

IOOF Holdings Ltd
ABN 49 100 103 722
Level 6, 161 Collins Street
Melbourne VIC 3000

GPO Box 264
Melbourne VIC 3001
Phone 13 13 69
www.ioof.com.au



2 November 2016

IOOF HOLDINGS LIMITED Investor Briefing Presentation

Attached is the presentation to be given today by IOOF senior executives at an Investor Briefing in Melbourne. The briefing is scheduled to commence at 2:30pm AEDT.

The briefing will be webcast live from 2:30pm and may be accessed at <http://webcast.openbriefing.com/3053/>. A recording of the webcast will be available later today at the same address.

-ENDS-

Enquiries:

Rachel Scully
Head of Corporate Affairs
IOOF Holdings Limited

P: +61 3 8614 4530
E: rachel.scully@ioof.com.au

About IOOF Holdings Limited

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

IOOF provides advisers and their clients with the following services:

- **Financial Advice and Distribution** services via our extensive network of financial advisers and stockbrokers;
- **Platform Management and Administration** for advisers, their clients and hundreds of employers in Australia;
- **Investment Management** products that are designed to suit any investor's needs; and
- **Trustee Services** including estate planning and corporate trust services.

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



Investor Briefing 2016

2 NOVEMBER 2016



Investor Briefing 2016

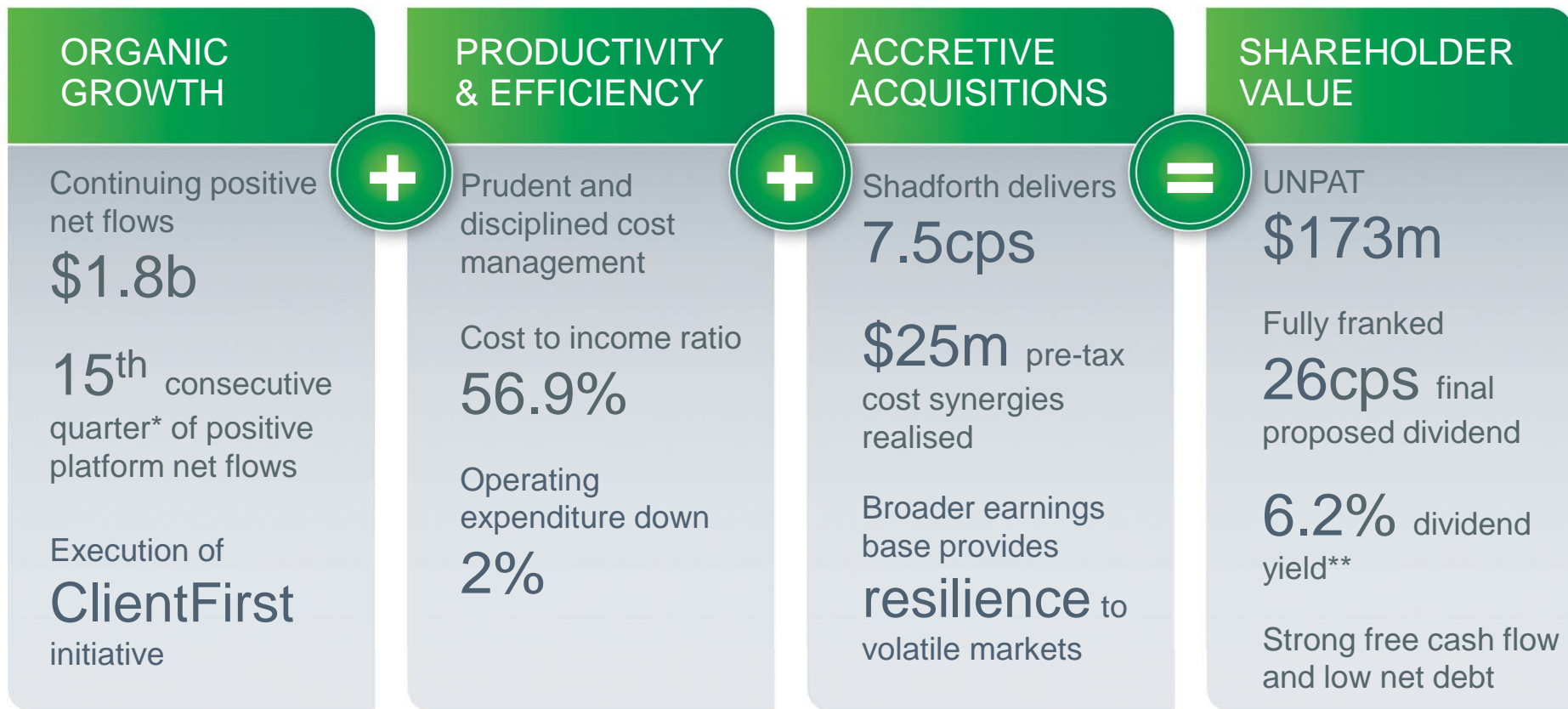
Christopher Kelaheer
Managing Director

2 NOVEMBER 2016

Management Team

	NAME AND TITLE	EXPERIENCE	COMMENTS
	David Coulter <i>Chief Financial Officer</i>	25+ years	<ul style="list-style-type: none"> David has over 25 years' experience having worked at JP Morgan, ANZ Bank, Colonial and PwC He was appointed Chief Financial Officer in September 2009 and has played a pivotal role in subsequent restructuring and a series of acquisitions
	Gary Riordan <i>General Counsel Group General Manager, Trustee Services</i>	25+ years	<ul style="list-style-type: none"> Gary has over 25 years' experience in financial services, trustee and governance He joined IOOF upon the acquisition of Australian Wealth Management in 2009 Prior to this, Gary worked as a Partner at Holding Redlich and Cornwall Stodart and Principal with GR Financial Services and IFS Fairley
	Renato Mota <i>Group General Manager, Wealth Management</i>	18+ years	<ul style="list-style-type: none"> Renato has over 18 years' experience in financial services with a particular focus on senior management and corporate strategy He is responsible for the overall delivery of value to the group's various client segments across advice and services He joined IOOF in 2003 and has previously worked for Rothschild, NAB and ANZ, and is a CFA charterholder
	Stephen Merlicek <i>Chief Investment Officer</i>	30+ years	<ul style="list-style-type: none"> Stephen has over 30 years' experience and was appointed to the role of Chief Investment Officer at IOOF in October 2009 Prior to joining IOOF, he was the Chief Investment Officer at Telstra Super for 10 years, during which time it was a top performing fund winning numerous investment awards
	Frank Lombardo <i>Group General Manager, Client and Process</i>	20+ years	<ul style="list-style-type: none"> Over 20 years experience across the financial services sector He previously held senior management roles at NAB and Aviva Australia
	Ingrid Liepins <i>Group General Manager, People & Culture</i>	25+ years	<ul style="list-style-type: none"> Ingrid recently joined IOOF as Group General Manager, People and Culture. Ingrid brings over 25 years of broad industry experience in Financial Services, Information and Communications Technology, Psychology and Education
	Julie Orr <i>Group General Manager, Corporate Development</i>	20+ years	<ul style="list-style-type: none"> Julie has over 20 years' experience in financial services gained in roles with Ernst & Young, Standard & Poor's, Morningstar and Intech Previously, Julie was IOOF's General Manager Operations, and has played a key role in integrating several acquisitions, including AWM, Skandia and SFG
	Andrew Todd <i>Chief Information Officer</i>	16+ years	<ul style="list-style-type: none"> Andrew joined IOOF in 2009, having held the same position with Australian Wealth Management since 2007 Previously, he worked as Head of IT with Standard & Poor's, and prior to that, he worked with Volkswagen Financial Services and PwC
	Paul Vine <i>Company Secretary Group General Manager, Legal, Risk and Compliance</i>	20+ years	<ul style="list-style-type: none"> Paul joined the group in August 2014 He previously held in-house legal and governance roles at AXA, Bell Potter and Telstra, following an early career in London and Melbourne
	Presenting today		In attendance today

