	(69.1%)	(37.2%)	(8.2%)	(3.3%)

Ex-ANZ Wealth Management - P&L

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H20 v 1H21		1H20 v 1H21	
						\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	47.7	98.2	99.4	104.3	98.9	(5.4)	(5.2%)	(0.5)	(0.5%)
Other Fee Revenue	2.9	4.1	7.0	7.8	5.6	(2.2)	(28.0%)	(1.4)	(19.8%)
Service and Marketing fees expense	(46.3)	(93.8)	(96.1)	(101.2)	(96.2)	5.0	4.9%	(0.2)	(0.2%)
Other Direct Costs	(0.2)	(0.1)	(1.0)	0.2	(0.1)	(0.2)	n/a	0.9	93.8%
Amortisation of deferred acquisition costs	-	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	4.1	8.4	9.4	11.1	8.2	(2.8)	(25.7%)	(1.2)	(12.8%)
Other Revenue	1.5	4.7	1.2	1.7	0.4	(1.3)	(75.9%)	(0.7)	(63.8%)
Equity Accounted Profits	-	-	-	0.0	0.0	-	-%	0.0	n/a
Operating Expenditure incl Corporate Recharge	(13.1)	(28.6)	(26.1)	(23.8)	(22.0)	1.8	7.4%	4.1	15.7%
Segment EBITDA	(7.5)	(15.5)	(15.5)	(10.9)	(13.4)	(2.4)	(22.0%)	2.2	14.0%

IOOF Holdings Limited

Corporate and Other - P&L

	1H19	2H19	1H20	2H20	1H21	2H20 v 1H21		1H20 v 1H21	
	\$m	\$m	\$m	\$m	\$m	\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	-	-	-	-	-	-	n/a	-	n/a
Other Fee Revenue	0.2	0.2	0.4	0.5	0.6	0.1	15.1%	0.2	64.9%
Service and Marketing fees expense	0.2	0.2	-	-	-	-	n/a	-	n/a
Other Direct Costs	-	-	-	-	-	-	n/a	-	n/a
Amortisation of deferred acquisition costs	-	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	0.4	0.4	0.4	0.5	0.6	0.1	15.1%	0.2	64.9%
Other Revenue	0.8	0.8	1.3	1.1	0.4	(0.8)	(66.4%)	(0.9)	(70.1%)
Equity Accounted Profits	-	-	-	-	-	-	n/a	-	n/a
Operating Expenditure incl Corporate Recharge	(19.5)	(19.2)	(21.0)	(20.4)	(21.5)	(1.1)	(5.4%)	(0.5)	(2.4%)
Segment EBITDA	(18.2)	(18.0)	(19.4)	(18.7)	(20.5)	(1.8)	(9.5%)	(1.2)	(5.9%)

IOOF Holdings Limited

Discontinued Operations - Corporate Trust - P&L

Divested November 2018

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H20 v 1H21		1H20 v 1H21	
						\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	4.0	1.9	-	-	-	-	n/a	-	n/a
Other Fee Revenue	0.4	0.0	-	-	-	-	n/a	-	n/a
Service and Marketing fees expense	-	-	-	-	-	-	n/a	-	n/a
Other Direct Costs	(2.8)	(1.9)	-	-	-	-	n/a	-	n/a
Amortisation of deferred acquisition costs	-	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	1.5	0.0	-	-	-	-	n/a	-	n/a
Other Revenue	-	-	-	-	-	-	n/a	-	n/a
Equity Accounted Profits	-	-	-	-	-	-	n/a	-	n/a
Operating Expenditure incl Corporate Recharge	(1.7)	(0.1)	-	-	-	-	n/a	-	n/a
Segment EBITDA	(0.2)	(0.1)	-	-	-	-	n/a	-	n/a

Discontinued Operations - IOOF NZ - P&L

Divested April 2020

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H20 v 1H21		1H20 v 1H21	
						\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	2.3	2.3	2.3	1.2	-	(1.2)	(100.0%)	(2.3)	(100.0%)
Other Fee Revenue	-	-	-	-	-	-	n/a	-	n/a
Service and Marketing fees expense	(0.9)	(1.3)	(1.4)	(0.7)	-	0.7	100.0%	1.4	100.0%
Other Direct Costs	(0.0)	-	(0.0)	(0.0)	-	0.0	100.0%	0.0	100.0%
Amortisation of deferred acquisition costs	-	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	1.4	1.0	0.9	0.4	-	(0.4)	(100.0%)	(0.9)	(100.0%)
Other Revenue	(0.1)	(0.1)	(0.1)	(0.0)	-	0.0	100.0%	0.1	100.0%
Equity Accounted Profits	-	-	-	-	-	-	n/a	-	n/a
Operating Expenditure incl Corporate Recharge	(0.7)	(0.7)	(0.6)	(0.4)	-	0.4	100.0%	0.6	100.0%
Segment EBITDA	0.7	0.2	0.3	(0.1)	-	0.1	100.0%	(0.3)	(100.0%)

IOOF Holdings Limited

Discontinued Operations - Ord Minnett - P&L

Divested September 2019

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H20 v 1H21		1H20 v 1H21	
						\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	32.6	32.8	17.7	-	-	-	n/a	(17.7)	(100.0%)
Other Fee Revenue	-	-	-	-	-	-	n/a	-	n/a
Service and Marketing fees expense	(17.4)	(17.6)	(9.6)	-	-	-	n/a	9.6	100.0%
Other Direct Costs	(0.2)	0.1	(0.0)	-	-	-	n/a	0.0	100.0%
Amortisation of deferred acquisition costs	-	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	15.0	15.2	8.1	-	-	-	n/a	(8.1)	(100.0%)
Other Revenue	17.4	20.4	11.3	-	-	-	n/a	(11.3)	(100.0%)
Equity Accounted Profits	-	-	-	-	-	-	n/a	-	n/a
Operating Expenditure incl Corporate Recharge	(19.2)	(21.9)	(10.5)	-	-	-	n/a	10.5	100.0%
Segment EBITDA	13.1	13.6	8.8	-	-	-	n/a	(8.8)	(100.0%)

Discontinued Operations - Perennial Value Management - P&L

Divested October 2019

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m	2H20 v 1H21		1H20 v 1H21	
						\$m	%	\$m	%
Gross Margin									
Management and Service fees revenue	-	-	-	-	-	-	n/a	-	n/a
Other Fee Revenue	-	-	-	-	-	-	n/a	-	n/a
Service and Marketing fees expense	-	-	-	-	-	-	n/a	-	n/a
Other Direct Costs	-	-	-	-	-	-	n/a	-	n/a
Amortisation of deferred acquisition costs	-	-	-	-	-	-	n/a	-	n/a
Total Gross Margin	-	-	-	-	-	-	n/a	-	n/a
Other Revenue	-	-	-	-	-	-	n/a	-	n/a
Equity Accounted Profits	0.4	0.5	1.0	-	-	-	n/a	(1.0)	(100.0%)
Operating Expenditure incl Corporate Recharge	-	-	-	-	-	-	n/a	-	n/a
Segment EBITDA	0.4	0.5	1.0	-	-	-	n/a	(1.0)	(100.0%)

