



18 December 2020

## **IOOF announces changes to external platform arrangements**

IOOF Holdings Ltd (IOOF) today announces changes to its arrangements with external platform providers.

Effective 17 December 2020, IOOF and BT have agreed to terminate the existing relationship agreement.

IOOF CEO Renato Mota commented, "IOOF and BT worked collaboratively to reach agreement with regard to the future of our arrangement. As IOOF embarks on its own platform simplification strategy, alignment with providers who fit within our open architecture approach will be key to continuing to enable choice for our clients."

The agreement with BT included termination rights for both parties on 12 months' notice and provided IOOF with rights in respect of the unwinding of the current arrangements and the transition of clients and funds to other providers. It was estimated that the cost of such a transition from BT would cost IOOF between \$30-\$70 million, and when combined with anticipated customer attrition, made such a strategy unattractive.

IOOF will receive a one-off settlement of \$80 million pre-tax which takes into consideration amounts owed in recognition of IOOF's rights under the agreement. The financial impact of the agreement ending is:

- IOOF will apply approximately \$18 million of the settlement amount to offset a receivable it is currently carrying in relation to the arrangement
- FY21 revenue decrease of approximately \$15 million pre-tax on \$18.8 billion Funds under Advice as at 30 November 2020 (7 months of revenue; excluding one-off impact of settlement)
- Beyond FY21, IOOF estimates the full year revenue impact would reduce significantly due to fund outflows and lower pricing

Mr Mota noted, "The decision to change the provider relationship now provides us with long-term certainty as we focus on the effective implementation of our new platform strategy and growing returns for shareholders. It is important we work with partners who fit with our open architecture philosophy. Enabling choice is a key feature of our strategy".

Consistent with IOOF's open architecture approach and platform strategy, IOOF has entered into an agreement with HUB24. Subject to trustee and service operator approvals, under this agreement, HUB24 would act as the platform administration and custody provider and IOOF and HUB24 would collaborate to develop a range of solutions including Private label super and investment products with IOOF entities to be the responsible governing entities.



This new arrangement is a further extension to IOOFs existing arrangements with other leading platform providers and complements its own proprietary products under Project Evolve. It is intended that IOOF's Managed Account solution, MPS, will also be available on the new products. The intent is to launch these new products in the first half of 2021.

IOOF CEO Renato Mota commented, "The new partnership arrangement with HUB24 is a positive step forward for IOOF. We continue to focus on our proprietary Evolve platform however, it is important that we continue to work with partners whose long-term business strategy and ability to enable choice aligns with our own".

-ENDS-

Approved for release by the Board of IOOF Holdings Ltd.

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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 Management and Administration** for advisers, their clients and hundreds of employers in Australia; and
- **Investment Management** products that are designed to suit any investor's needs.

Further information about IOOF can be found at [www.ioof.com.au](http://www.ioof.com.au)