Creating shareholder value



STRATEGIC FOCUS

ClientFirst

Advice Academy

Open architecture

Corporate culture

WELL POSITIONED TO PURSUE FUTURE OPPORTUNITIES

* As at 30 September 2016

** Based on 20 day VWAP to 5 August 2016

Our purpose



UNDERSTAND ME



LOOK AFTER ME



SECURE MY
FUTURE



Shaping Culture at IOOF

Doing better by design

Ingrid Liepins

Group General Manager, People & Culture

2 NOVEMBER 2016

We'll cover



01

FOCUSING
IOOF'S HR TEAM

Partnering for change

Our model for improvement

Purpose and values



02

SHAPING IOOF'S CLIENT
CENTRIC CULTURE

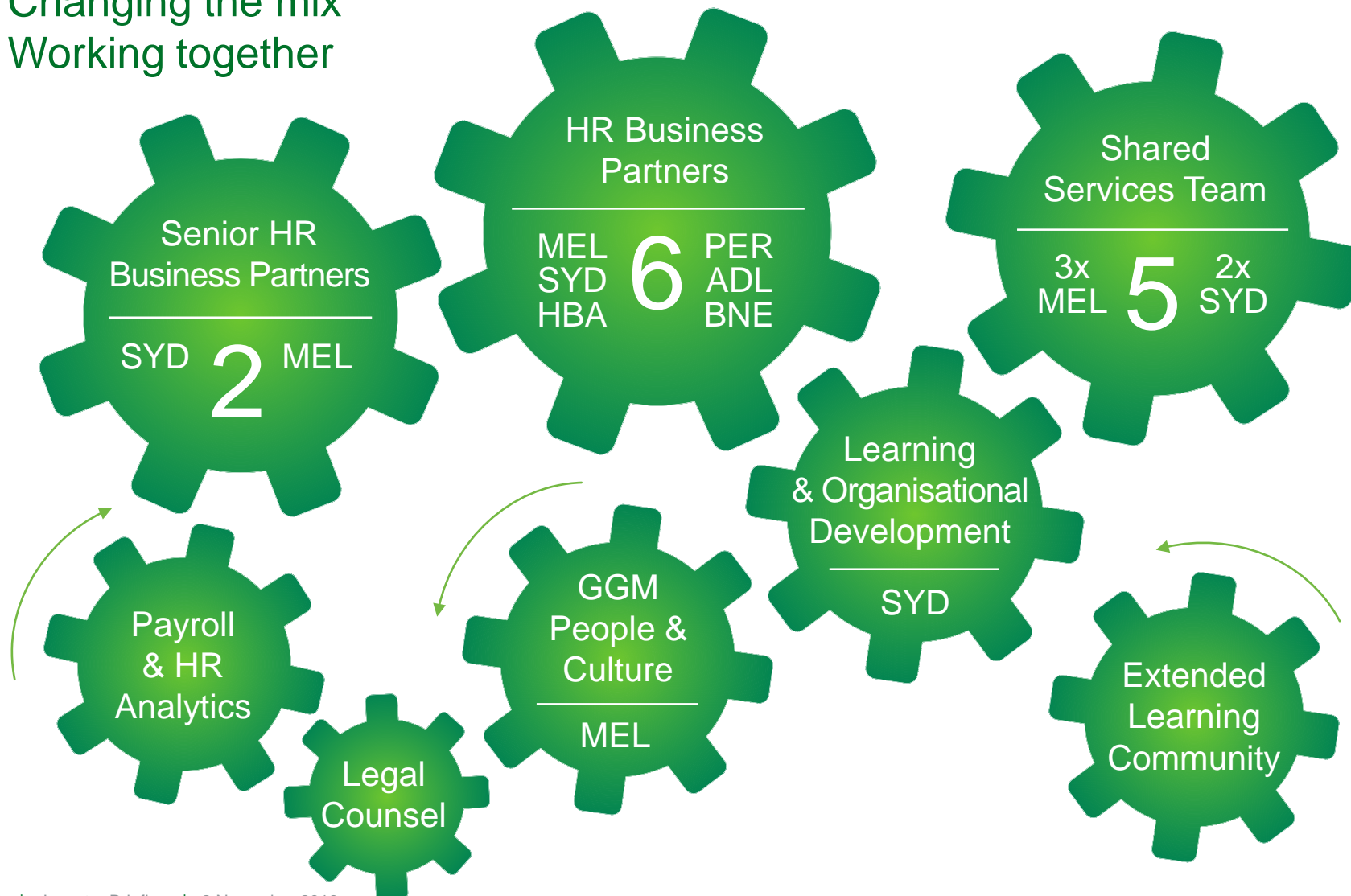
Four key programs