IOOF Holdings Limited

FUMA - Group (Continuing Operations)

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	116,290	117,193	128,197	133,849	137,878	142,123	145,109	195,001	202,297	202,826
Acquired FUMA	-	17,256	-	-	-	-	77,140	-	-	-
Net Flow	(81)	(120)	(122)	(836)	290	1,161	(693)	71	(137)	(4,011)
Pensions	(392)	(381)	(443)	(496)	(478)	(463)	(607)	(658)	(536)	(516)
Market/Other	1,375	(6,959)	6,217	5,361	4,432	2,288	(25,948)	9,131	2,694	12,650
Reclass from Funds Under Supervision	-	1,209	-	-	-	-	-	-	-	-
Early Release of Super	-	-	-	-	-	-	-	(1,249)	(1,042)	(132)
Transfer to IOOF Alliances	-	-	-	-	-	-	-	-	(450)	(363)
BT Transfer	-	-	-	-	-	-	-	-	-	(8,063)
Closing Balance	117,193	128,197	133,849	137,878	142,123	145,109	195,001	202,297	202,826	202,390

FUMA - Financial Advice and Distribution

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	55,121	55,067	51,340	53,600	55,735	57,826	58,616	51,772	54,213	54,296
Net Flow	(241)	(345)	(195)	58	33	134	64	2	175	(1,241)
Pensions	(182)	(176)	(163)	(185)	(156)	(143)	(133)	(129)	(106)	(104)
Market/Other	369	(3,206)	2,618	2,262	2,215	798	(6,776)	2,568	465	3,123
Transfer to IOOF Alliances	-	-	-	-	-	-	-	-	(450)	(87)
BT Transfer	-	-	-	-	-	-	-	-	-	(8,063)
Closing Balance	55,067	51,340	53,600	55,735	57,826	58,616	51,772	54,213	54,296	47,924

FUMA - Portfolio and Estate Administration

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	39,140	39,824	38,943	41,224	43,127	44,174	44,882	39,498	41,989	42,319
Net Flow	294	411	183	572	410	367	190	398	226	40
Pensions	(210)	(205)	(208)	(246)	(231)	(229)	(229)	(238)	(191)	(190)
Market/Other	600	(2,296)	2,306	1,577	868	570	(5,345)	2,500	454	2,684
Reclass from Funds Under Supervision	-	1,209	-	-	-	-	-	-	-	-
Early Release of Super	-	-	-	-	-	-	-	(170)	(158)	(21)
Closing Balance	39,824	38,943	41,224	43,127	44,174	44,882	39,498	41,989	42,319	44,832

IOOF Holdings Limited

FUMA - Investment Management

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	22,029	22,302	21,250	22,309	22,886	23,420	23,607	21,097	22,386	22,644
Net Flow	(134)	(186)	(129)	(181)	(166)	(145)	(81)	(51)	(62)	(2,168)
Market/Other	406	(865)	1,188	759	700	332	(2,429)	1,340	321	1,372
Closing Balance	22,302	21,250	22,309	22,886	23,420	23,607	21,097	22,386	22,644	21,848

FUMA - Ex-ANZ Pensions and Investments - Platform

	3Q20	4Q20	1Q21	2Q21
	\$m	\$m	\$m	\$m
Opening Balance	-	41,608	43,268	42,986
Acquired FUMA	49,112	-	-	-
Net Flow	(421)	(233)	(385)	(542)
Pensions	(139)	(211)	(170)	(163)
Market/Other	(6,943)	2,676	733	2,691
Early Release of Super	-	(573)	(461)	(59)
Closing Balance	41,608	43,268	42,986	44,914

FUMA - Ex-ANZ Pensions and Investments - Investment Management

	3Q20	4Q20	1Q21	2Q21
	\$m	\$m	\$m	\$m
Opening Balance	-	23,303	24,121	24,082
Acquired FUMA	28,028	-	-	-
Net Flow	(220)	50	(26)	(83)
Pensions	(18)	-	-	-
Market/Other	(4,488)	1,274	410	1,554
Early Release of Super	-	(506)	(423)	(53)
Closing Balance	23,303	24,121	24,082	25,501

IOOF Holdings Limited

FUMA - Ex-ANZ Wealth Management

	2Q19 \$m	3Q19 \$m	4Q19 \$m	1Q20 \$m	2Q20 \$m	3Q20 \$m	4Q20 \$m	1Q21 \$m	2Q21 \$m
Opening Balance	-	16,663	16,717	16,130	16,703	18,004	17,724	16,322	16,499
Acquired FUMA	17,256	-	-	-	-	-	-	-	-
Net Flow	-	20	(1,285)	13	804	(226)	(95)	(65)	(17)
Pensions	-	(72)	(65)	(91)	(91)	(88)	(79)	(69)	(60)
Market/Other	(592)	105	764	650	588	34	(1,227)	311	1,226
Transfer to IOOF Alliances	-	-	-	-	-	-	-	-	(276)
Closing Balance	16,663	16,717	16,130	16,703	18,004	17,724	16,322	16,499	17,372

FUMA - Discontinued Operations - Ord Minnett

	1Q19 \$m	2Q19 \$m	3Q19 \$m	4Q19 \$m	1Q20 \$m
Opening Balance	9,024	9,511	9,054	10,166	11,017
Net Flow	360	50	459	374	310
Market/Other	127	(507)	653	477	140
Divested FUMA	-	-	-	-	(11,467)
Closing Balance	9,511	9,054	10,166	11,017	-

FUMA - Discontinued Operations - IOOF NZ

	1Q19 \$m	2Q19 \$m	3Q19 \$m	4Q19 \$m	1Q20 \$m	2Q20 \$m	3Q20 \$m	4Q20 \$m
Opening Balance	619	630	589	617	620	613	623	553
Net Flow	(9)	(7)	-	(11)	(14)	(8)	(11)	-
Market/Other	20	(34)	28	14	7	18	(59)	-
Divested FUMA	-	-	-	-	-	-	-	(553)
Closing Balance	630	589	617	620	613	623	553	-

IOOF Holdings Limited

Remediation - IOOF Advice

	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m
Opening Balance	-	223.2	223.1	216.9
Provisions made/(reversed)	223.2	-	-	-
Provisions utilised				
Payments made	-	-	(0.4)	(9.3)
Program costs	-	(0.1)	(5.8)	(5.3)
Closing Balance	223.2	223.1	216.9	202.3