of change

Innovation

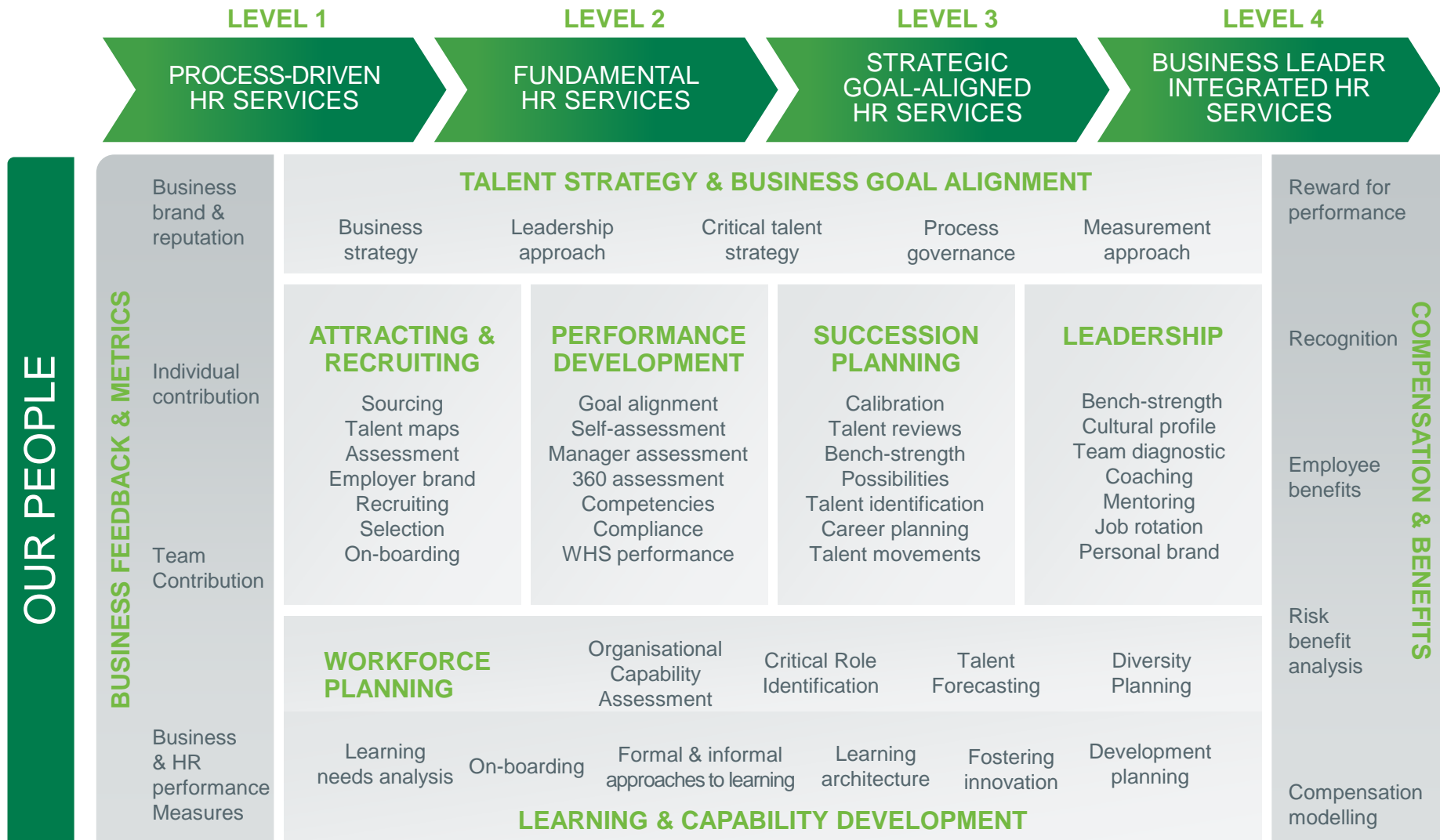
IOOF Advice Academy

During 2016 we've built a more experienced HR team

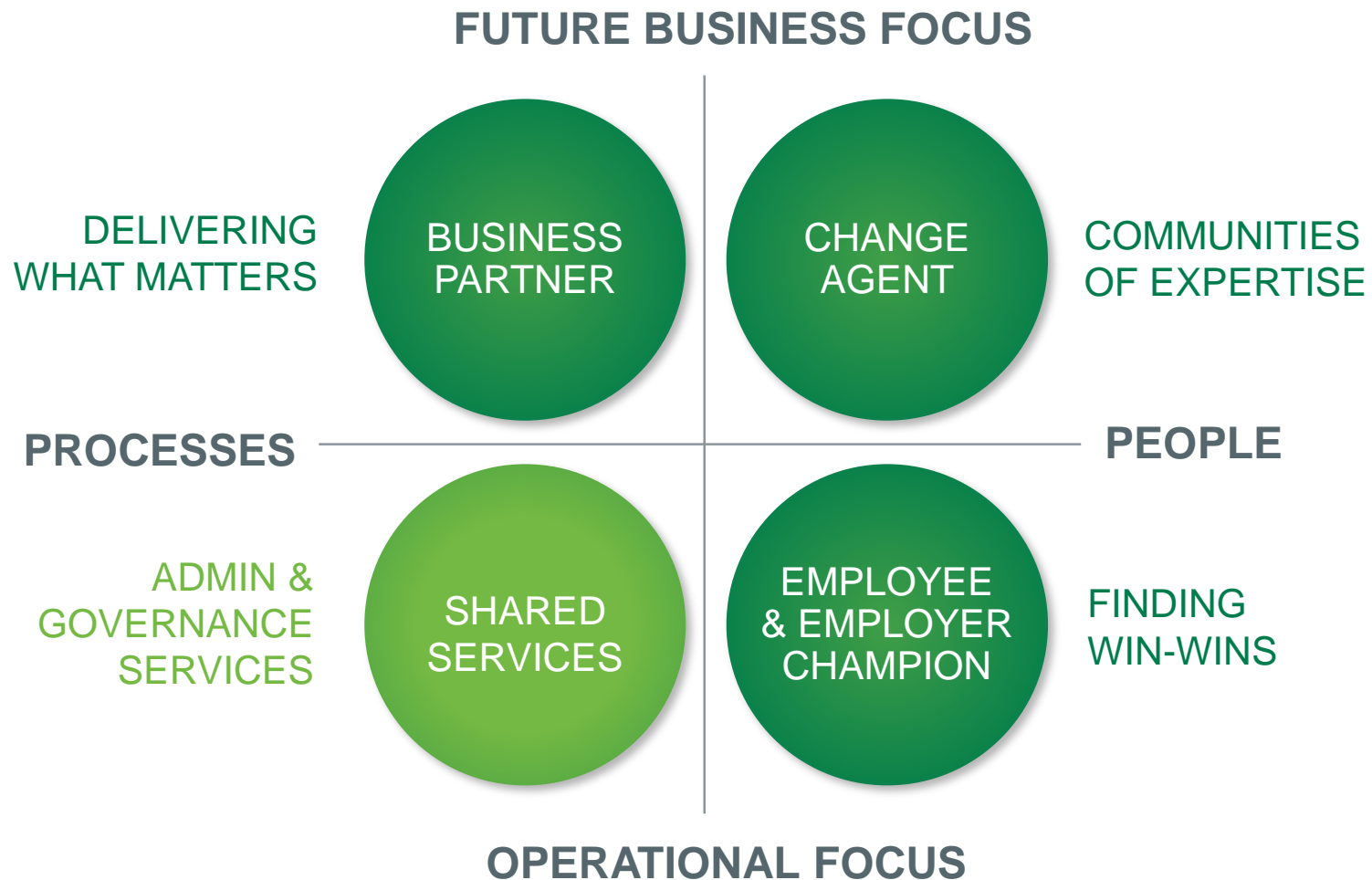
Changing the mix
Working together



Moving to services designed for our business context



Our operating model has a future focus



Source: Ulrich

Our improvement approach comes from ClientFirst

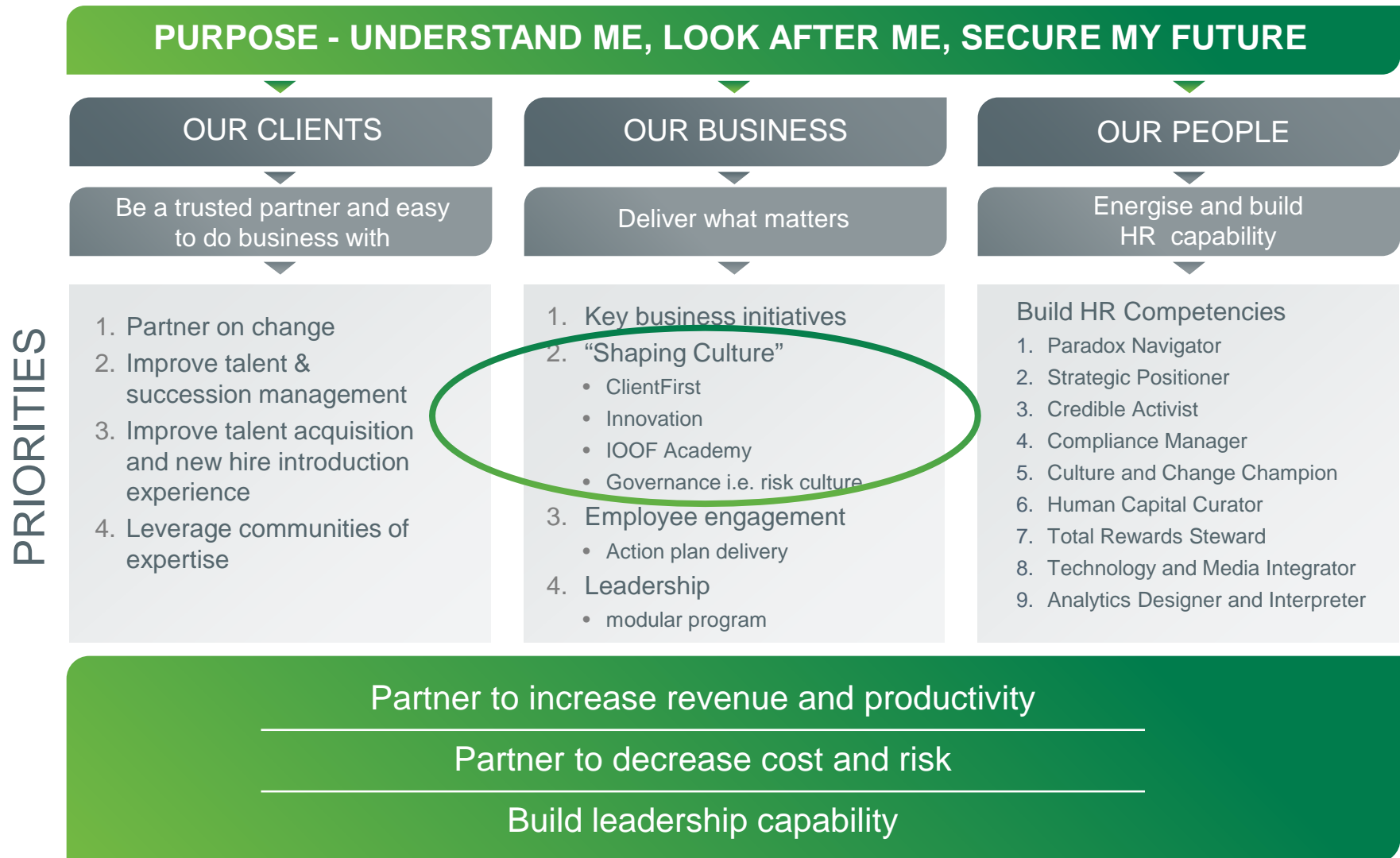
Our Model for Improvement

OUR AIM	What are we trying to achieve?
MEASURES	How will we know that a change is an improvement?
THE LEARNING & IMPROVEMENT CYCLE	What changes can we make that will result in an improved outcome?

The iterative design framework PLAN-DO-STUDY-ACT



People & Culture : HR Strategic Plan 2016-18



Culture is important and perspectives on it abound

“Culture is how organisations ‘do things’.”

– Robbie Katanga

“In large part, culture is a product of compensation.”

– Alec Haverstick

“Organisational culture defines a jointly shared description of an organisation from within.”

– Bruce Perron

“Organisational culture is the sum of values and rituals which serve as ‘glue’ to integrate the members of the organisation.”

– Richard Perrin

“Organisational culture is civilisation in the workplace.”

– Alan Adler

“Organisational culture [is shaped by] the main culture of the society we live in, albeit with greater emphasis on particular parts of it.”

– Elizabeth Skringar

“It over simplifies the situation in large organisations to assume there is only one culture... and it’s risky for new leaders to ignore the sub-cultures.”

– Rolf Winkler

“An organisation [is] a living culture... that can adapt to the reality as fast as possible.”

– Abdi Osman Jama

We care about organisational culture

Culture is a reflection of how we respond to what's happening externally and internally

“Culture is a differentiator in a crowded landscape”

Source: KPMG

1

It is shaped and accumulated throughout corporate history

2

It guides what people feel they can do

3

It becomes evident when choices between conflicting priorities need to be made

4

It can be a strong energiser

5

It impacts our brand. We can sense the culture and what the company's really about through people's behaviour and actions, particularly when no one is watching

Culture is shaped and accumulated over time

1846

Independent Order of Odd Fellows established in Melbourne as a friendly society, providing social security to those not provided by the government

1960

IOOF has a new role in supporting the administration of the new welfare system

1975

IOOF establishes Winchcombe Carson Financial Planning – renamed Consultum in 2006

1989

IOOF is the largest friendly society in Australia, with approximately 200,000 members and \$2.4bn in assets

1999

Perennial Investment Partners is established

2002

IOOF demutualises and streamlines business to focus on investment, superannuation and retirement savings

2003

IOOF lists on ASX

2009

Australian Wealth Management (AWM) and Skandia join the IOOF Group adding \$65bn FUM

2011

DKN Financial Group and Lonsdale acquired adding \$7bn FUA

2014

IOOF acquires SFG Australia (now known as Shadforth)

2012

Plan B Group and Avenue acquired with \$4bn FUA

In shaping culture our focus is on behaviour

Culture manifests at 3 levels

1

VISIBLE ARTEFACTS
e.g. *behaviour and practices*
we see and experience

2

**VALUES, BELIEFS
& ATTITUDES**

3

**UNDERLYING
ASSUMPTIONS**



the way we do things around here

strategy structure common purpose ideas leadership capabilities
controls management decision-making reward practices performance vision recognition culture

Our purpose motivates our behaviour.. and culture



UNDERSTAND ME



LOOK AFTER ME



SECURE MY
FUTURE

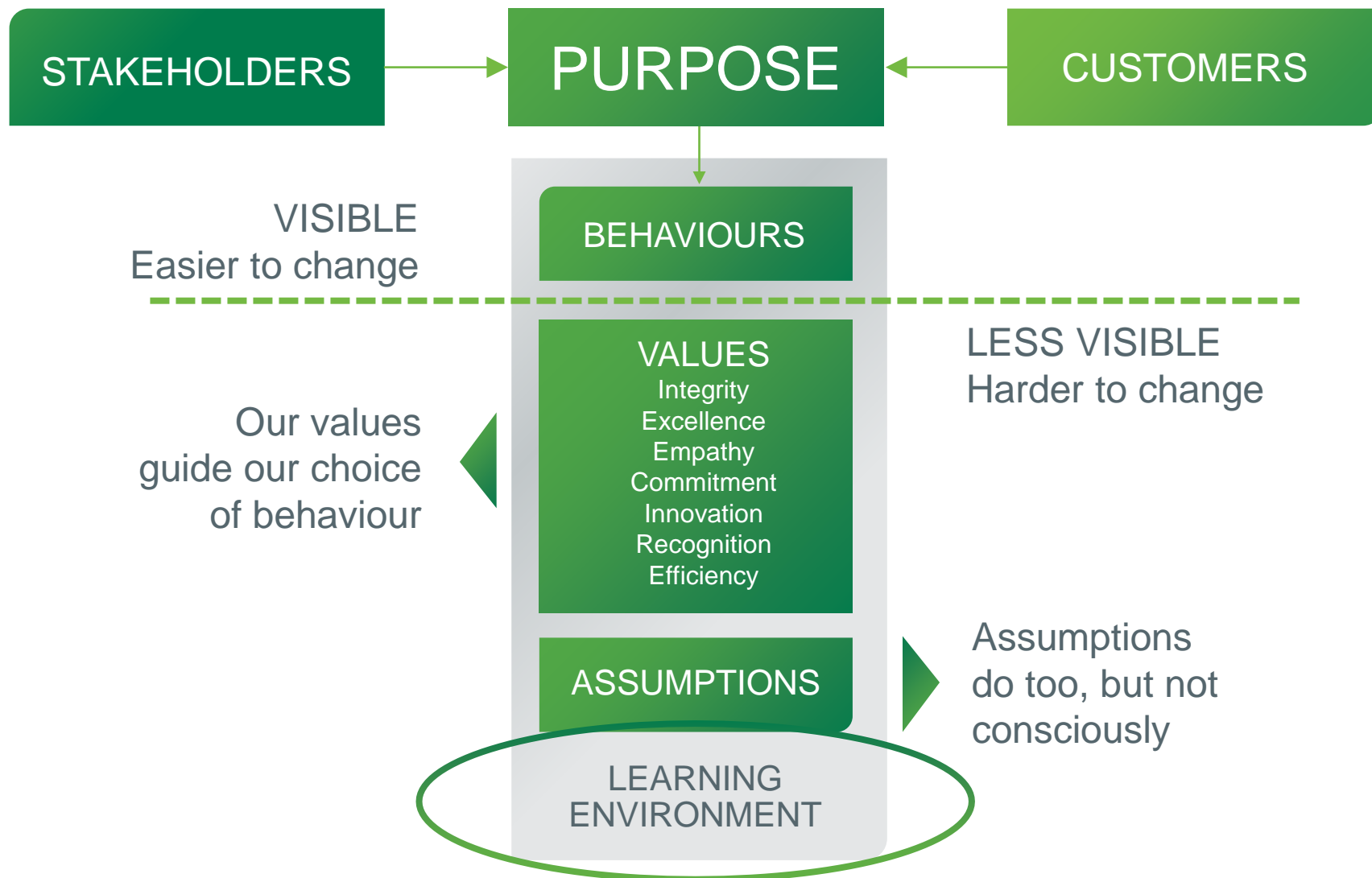
A strong sense of shared purpose brings:

- A strong sense of community
- Effective teams
- High levels of employee engagement

A strong sense of shared purpose contributes to building:

- Effective leadership
- A compelling vision and strategy
- A meaningful employee voice in decision-making
- Effective performance management
- Common practices – the way we go about doing things, as an organisation

Our values guide our choice of behaviour.. and culture





02

Shaping IOOF's client-centric culture

Shaping our culture through four key change programs



CLIENTFIRST

- Making a difference by delivering “what really matters”
- Delivering corporate client value through insights



INNOVATION

Anticipating change and challenging the status quo



IOOF ADVICE ACADEMY

- Pre-eminent training and coaching resource for the financial planning industry
- Goals-based client engagement model



GOVERNANCE

Group-wide governance balancing obligations, risk and business priorities

Building people and leadership capabilities to succeed

Innovation – bringing great ideas to life

StartUp IOOF

Don't worry if you don't have a great idea. This is a safe-to-fail, fun, and collaborative event where you can join a team, meet new people within IOOF and learn valuable skills that you'll take with you for life.