Remediation - Ex-ANZ Aligned Licensees

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m
Opening Balance	-	168.1	168.8	153.5	215.8
Provisions acquired	168.1	-	-	-	-
Provisions made/(reversed)	-	15.2	-	80.4	13.7
Provisions utilised					
Payments made	-	(4.5)	(6.1)	(7.9)	(13.8)
Program costs	-	(10.0)	(9.3)	(10.2)	(8.3)
Closing Balance	168.1	168.8	153.5	215.8	207.3

Remediation - Ex-ANZ Pensions and Investments

	2H20 \$m	1H21 \$m
Opening Balance	-	174.7
Provisions acquired	180.0	-
Provisions made/(reversed)	(1.2)	1.1
Provisions utilised		
Payments made	(1.8)	(5.4)
Program costs	(2.3)	(4.7)
Closing Balance	174.7	165.7

IOOF Holdings Limited

Statutory NPAT reconciliation

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m
Profit attributable to Owners of the Company	135.4	(106.9)	115.0	32.0	54.4
Discontinued operations	(65.9)	7.5	(87.2)	(1.0)	-
Profit/(Loss) from continuing operations attributable to Owners of the Company	69.6	(99.4)	27.8	31.0	54.4
<i>Underlying net profit after tax pre-amortisation (UNPAT) adjustments:</i>					
Amortisation of intangible assets	19.0	18.7	18.3	18.5	28.2
Unwind of deferred tax liability recorded on intangible assets	(5.0)	(4.9)	(4.9)	(4.9)	(7.7)
Acquisition costs - Acquisition advisory	1.7	0.8	0.4	5.6	3.5
Acquisition costs - Integration preparation	2.5	7.9	3.7	9.8	15.1
Acquisition costs - Finance costs	0.4	-	0.1	-	3.2
BT settlement income	-	-	-	-	(59.2)
Legal provision	-	-	-	-	22.0
Advice 2.0 costs	-	-	-	-	0.7
Evolve costs	4.1	6.3	5.2	6.2	6.4
Termination payments	0.3	1.8	2.7	0.2	0.1
Profit on divestment of assets	(0.4)	(0.0)	(0.3)	(1.2)	(1.3)
Non-recurring professional fees paid	0.2	1.8	4.4	2.0	3.8
Impairment of goodwill and investment	-	-	-	4.3	-
Remediation costs	3.8	231.5	1.5	-	-
Governance uplift costs	-	-	3.2	1.3	0.7
Other	0.1	0.8	0.7	0.7	(0.1)
Income tax attributable	(3.7)	(74.5)	(6.4)	(5.9)	(4.0)
UNPAT from continuing operations	92.5	90.8	56.5	67.6	65.9
UNPAT from discontinued operations	7.4	7.3	4.9	(0.1)	-
UNPAT	99.9	98.1	61.4	67.5	65.9

IOOF Holdings Limited

Corporate Balance Sheet

Excludes balances relating to the statutory benefit funds

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m
Assets					
Cash	112.8	91.7	65.3	371.0	896.0
Certificates of deposit	-	-	-	-	100.0
Receivables	291.4	289.6	342.4	547.4	603.2
Debt note	800.0	800.0	800.0	-	-
Other financial assets	54.9	56.7	90.9	147.5	18.7
Current tax assets	-	3.9	47.7	23.6	5.7
Prepayments	15.6	15.3	11.0	16.3	12.0
Deferred acquisition costs	1.4	1.2	1.2	1.0	1.0
Associates	24.5	21.5	16.4	12.9	12.1
Property and equipment	39.3	36.0	115.9	134.4	124.0
Deferred tax assets	-	2.7	-	-	28.7
Intangible assets	392.3	364.7	352.2	525.1	498.6
Goodwill	946.3	936.9	937.3	1,465.4	1,506.3
	2,678.6	2,620.2	2,780.4	3,244.5	3,806.3
Assets classified as held for sale	-	52.5	-	-	-
Total assets	2,678.6	2,672.7	2,780.4	3,244.5	3,806.3
Liabilities					
Payables	73.2	86.4	75.9	118.8	115.1
Other financial liabilities	3.0	15.3	32.4	54.8	95.5
Loans and borrowings	416.7	426.5	447.5	572.3	102.6
Current tax liabilities	11.4	-	-	-	-
Provisions	231.7	453.3	487.4	733.1	729.1
Deferred tax liabilities	80.5	-	8.2	27.0	-
Deferred revenue liability	1.3	1.1	1.1	0.9	0.9
Lease incentives	5.9	5.8	-	-	-
	823.7	988.4	1,052.5	1,506.9	1,043.3
Liabilities directly associated with assets classified as held for sale	-	27.4	-	-	-
Total liabilities	823.7	1,015.8	1,052.5	1,506.9	1,043.3
Net assets	1,854.9	1,656.9	1,727.8	1,737.6	2,763.0
Equity					
Share capital	1,966.9	1,963.1	1,965.4	1,965.8	2,996.0
Reserves	23.3	25.2	52.7	91.3	2.6
Accumulated losses	(142.9)	(339.1)	(289.6)	(319.3)	(235.4)
Total equity attributable to equity holders of the Company	1,847.3	1,649.2	1,728.4	1,737.8	2,763.3
Non-controlling interest	7.6	7.7	(0.6)	(0.2)	(0.3)
Total equity	1,854.9	1,656.9	1,727.8	1,737.6	2,763.0