Innovation – bringing great ideas to life

[View the Startup IOOF video](#)



IOOF Advice Academy framework



IOOF Advice Academy implementation approach

4 KEY PILLARS TO ENABLE SUCCESS

FOUNDATIONAL MASTERCLASSES

- Delivering the foundations and framework for each core area of the program

IMPLEMENTATION WORKSHOPS

- Providing the specific tools and training to enable successful implementation
- Stand alone modules to support Dealer Groups & the IOOF Distribution Team

LEARNING & DEVELOPMENT PROGRAMS

- Providing development programs & career progression opportunities
 - Pathways Program
 - Graduate Development & Enrichment Program
 - Practice Management Curriculum

ONGOING COACHING

- Providing ongoing communication, resources and innovation to support the IOOF Advice Academy and foster a like-minded community

IOOF Advice Academy learning approach

Graduate Development & Enrichment Program

FOUNDATION

- Undergraduates in penultimate year
- Introduction to a career in the Financial Planning Industry

ENRICHMENT

- Graduate (prerequisite foundation)
- Experience based learning

PLACEMENT

- Commencement in Pathways Programs
- Work placement opportunity
- Study Support

Practice Management Curriculum for IOOF Distribution & Dealer Group Practice Development Managers

Pathways Program

CLIENT SERVICES

- Client engagement
- Administration
- XPlan
- Systems and Process

PARAPLANNING

- Technical application of advice philosophies
- XPlan
- Compliance
- Systems & Process

ADVICE

- Client engagement
- Advice philosophies
- Presentation skills
- Compliance
- Systems & process

LEADERSHIP

- Practice Management
- Operations
- HR Management
- Finance
- Compliance

IOOF Advice Academy - Consultum Pilot Program



"An efficient and rewarding process that my business and bottom line will benefit from" Rebecca Lister

"Bringing value based advice to life" Michael Batten

"Added immense value to my practice" Glen Corcoran

"Staff are part of this and living it too" Jim Gulabovski

"It has enabled us to engage deeper and at a more valued level with our clients" Peter Higgins

"Fantastic ideas and processes" Dawn Nixon

"Excellent sessions" Tony Cimino

"It has helped us provide an improved service to our clients" Rex Claringbold

"Learned great lessons for the business and have achieved better interaction with clients" Andrew Bird

"Looking forward to the next one" Tony Rulli

We've talked about two key change programs today



CLIENTFIRST

- Making a difference by delivering “what really matters”
- Delivering corporate client value through insights



INNOVATION

Anticipating change and challenging the status quo



IOOF ADVICE ACADEMY

- Pre-eminent training and coaching resource for the financial planning industry
- Goals-based client engagement model



GOVERNANCE

Group-wide governance balancing obligations, risk and business priorities

Building people and leadership capabilities to succeed

Measuring the impact of our work

KNOWLEDGE

Do people know what our values are and can they recognise when our behaviour and decision making is consistent with those values?

BEHAVIOUR

Examples of decisions made and employee behaviour related to our values

PERCEPTIONS

Opinions about the enacted values and priorities of the company - versus what is stated

TRADITIONAL

- Engagement survey (incl. Risk Culture)
- Leadership 360 survey
- Exit Surveys
- Anecdotal client feedback
- Customer satisfaction surveys
- IOOF Foundation

‘Doing better by design’

We have, and are taking the opportunity to shape and build the culture at IOOF. In championing new ways of doing things including ideas generation, service, analysis, and data-based decision making, our people are rising to the challenge, and we hope to forever change their lives in a very positive way.

Our people

[View the our people video](#)



Sources for our developmental journey

“What Is organisational Culture?
And Why Should We Care?”,
Watkins, M.D. Harvard Business Review

HR Maturity Model, Bersin
now Bersin by Deloitte

Human Resource Champions: The Next
Agenda for Adding Value and Delivering Results,
Ulrich, D.

Deming:
<https://www.deming.org/theman/theories/pdsacycle>
Foundation and History of the PDSA Cycle, *Moen, R.*
Associates in Process Improvement-Detroit (USA)





ClientFirst

Delivering what really matters to clients

Frank Lombardo

Group General Manager, Client & Process

2 NOVEMBER 2016

We'll cover



01

IOOF'S UNIQUE PROPOSITION

ClientFirst - the why?

Purpose & vision

A new way of working



02

THE REACTION TO CLIENTFIRST

Our clients

Our people

ClientFirst – Who are our clients?



The Why



First and foremost it's the **right thing to do.**

In an environment where product has become a commodity, and technology can be easily replicated, client experience is fast becoming the only sustainable competitive advantage.

Delivering what matters is about revealing unmet client needs, reframing client problems, and helping us to rethink the entire client experience.

We have been working on this, for approximately 12 months, alongside our platform consolidation strategy.

This investment is about driving long term sustainable growth.

ClientFirst – Orientating all of IOOF around our clients

DEEP ALIGNMENT ON CULTURE & NEW OPERATING MODEL AROUND OUR CLIENTS

Trusted by clients and partners as a leader in advice and financial services.

OUR PEOPLE

Are embracing our clientfirst strategy. It is driving empowerment and enablement. New methods and measures emerging.

LEADERSHIP DEVELOPMENT

Investing in our leaders to help them to better support our people. Quarterly progress checks.

DATA DRIVEN DECISION MAKING

Capturing new data that reveals “what really matters” to clients. Building new capability to utilise the data to deliver more value for clients.

KNOWLEDGE & DOCUMENTATION

We have documented processes from a client perspective. This is revealing significant opportunity to innovate and redesign the way our clients interact with us.

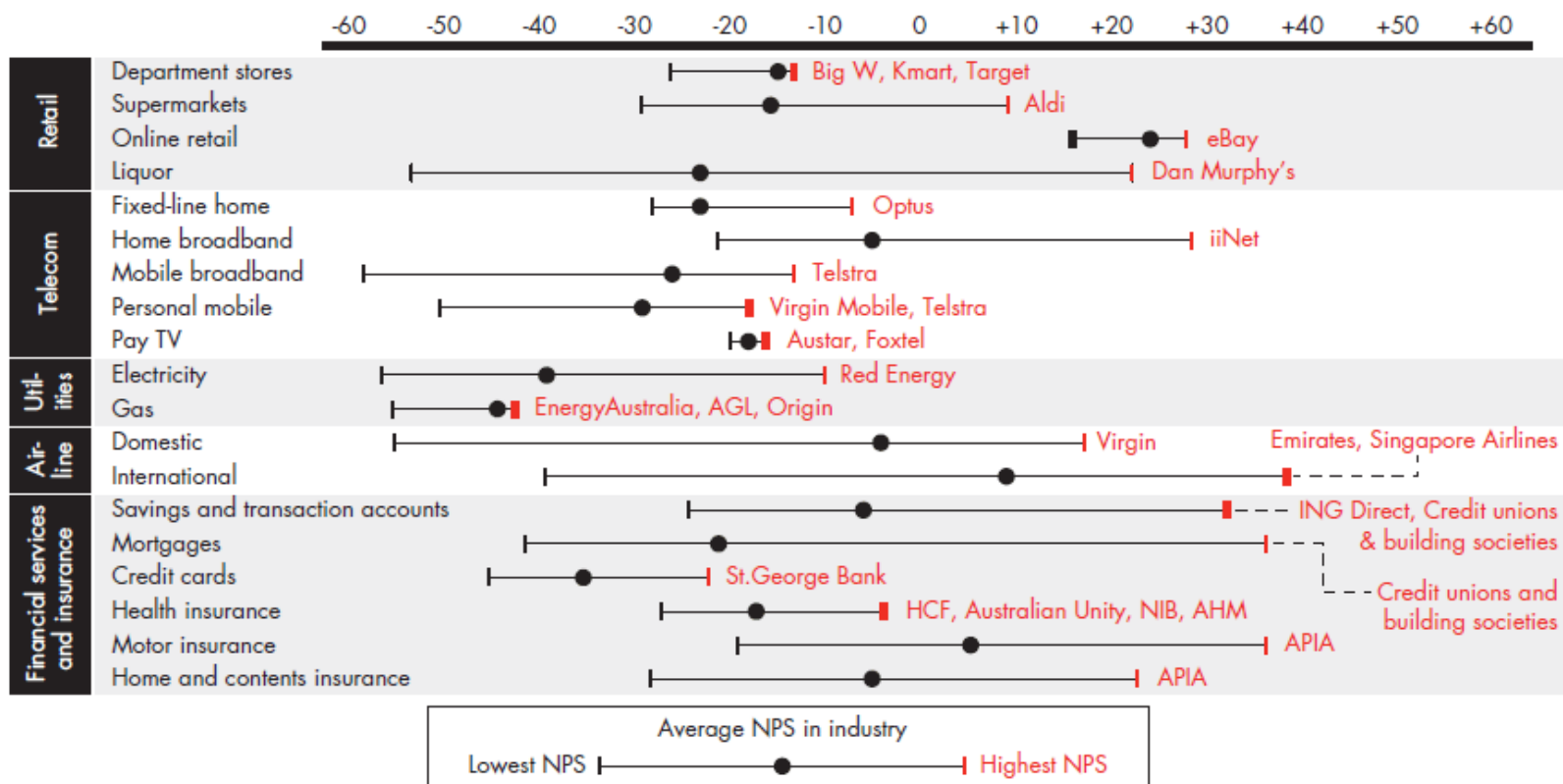
IMPROVEMENT

Empowering our people and leaders to solve client problems in “the moment.” new support, tools and techniques to identify and address root cause of client issues.



Who's winning the client experience challenge?

Figure 1: Most industries show a wide range of Net Promoter scores across competing brands



Note: Excludes brands with fewer than 100 respondents. Some industries have more than one leader, because differences in NPS scores are within the margin of error.

Source: Bain & Company NPS Consumer survey, December 2012

Our purpose and vision



UNDERSTAND ME



LOOK AFTER ME



SECURE MY
FUTURE

This purpose has become the point of reference for assessing the capability of our response in a very different way.

Its been built from the bottom up – we established an empirical understanding of ‘how well & why’ our current **system** performs from a customers’ point of view.

We synthesized **over 5,000 client demands**, calls, letters, emails and transactions to understand “what really matters” to clients.

You must “get
out of the building”

Steve Blank, Innovation Thought Leader

Organisation design – Old thinking

Top down

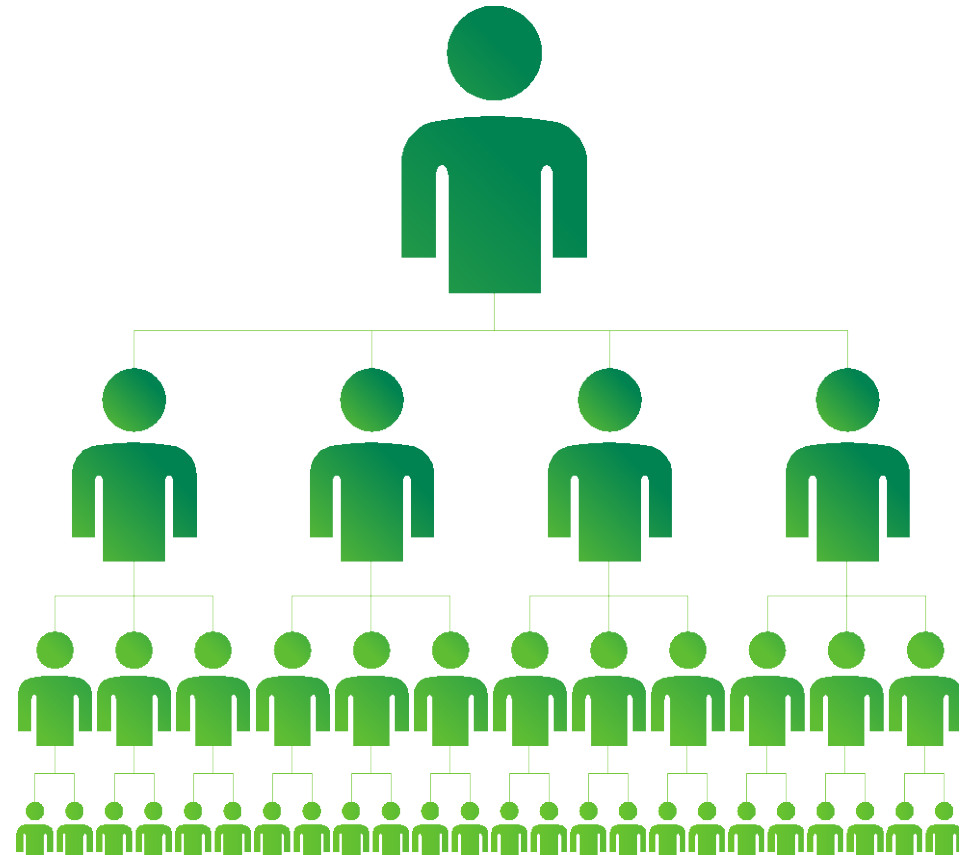
Functional specialisation

Leaders separated from the work

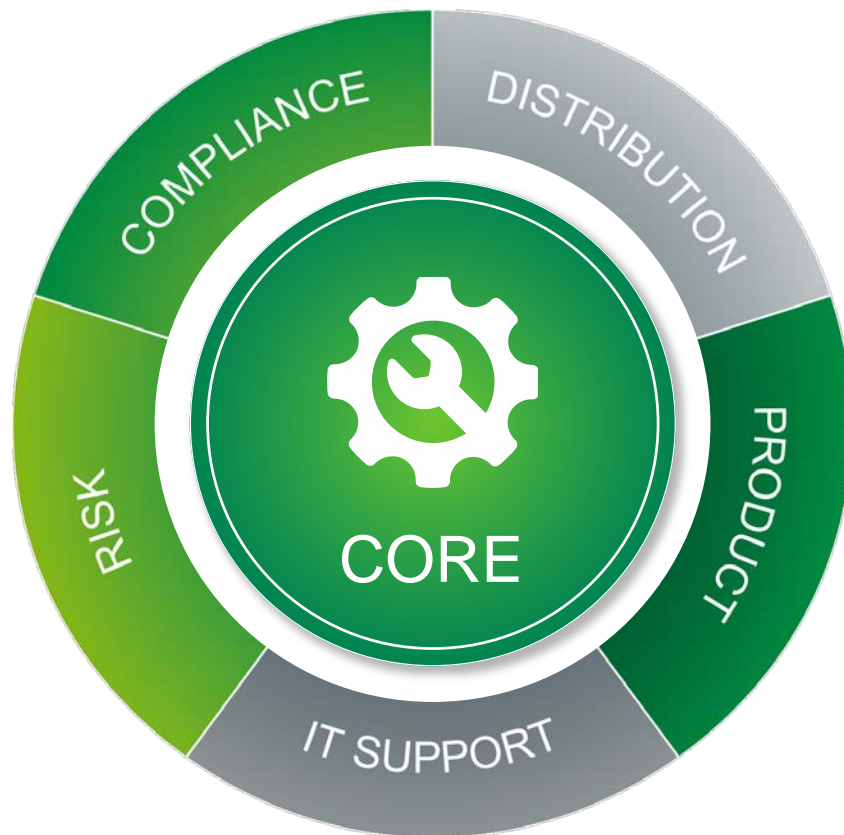
Measured by: Inflows, Outflows, GOS SLA, KPI