IOOF Holdings Limited

Statement of Cash Flows

Excludes cash flows relating to the statutory benefit funds

	1H19 \$m	2H19 \$m	1H20 \$m	2H20 \$m	1H21 \$m
Cash flows from operating activities					
Receipts from customers	561.9	647.8	600.0	722.7	679.0
Payments to suppliers and employees	(442.4)	(538.8)	(530.0)	(594.2)	(589.1)
Dividends from associates	0.2	0.2	0.1	0.2	0.1
Net legal settlements	(8.5)	(2.4)	0.9	(3.2)	-
Remediation costs	(3.8)	(0.3)	(9.6)	(6.3)	(23.6)
Coupon interest received on debt note	18.9	49.0	8.1	1.3	-
Income taxes paid	(54.3)	(57.0)	(38.7)	(4.0)	(35.5)
Net cash flows from operating activities	72.1	98.5	30.9	116.6	30.9
Cash flows from investing activities					
Dividends and distributions received	0.7	0.6	0.8	0.7	0.2
Interest received	5.2	4.2	1.2	3.2	1.7
Acquisition and transformation costs	(8.7)	(9.8)	(7.4)	(19.2)	(27.9)
Interest and other costs of finance paid	(8.7)	(7.7)	(5.6)	(4.5)	(3.8)
Proceeds from divestment of/(payments for) financial assets	(1.8)	0.3	(2.1)	86.6	100.7
Redemption/(purchase) of debt note	(800.0)	-	-	800.0	-
Net proceeds on divestment of subsidiaries	41.0	0.3	90.0	3.0	-
Acquisition of subsidiary, net of cash acquired	(5.8)	(2.3)	-	(678.8)	15.1
Redemption of/(payment for) treasury investments	407.4	-	-	-	(100.0)
Receipt of deferred purchase consideration	-	0.4	-	-	-
Net proceeds from/(payment for) swaps	-	-	-	(30.2)	-
Payments for property and equipment	(22.7)	(3.5)	(3.2)	(5.0)	(3.0)
Payments for intangible assets	(3.2)	(0.6)	(5.4)	(7.7)	(1.8)
Repayment of loan principal (related parties)	-	0.0	7.3	-	-
Net cash flows from investing activities	(396.5)	(18.2)	75.6	148.1	(18.8)
Cash flows from financing activities					
Drawdown of borrowings	610.0	60.0	0.0	115.0	0.0
Repayment of borrowings	(190.0)	(50.6)	(75.0)	(10.0)	(460.0)
Proceeds from issue of shares	-	-	-	-	1,043.9
Transaction costs of issuing new shares	-	-	-	-	(20.5)
Purchase of treasury shares	(3.8)	(4.1)	-	-	-
Return of capital to non-controlling interest	(1.2)	-	-	-	-
Net repayment of leasing liabilities	-	-	(6.4)	(7.9)	(10.3)
Dividends paid - members of the Company	(94.7)	(89.3)	(66.5)	(56.0)	(40.3)
Dividends paid - non-controlling members of subsidiary entities	(4.5)	(2.4)	(0.0)	(0.0)	(0.0)
Net cash flows from financing activities	315.8	(86.5)	(147.9)	41.1	512.9
Net cash flow	(8.6)	(6.2)	(41.4)	305.8	525.0
Opening cash position	121.4	112.8	91.7	65.3	371.0
Cash classified in assets held for sale at the beginning of the period	-	-	15.0	-	-
Effects of exchange rate changes on cash and cash equivalents	0.0	0.0	0.0	(0.1)	-
Reclassification to assets held for sale	-	(15.0)	-	-	-
Closing cash position	112.8	91.7	65.3	371.0	896.0

IOOF Holdings Limited

Cash and Debt Facilities

Excludes balances relating to the statutory benefit funds

	1H19	2H19	1H20	2H20	1H21
Cash and cash equivalents					
Corporate cash (\$m)	112.8	91.7	65.3	225.4	783.1
Restricted cash (ORFR) (\$m)	-	-	-	145.6	112.8
Certificates of deposit (\$m)	-	-	-	-	100.0
Debt Facilities					
Total debt facilities (\$m) ¹	750.0	750.0	615.0	615.0	865.0
Drawn senior debt (\$m)	420.0	430.0	355.0	460.0	-
Senior funding headroom (\$m)	330.0	320.0	260.0	155.0	865.0
Ratios and other indicators					
Net debt (\$m)	307.2	338.3	289.7	234.6	(883.1)
SFA defined leverage ratio	1.4 times	1.4 times	0.0 times	1.3 times	0.0 times
Bridge to SFA defined net debt					
Simple net debt (above)	307.2	338.3	289.7	234.6	(883.1)
Debt note	-	-	(800.0)	-	-
<i>Excl</i> non-guarantor cash	13.0	9.7	5.9	73.4	6.8
<i>Add</i> bank guarantees	42.6	65.7	46.7	54.7	54.7
<i>Add</i> deferred asset purchase consideration greater than 90 days	-	-	2.6	5.6	25.3
Other SFA adjustments	10.1	3.1	2.8	2.8	2.8
SFA defined net debt	372.8	416.8	n/a	371.3	n/a

¹Revolving cash advance facilities only, excludes multi-option facility

IOOF Holdings Limited

Segment Asset Allocations

	1H19	2H19	1H20	2H20	1H21
Financial Advice and Distribution					
Australian Equities	42%	36%	39%	37%	40%
Fixed Interest/Cash	32%	33%	31%	32%	27%
International Equities	18%	23%	22%	20%	20%
Property	6%	7%	6%	7%	7%
Other	2%	2%	2%	4%	7%
Portfolio and Estate Administration					
Australian Equities	35%	32%	32%	30%	32%
Fixed Interest/Cash	34%	33%	32%	32%	34%
International Equities	20%	23%	24%	23%	21%
Property	6%	7%	7%	9%	6%
Other	5%	6%	6%	4%	6%
Investment Management					
Australian Equities	26%	27%	27%	21%	24%
Fixed Interest/Cash	40%	39%	38%	41%	33%
International Equities	22%	22%	23%	22%	25%
Property	10%	9%	10%	10%	11%
Other	2%	4%	2%	5%	6%
Ex-ANZ Pensions and Investments - Platform					
Australian Equities				29%	30%
International Equities				28%	29%
Australian Fixed Interest				10%	10%
International Fixed Interest				10%	10%
Property				7%	7%
Cash				13%	11%
Other				3%	3%
Ex-ANZ Pensions and Investments - Investment Management					
Australian Equities				26%	27%
International Equities				29%	30%
Australian Fixed Interest				15%	14%
International Fixed Interest				9%	8%
Property				10%	10%
Cash				8%	6%
Other				4%	4%

IOOF Holdings Limited

Ratio Calculations

	1H19	2H19	1H20	2H20	1H21
Earnings					
UNPAT (\$m)	99.9	98.1	61.4	67.5	65.9
UNPAT (continuing operations) (\$m)	92.5	90.8	56.5	67.6	65.9
Statutory NPAT (\$m)	135.4	(106.9)	115.0	32.0	54.4
Statutory NPAT (continuing operations) (\$m)	69.6	(99.4)	27.8	31.0	54.4
Shares					
Weighted average shares on issue	351,076,027	351,076,027	351,076,027	351,076,027	531,842,426
Weighted average treasury shares on issue	386,749	856,831	1,014,460	892,726	792,719
Weighted average performance rights	880,118	1,084,188	690,739	878,318	840,589
EPS					
UNPAT EPS (cents per share)	28.5	28.0	17.5	19.3	12.4
UNPAT EPS (continuing operations) (cents per share)	26.4	25.9	16.1	19.3	12.4
Basic EPS (cents per share)	38.6	(30.5)	32.8	9.1	10.2
Diluted EPS (cents per share)	38.5	(30.4)	32.8	9.1	10.2
Basic EPS (continuing operations) (cents per share)	19.9	(28.4)	7.9	8.9	10.2
Cost to income					
Gross margin	254.1	242.7	248.3	329.3	349.3
Add back amortisation of deferred acquisition costs	0.1	0.1	0.0	0.0	0.0
Other revenue	6.6	8.6	6.0	5.4	2.0
ANZ coupon interest	28.7	43.3	8.1	2.2	-
Operating expenditure	(149.3)	(157.6)	(163.7)	(220.7)	(239.8)
Cost to income	51.6%	53.5%	62.4%	65.5%	68.2%
Return on equity					
Average equity (\$m)	1,821.6	1,819.7	1,693.0	1,725.4	2,308.5
Days in period	184	181	184	182	184
Days in year	365	365	366	366	365
Return on equity	10.9%	10.9%	7.2%	7.9%	5.7%