Transactional attitude

Hierarchy – decisions away from the work

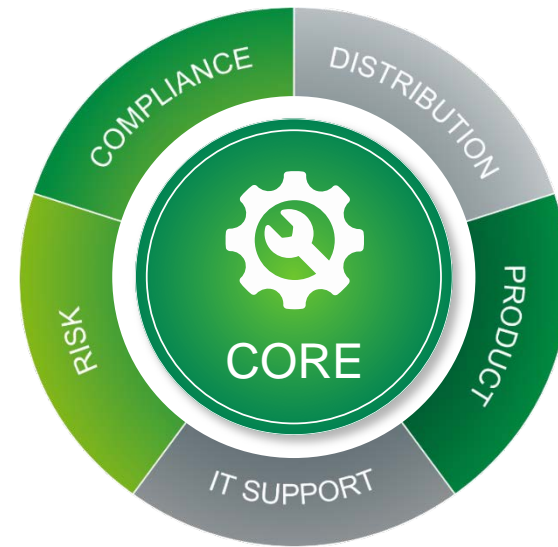
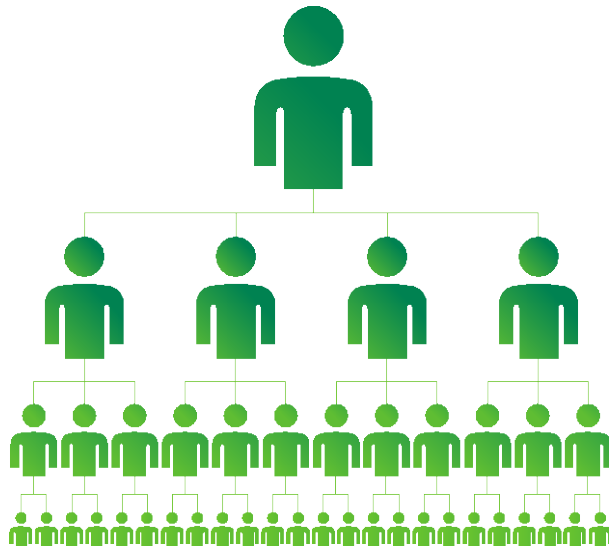


Organisation design - A new way of working



- Change people's roles
- People capability uplift
- New Measures and KPI's
- Data not opinion for decision making
- Challenge and change policy and procedures
- Accommodation to suit new way of working
- Technology

People change at a “glance”



From

- 13.7% of operations people talk to clients
- 16.8% of operations people fully multi skilled
- 0% of I.T. people talk to clients

To

- 30.8% of operations people talk to clients
- Targeting 100% fully multi skilled people responding to client demands in next 12 months
- 5% of I.T. people talking to clients daily

Process change - Find the hindrances



MAKE IT EASY or clients will find someone who will!



Asking clients in the moment is the best way to understand what really matters and CAPTURE THE DATA.



Map the end to end experience and go behind the scenes to find out the cause. THIS IS ALL INVISIBLE TO THE CLIENT.

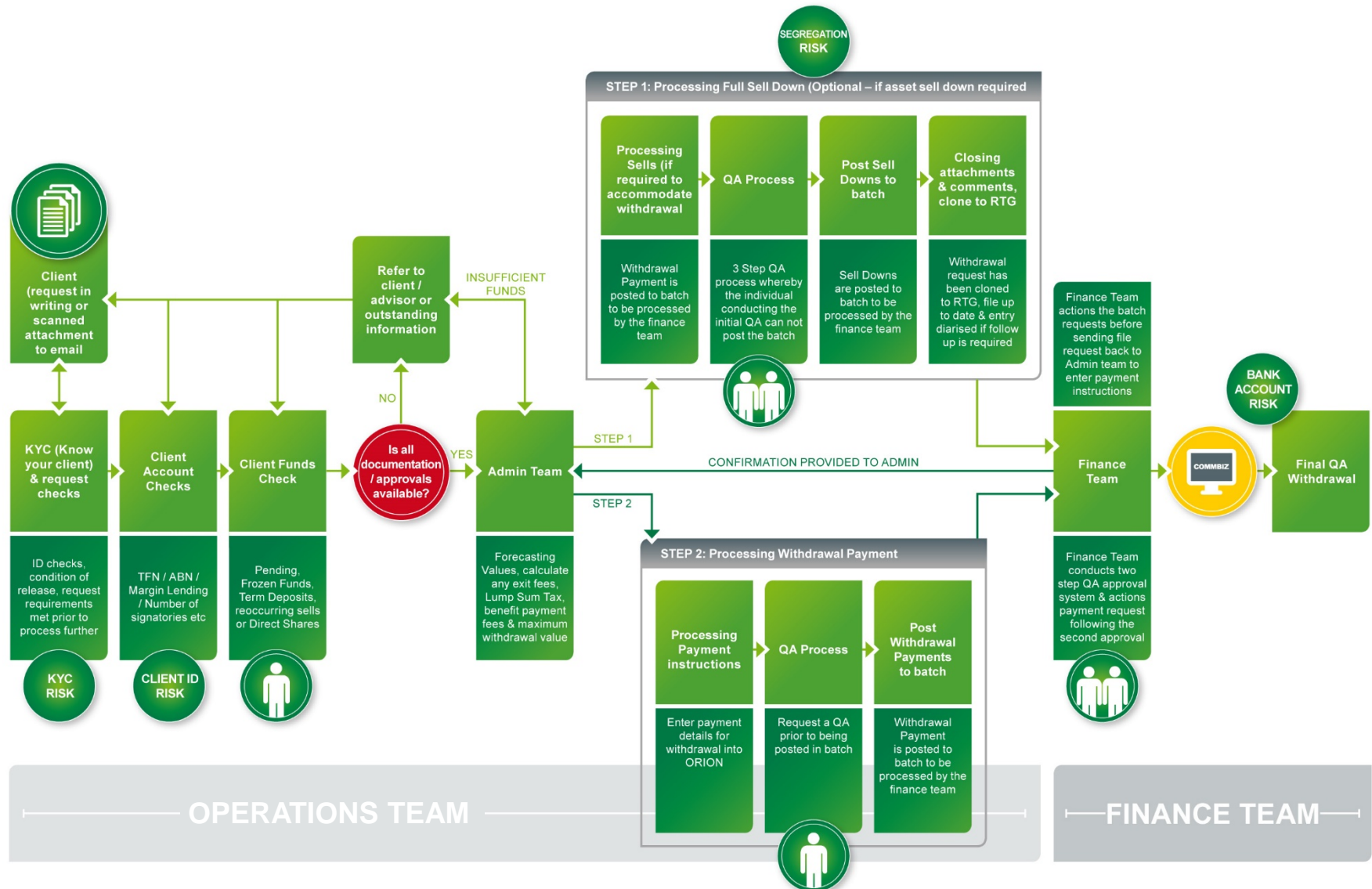


Fix ONE hindrance AT A TIME.