Shares on issue

	From	To	Days
351,076,027	1/07/2018	31/12/2018	184
351,076,027	1/01/2019	30/06/2019	181
351,076,027	1/07/2019	31/12/2019	184
351,076,027	1/01/2020	30/06/2020	182
351,076,027	1/07/2020	6/09/2020	68
560,345,476	7/09/2020	21/09/2020	15
648,218,885	22/09/2020	22/09/2020	1
649,324,356	23/09/2020	31/12/2020	100



Creating financial independence since 1846

Investor and analyst book

24 February 2021

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IOOF Shareholder website <https://www.ioof.com.au/shareholders>

IOOF ASX announcements <https://www.ioof.com.au/shareholders/asx-announcements>

Important information

This report covers the IOOF Holdings Limited Corporate Group of businesses only (IOOF). A subsidiary of IOOF, IOOF Ltd, is a friendly society in accordance with the Life Insurance Act 1995. The funds operated by IOOF Ltd, and any trusts controlled by those funds, are treated as statutory funds in accordance with the Life Insurance Act 1995. These statutory funds are required to be consolidated in the financial statements in accordance with accounting standards. These are excluded for the purposes of this report.

The purpose of this investor book is to provide an overview of:

1. IOOFs business reporting segments
2. Additional detail on composition of segments and drivers of gross margin and profitability

IOOFs investor and analyst book only discusses material drivers of revenue and should not be relied upon as a complete overview of part or all of IOOFs financial performance.

Key people

IOOF Leadership Team

Renato Mota	Chief Executive Officer
David Chalmers	Chief Financial Officer
Adrianna Bisogni	Group Company Secretary
Daniel Farmer	Chief Investment Officer
Lawrence Hastings	Chief Legal Officer
Sharam Hekmat	Chief Information Officer
Frank Lombardo	Chief Operating Officer
Mark Oliver	Chief Distribution Officer
Lorna Stewart	Chief Risk Officer
Mel Walls	Chief People Officer
Chris Weldon	Chief Transformation Officer
Darren Whereat	Chief Advice Officer

Profiles for each member of the leadership team can be found at <https://www.ioof.com.au/about-us/about-ioof/our-people>

IOOF Holdings Board of Directors

Allan Griffiths	Chairman, Independent Non-Executive Director
Renato Mota	Chief Executive Officer
Andrew Bloore	Independent Non-Executive Director
Elizabeth Flynn	Independent Non-Executive Director
John Selak	Independent Non-Executive Director
Michelle Somerville	Independent Non-Executive Director

Profiles for each member of the Board can be found at <https://www.ioof.com.au/about-us/about-ioof/our-people/board-of-directors>

Key Management Personnel remuneration details

The 2020 Remuneration Report can be found on page 42 of the 2020 Group Annual Report at https://www.ioof.com.au/_data/assets/pdf_file/0007/413593/IOOF-Annual-Report-2020.pdf

2021/22 Key dates

2Q21 FUMA/Business update	28 January 2021
1H21 Results announcement	24 February 2021
1H21 Dividend record date	4 March 2021
1H21 Dividend payment date	18 March 2021
3Q21 FUMA/Business update	29 April 2021
4Q21 FUMA/Business update	29 July 2021
FY21 Results announcement	26 August 2021
1Q22 FUMA/Business update	28 October 2021
Annual General Meeting	25 November 2021

The above dates may be altered should circumstances change. Latest key dates will be updated at <https://www.ioof.com.au/shareholders/key-dates>

IOOF purpose, strategic initiatives and principles

Purpose

IOOF has a 170-year history of helping Australians secure their financial future and has a strategy to be Australia's leading advice-led wealth management business.

IOOF has defined its purpose from our client's perspective:

understand me, look after me, secure my future.

- **Understand me:** is about asking the right questions to uncover what matters to our members;
- **Look after me:** is about delivering what we say we will, when we say we will; and
- **Secure my future:** by understanding and delivering what really matters, we help people secure their financial future.

IOOF developed this purpose through a review of real conversations that have taken place between our people and our Clients.

Principles

IOOF's purpose is supported by IOOF's principles:

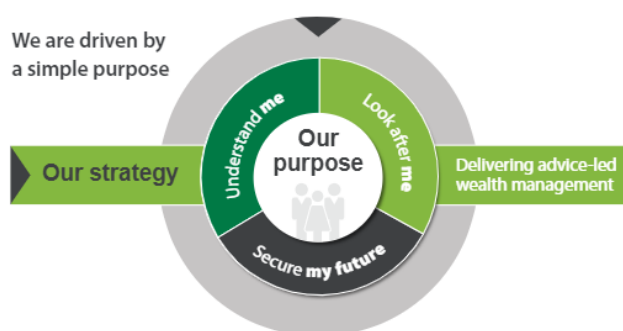
- **Be human** – we treat those around us the way we'd like to be treated – open, honestly and respectfully;
- **Deliver what matters** – we make sure we understand what matters to every client, and we make it happen;
- **Stronger together** – only by working together can we truly service our clients;
- **Keep it simple** – we remove complexity; and
- **Do what's right, not what's easy** – we back ourselves to make the right call. We speak up.

Strategic initiatives

IOOF's strategic goal is to be Australia's leading advice-led wealth manager. IOOF believes that the lives of Australians are substantially improved through advice and that our purpose comes to life through the realisation of our strategy

IOOF firmly believes that value is created by linking together components of the complex financial services value chain to the benefit of Clients, focusing on the network effect of advice:

- IOOF strongly believes in the value of quality financial advice for Australians, in helping them achieve their life goals;
- IOOF's strategy is designed to serve our Clients and deliver to our Purpose – we support our Clients to help them achieve their goals through:
 - IOOF's ClientFirst philosophy;
 - delivering scalable governance, systems and processes;
 - IOOF's open architecture approach – this means offering clients choice; and
 - commitment to improving the quality of financial advice via the IOOF Advice Academy.



IOOF and its key business segments

About IOOF

IOOF is one of the largest financial services groups in Australia. IOOF is an ASX top 200 company with more than \$202 billion in funds under management, administration and advice as at 31 December 2020.

IOOF is one of Australia's leading advice-led wealth managers and providers of wealth creation products and services. Various subsidiary entities within the IOOF group specialise in the provision of portfolio and estate administration services, investment management and the provision of financial advice, including the financial advice practice support services that enable that advice.

IOOF currently reports its financial results in six business segments:

- 1 Financial Advice
- 2 Ex-ANZ Aligned Licensees (ALs)

Together, the two operating segments comprise the Financial Advice Business Line

- 3 Portfolio & Estate Administration
- 4 Investment Management Ex-ANZ Pensions & Investments (P&I)
- 5 Corporate

As we continue the work to integrate the P&I business, we expect to report in four main segments in future periods;

- 1 Financial Advice
- 2 Portfolio & Estate Administration

- 3 Investment Management
- 4 Corporate

Upon completion of MLC, we expect to include MLC as a separate segment for at least 2 reporting periods.

Financial Advice

The Financial Advice Segment reports the financial economics of a number of different advice channels.

The Financial Advice segment currently has four key components;

- **Professional Services** – wholly IOOF owned and operated advice network
- **Self-employed Advice** – Advisers operating their own advice businesses under IOOF licence
- **Self-licensed Advice** – Advisers operating their own advice business with a non-IOOF license who utilise certain services from IOOF
- **Open architecture** – offering choice of third party platform offerings to advisers
- **Other** – includes revenue from advising on general insurance and Shadforth Business Advisory Services

Integration of the ex-ANZ ALs is well underway, hence this section covers both the Financial Advice and ex-ANZ AL financial segments – together, the Financial Advice business line.

Composition of advisers by channel

	Professional Services (includes Bridges advisers transitioning)	Self-employed	Self-licensed	Total
Dec-19	330	1,074	326	1,730
Dec-20	292	893	361	1,546

Professional Services are wholly IOOF owned and operated and include the following advice brands from 1 September 2020:

- Shadforth Financial Group - Employed Advisers servicing High Net Worth clients
- Bridges Financial Group – Combination of Employed Advisers and aligned advisers. On 31 August 2020, IOOF announced their intention to convert the Bridges network to a wholly owned and operated advice network

Material gross margin drivers	<ul style="list-style-type: none"> • Advisers charge a largely fixed advice fee. IOOF retains 100% of the advice fee as revenue
Material cost drivers	<ul style="list-style-type: none"> • Employed advisers are paid a salary plus discretionary bonus • Support services for advisers; Technology, Business support, Compliance, research and marketing
Profitability target	<ul style="list-style-type: none"> • Target EBIT margin of 30%+

Self-employed advisers own their own businesses and include the following advice brands

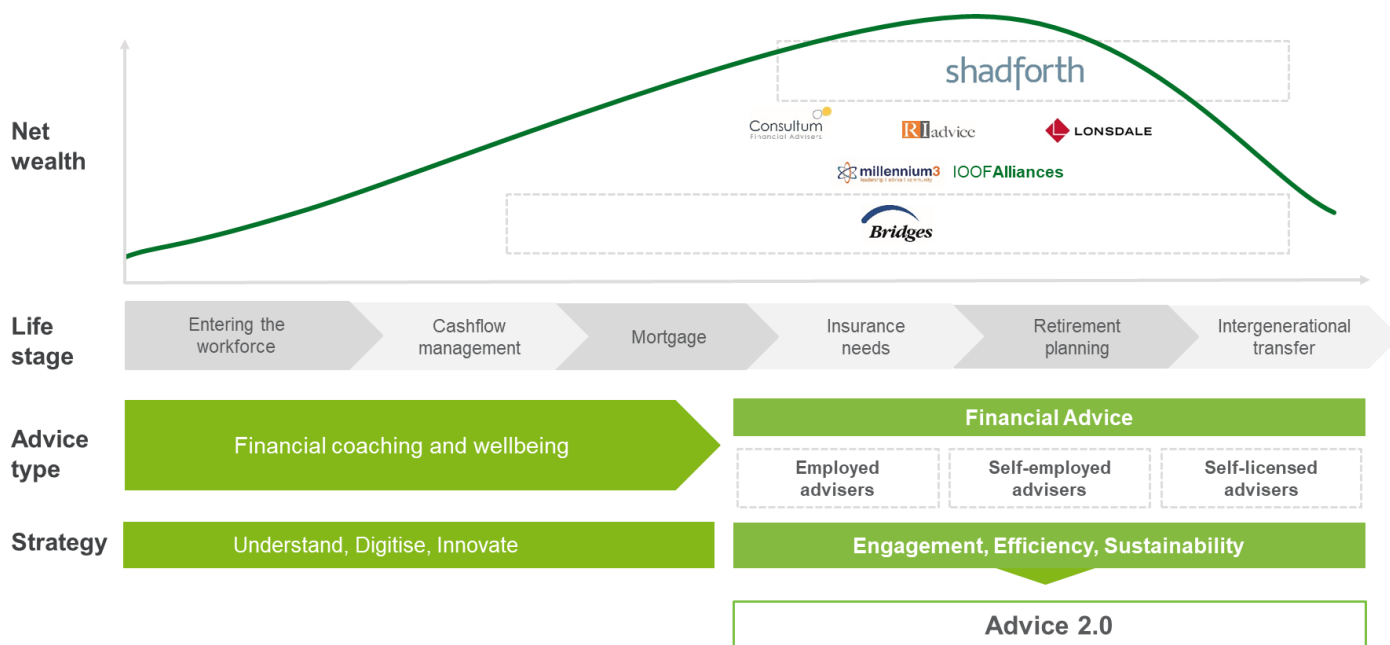
- Licences included under Financial Advice and the ex-ANZ ALs from 1 September 2020 are – Consultum, Lonsdale, M3 and RI Advice.

Material gross margin drivers	<ul style="list-style-type: none"> Advisers charge a combination of variable and / or fixed advice fee. IOOF collects 100% of the gross advice fees as revenue Direct costs include the portion of advice fees remitted to advisers as per the licence agreement with IOOF
Material cost drivers	<ul style="list-style-type: none"> Support services for advisers; Technology, Business support, Compliance, research and marketing
Profitability target	<ul style="list-style-type: none"> Target UNPAT to breakeven by FY23

Self-licensed Advice covers services provided to Independent Financial Advisers under the IOOF Alliances brand – not licensed by IOOF.

Material gross margin drivers	<ul style="list-style-type: none"> Advisers pay fees for services provided. IOOF does not carry the licence risk
Material cost drivers	<ul style="list-style-type: none"> Support services for advisers; Business Development Managers, Compliance, research, marketing

IOOF brands service clients across life stages



Open architecture - offering investment platform choice to advisers via third party platform administration. Platforms offered under IOOFs open architecture approach are; BT (to 17 December 2020), Macquarie and Colonial. IOOF launched a partnership with HUB24 in December 2020.

The advice segment includes the financial economics of third party platform administration or open architecture to be consistent with historical presentation of operating segments. The economics of open architecture will be included in the Portfolio & Estate Administration segment in future periods.

Other - IOOF also earns advice revenue from advising on general insurance and from Shadforth Business Advisory Services. The gross margin contribution from these two revenue streams is immaterial.

Material gross margin drivers	<ul style="list-style-type: none"> IOOF provides funds to a third party for administration. IOOF receives a fee for this administration calculated as bps on FuAdmin
Material cost drivers	<ul style="list-style-type: none"> No material cost drivers - Leverages of IOOF's existing sales and marketing resources in support of financial advisers

Ex-ANZ ALs

The ex-ANZ AL segment reports the financial economics of the licences acquired from ANZ on 2 October 2018; Millennium 3, RI Advice and Financial Services Partners (FSP).

On 31 August 2020, IOOF announced that FSP would close. In addition, IOOF announced Advice 2.0 – its go-forward advice strategy which integrates and consolidates the existing IOOF advice licences with the ANZ AL's.

For this reason, IOOF will only report the stand-alone financial metrics of ex-ANZ AL's until 30 June 2021, after which, it will be included in one Financial Advice operating segment.

Please refer to the Financial Advice section on the previous pages which details the material gross margin drivers for the financial advice business line.

Portfolio & Estate Administration

The Portfolio & Estate segment currently reports the financial economics of IOOFs proprietary platforms and retail Trustee business operation under the brand Australian Executor Trustees ("AET").

This segment currently contains two core platform technologies; Orion and Evolve (formerly called "ASIS") alongside the administration of retail trustee funds. IOOF has also launched a proprietary Managed Account solution "MPS" which has grown to over \$1b in funds under administration.

As part of Project Evolve, IOOF expects to transition all client accounts from Orion to Evolve by the end of calendar year 2021 and to retire Orion by the end of calendar year 2022 (Evolve21). Evolve will be the go-forward proprietary platform technology for all IOOF proprietary products.

Material gross margin drivers	<ul style="list-style-type: none"> Fees from portfolio and estate administration consist of basis points on funds under administration and fixed annual fees per client account Fee tiering and capping in many products result in a non-linear relationship between funds under administration and revenue MySuper fees are fixed plus basis point on funds under administration resulting in a higher overall gross margin % due to lower overall client balances and a fixed proportion of fees
Material cost drivers	<ul style="list-style-type: none"> Largely relates to IOOF staff salaries and technologies, relating to the following functions: <ul style="list-style-type: none"> administration systems and process product and distribution governance and process improvement (ClientFirst)

A breakdown of Portfolio & Estate Gross margin, and average Funds under Administration (FuAdmin) by core product type for 1H21 is as follows

Core products	Platform	Average FuAdmin \$'b	GM%
Flagship Advised	Orion/Evolve	23.6	0.36%
Flagship Workplace	Evolve	7.9	0.60%
Transition	Orion/Evolve	4.8	0.66%
Trustee	Trustee	6.7	0.56%
Portfolio & Estate Administration Total		43.0	0.47%

Flagship Advised includes: Pursuit Select, Pursuit Focus, Shadforth Portfolio Service, eXpand and IOOF Essential

Flagship Workplace includes: IOOF Super and Pension, MySuper

Transition includes: IPS Super and Schemes, Lifetrack Superannuation, AustChoice Superannuation Plan, Bendigo Super and Plan B

Trustee includes: Portfolio Management Service, Small APRA Funds, AET Services, Estate & Trustee Services

Details on each product including Product Disclosure statements, information sheets, investment menus etc can be found at <https://www.ioof.com.au/forms>

Investment Management

The Investment Management segment reports the financial economics of IOOF's investment management offerings.

IOOF largely operates a "fund of funds" structure with the IOOF investment teams role largely to select investment managers with which to invest client funds under Investment Manager Agreements. This insulates IOOF from institutional funds flow volatility and key person risk.

IOOFs key investment management offerings currently include;

- IOOF Multi-manager products
 - IOOF MultiMix - fully active multi-manager funds – fund of funds
 - IOOF MultiSeries - low cost, predominantly active multi-manager funds
- IOOF Balanced Investor Trust - IOOF's MySuper default option Mosaic and Other investment funds includes;
 - Mosaic Trusts – Multi-manager funds specifically designed in partnership with licensees
 - Closed or legacy investment offerings and the Cash Management Trust (\$1.5 billion) which was liquidated in December 2020
- IOOF Wealthbuilder – IOOF's investment bond offered by the Friendly Society, IOOF Ltd.

A breakdown of gross margin by each investment product category for 1H21 can be found below

Investment product category	Average AUM \$'b	GM%
IOOF Multis	10.5	0.31%
Mosaic and Other Investment Trusts	11.1	0.19%
Friendly Society	1.0	0.64%
Investment Management Total	22.5	0.27%

Material gross margin drivers	<ul style="list-style-type: none"> • Fees from investment management are largely basis points on funds under management
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Material cost drivers	<ul style="list-style-type: none"> • Largely relates to salaries of the investments team within IOOF with a small allocation of centralised costs • Manager research fees
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Details on each investment product including Product Disclosure statements, information sheets, investment menus etc can be found at <https://www.ioof.com.au/forms>

Ex-ANZ P&I

The ex-ANZ P&I segment reports the financial economics of the Pensions & Investments business acquired from ANZ on 1 February 2020.

The key platforms currently included in this segment include;

- ANZ Smart Choice (Retail) – Low fee, digitally distributed and serviced
- ANZ Smart Choice (Employer) – Low fee, offering for employers and their employees, digitally serviced. Includes SmartChoice's MySuper offering.
- OneAnswer Frontier – Adviser platform for retail clients
- Grow Wrap and Oasis – Advised wrap platform, administered by Macquarie

The key investment products currently included in this segment include;

- Optimix – Multi-manager funds which deliver effective diversification across specialist managers

P&I fees are bundled ie they include both platform and investment management fees. Therefore the table below includes the total gross margin for both platform and investment management

Material gross margin drivers	<ul style="list-style-type: none"> • Revenue in the P&I segment is largely derived from bundled platform and investment fees which are calculated as basis points on funds under administration and management.
Material cost drivers	<ul style="list-style-type: none"> • Largely salaries and information technology expenditure • Costs paid to outsourced product administrators i.e. Macquarie

A breakdown of gross margin and average funds under administration (FuAdmin) by each product category for 1H21 can be found below.

The Gross Margin for Smart Choice, OneAnswer Frontier and Transition products includes the fees earned from both platform administration and investment management as fees in these products are bundled.

Grow wrap and oasis are not bundled fees.

P&I has three proprietary platforms, Composer, Gatekeeper and Integra.

Product category	Platform	Average FuAdmin \$'b	GM%
Smart Choice Employer	Composer	13.7	0.55%
Smart Choice Retail	Composer	3.6	0.65%
OneAnswer Frontier	Gatekeeper	10.2	0.57%
Transition	Composer/Gatekeeper/Integra	8.3	0.83%
Grow Wrap & Oasis	Macquarie	7.1	0.22%
Pensions & Investments Total		42.9	0.57%

Transition include largely closed and legacy products.

Corporate

The corporate segment reports the financial economics of largely centralised corporate expenses.

Key corporate expenses currently include;

- Shared service costs; IT, Legal, Company secretariat, Risk, Governance, Board admin etc.

- Interest expenses on Group debt

Key strategic initiatives

IOOF currently has three key strategic initiatives in addition to business as usual commitments. These pillars are designed to focus, simplify and grow the business to deliver on the strategy of 'advice-led wealth management' while leveraging the 5 strategic pillars.

- Advice 2.0
- Evolve21
- Transformation

The 3 initiatives above draw upon 5 key strategic principles:

- ClientFirst culture
- Advice Reinvention
- Economies of simplification
- Proprietary technology
- Trusted reputation

A virtual investor briefing was held on 2 December 2020 covering each of the 3 strategic initiatives. The presentations can be accessed at https://www.ioof.com.au/_data/assets/pdf_file/0008/416816/IOOF-Virtual-Investor-Briefing-2020-Access-and-presentation-materials.pdf

Advice 2.0

As announced on 31 August 2020, Advice 2.0 is reshaping advice and improving the quality and affordability of advice.

The Advice 2.0 project is focussed on the long-term sustainability of the Advice division, an initiative that focusses on redesigning the advice experience. The core benefits of this project are to deliver more accessible and cost-effective financial advice, improve adviser efficiency and ensure a profitable division that is independent from product.

Key elements of Advice 2.0

- There will be three go-forward advice models;
 - Professional Services – Shadforth & Bridges
 - Self-employed advice – Lonsdale, M3, RI, Consultum
 - IOOF Alliances – servicing the IFA market
- Advice 2.0 resulted in the closure of FSP, EWM & Actuate licences - Total run rate savings of \$10m per annum.
- Targeting aligned advice to breakeven by the end of FY23 via increased revenue & reduction in costs \$23m profit improvement.

Evolve

Evolve is cross functional program of work targeting one IOOF proprietary platform by end of calendar year 2021. We are currently on track to meet this target.

Evolve21 will enable significant simplification of our business, support the ClientFirst methodology and deliver for our people by reducing waste and complexity, allowing greater focus on service excellence. Evolve21 is critical to IOOF's ability to deliver improved client outcomes through efficiency, sustainability and our ability to innovate.

Key elements of Evolve;

- Proprietary technology is key – similar to other niche platform providers
- Service is our key competitive advantage vs peers.
- Evolve is being built to welcome future rationalisation of P&I and MLC platforms

Further detail on Evolve and the planned migrations can be found at <https://www.ioof.com.au/evolve>

Transformation

IOOF is bringing together the IOOF and ex ANZ P&I businesses to ensure client outcomes are paramount while synergy targets are reached via improved scale and efficiency.

In January 2020 IOOF completed the purchase of ANZ's OnePath Pensions and Investments business. In doing so, IOOF has now moved to the next phase of separating the business from ANZ and realising the expected benefits via meaningful operating cost synergies.

The Chief Transformation Officer is responsible for managing and overseeing the delivery of these activities. The separation from ANZ is primarily reliant on system separation, which is currently forecast to be delivered in early 2022. Until this time ANZ is supporting IOOF by providing transitional services under a Transitional Services Agreement (TSA). Key functions and staff under this TSA will be progressively transitioned on an as ready basis.

This will ensure functions are both bedded down as early as possible and IOOF's reliance on the TSA services is reduced as soon as possible. In parallel, IOOF are working towards realising the benefits of joining the businesses. Key areas of focus include rationalisation of products and services, optimisation of organisational structure, elimination of duplicate back office functions and leveraging the benefits of increased scale.

Governance and executive oversight have been implemented, with the key forums including (a) Executive Transformation and Integration Steering Committee and (b) Design Integration Group. Right sized stream delivery teams have been mobilised, with key milestones such as finalisation of the Joint Project Separation Planning and Phase 1 of an organisational redesign, system separation, transition of additional ANZ staff to IOOF, phase 2-3 of organisational redesign, product rationalisation roadmap and the entity rationalisation strategy. Underlying this is ensuring that IOOF's ClientFirst strategy is embedded in all aspects of integration.

Key elements of Transformation;

- Programme governance will guide decision making
- The transformation team has been established to ensure delivery of outcomes for clients and shareholders
- Synergy targets are set and monitored monthly
- Transformation is being approached with consideration to the MLC acquisition on the horizon for completion by June 2021

MLC acquisition

IOOF announced the proposed acquisition of MLC on 31 August 2020. Completion is subject to APRA approval.

Once complete, IOOF will acquire;

- MLC's advice brands;
 - MLC Advice, Godfrey Pembroke, TenFifty

- MLC's platforms business;
 - Retail – Wrap and MasterKey Onsale & Mature products
 - Corporate SME – MasterKey business and personal super
 - Institutional/large corporate – Plum Business and Plum personal
- MLC's asset management business;
 - Investment products
 - Portfolio Management
 - Investment Management – internal and investments in boutique partners across a range of asset classes

The complete investor presentation can be found at https://www.ioof.com.au/_data/assets/pdf_file/0020/403319/acquisition-of-mlc-investor-presentation-2106187.pdf

MLC acquisition – Key milestones in 1H21

Acquisition announcement	31 August 2020
Appointment of Chief Transformation Officer, Chris Weldon	10 September 2020
Submission lodged with ACCC	17 September 2020
Equity placement and entitlement issue	21 September 2020
Lenders' consent for acquisition received	8 October 2020
Joint Transaction Implementation Plan prepared and agreed	4 November 2020
Receipt of ACCC notice to not oppose the acquisition	14 December 2020
NULIS has confirmed the transaction is in its members' best interests*	19 February 2021

The last condition precedent regarding the transaction is APRA s29 change of control approval which is required before completion. Completion is expected by 30 June 2021.

* NULIS will also continue to provide oversight of risk to safely complete the transaction to protect member interests

Debt

Capital management approach

In order to maintain or adjust the capital structure, the IOOF Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, buy back its shares on market, issue new shares, sell assets, or otherwise adjust debt levels. The IOOF Group monitors capital on the basis of investment capital, working capital and regulatory capital.

Investment capital is the IOOF Group's capital that is not required for regulatory and working capital requirements of the business. The investment capital is invested in:

- bank deposits and debt note;
- subsidiaries;
- financial assets at fair value through other comprehensive income;
- unit trusts, as investments; and
- IOOF Group operated unit trusts, as seed capital.

The investment capital is available to support the organic development of new businesses and products and to respond to investment and growth opportunities such as acquisitions, as they arise.

Seed capital is primarily available to support the business in establishing new products and is also used to support capital adequacy requirements of the benefit funds. Working capital is the capital that is required to meet the day to day operations of the business.

Regulatory capital is the capital which the IOOF Group is required to hold as determined by legislative and regulatory requirements in respect of its friendly society and financial services licensed operations. During the year, the IOOF Group has complied with all externally imposed capital requirements.

For detailed information on IOOFs debt at 31 December 2020, please refer to IOOFs excel based analyst pack.

Disclaimer

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