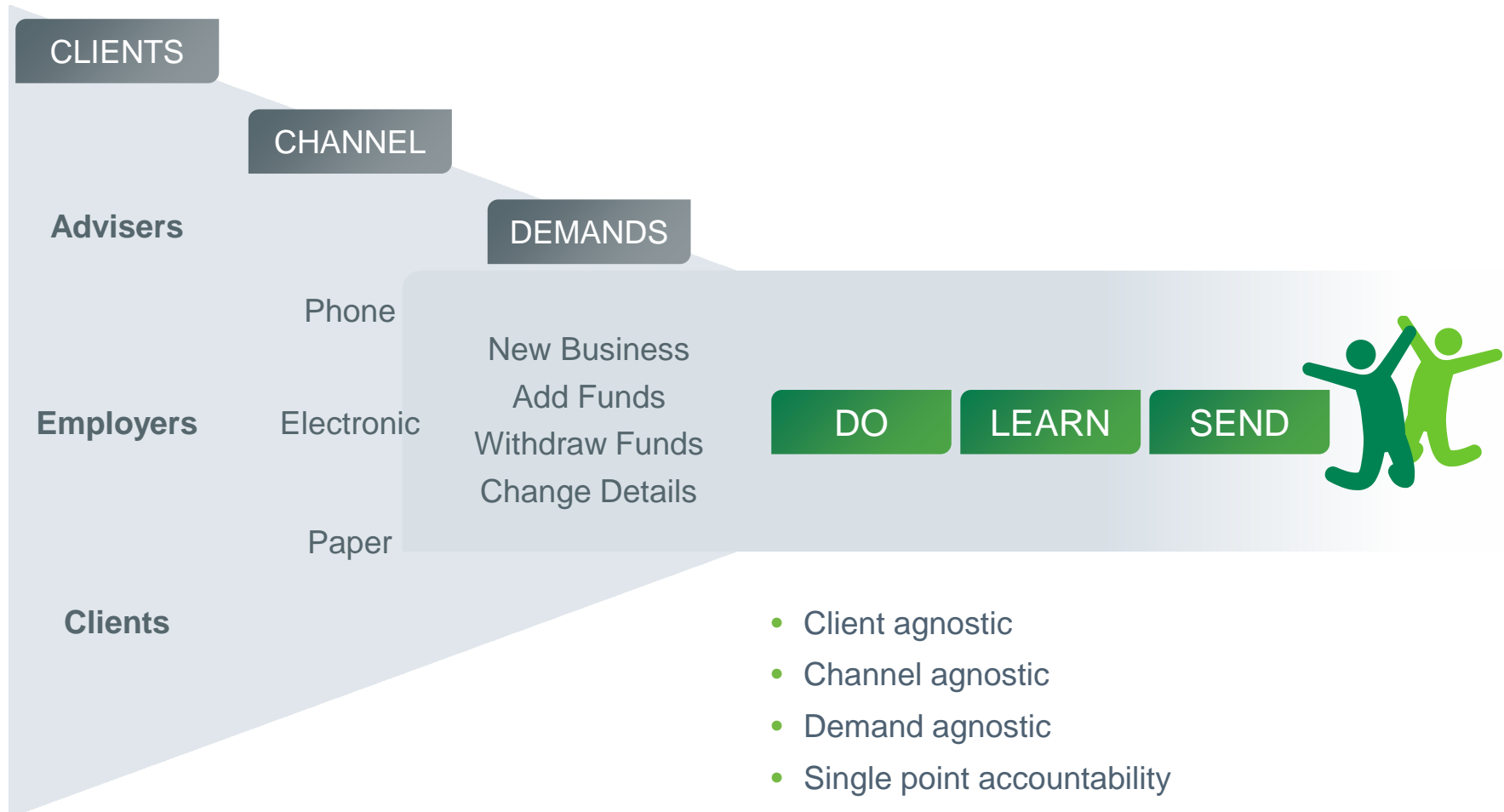


EMPOWER OUR PEOPLE TO FIX THE PROBLEMS. At IOOF we are allowing our people to experiment with solutions and have dedicated support people in the team to speed resolution.

Old thinking - A typical end to end experience

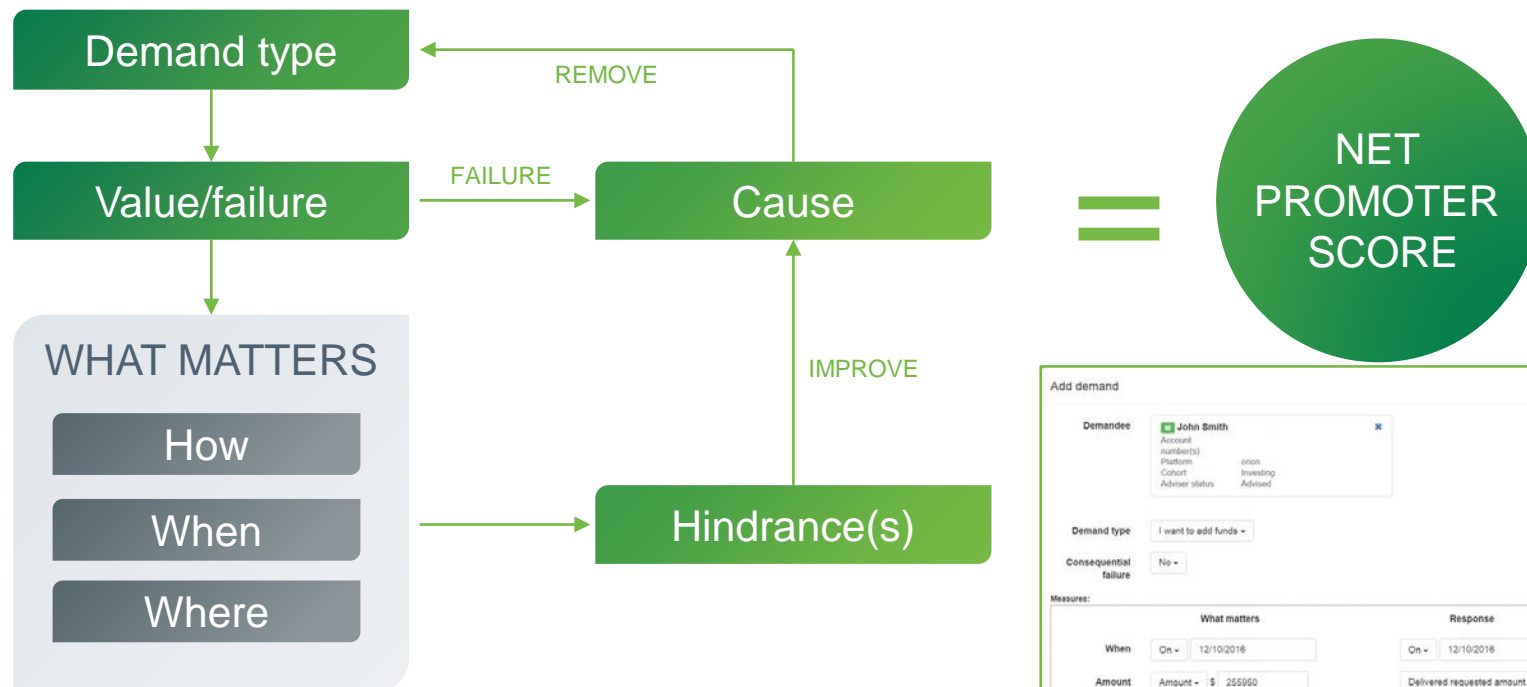
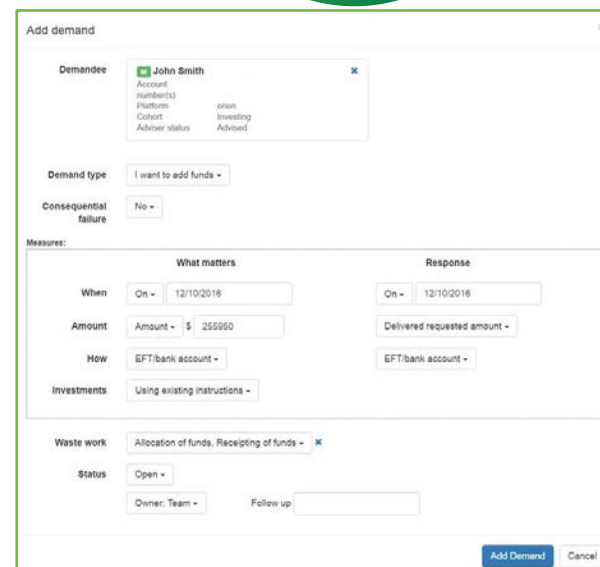


New thinking – Understand the end to end flow



- Client agnostic
- Channel agnostic
- Demand agnostic
- Single point accountability
- Absorbs variation
- Client arbiter of performance

New measures and data driving decision making

Add demand

Demandee: John Smith
 Account number(s): 123456789
 Platform: 123456789
 Cohort: 123456789
 Adviser status: 123456789

Demand type: I want to add funds -

Consequential failure: No -

Measures:

What matters		Response	
When	On - 12/10/2016	On - 12/10/2016	
Amount	Amount - \$ 250000	Delivered requested amount -	
How	EFT/bank account -	EFT/bank account -	
Investments	Using existing instructions -		

Waste work: Allocation of funds. Receipting of funds -

Status: Open -

Owner: Team - **Follow up:** []

Add Demand **Cancel**

Improvement



NEW TELEPHONY
SYSTEM



verba



CLIENT
IDENTIFICATION



TELE-CLAIMS

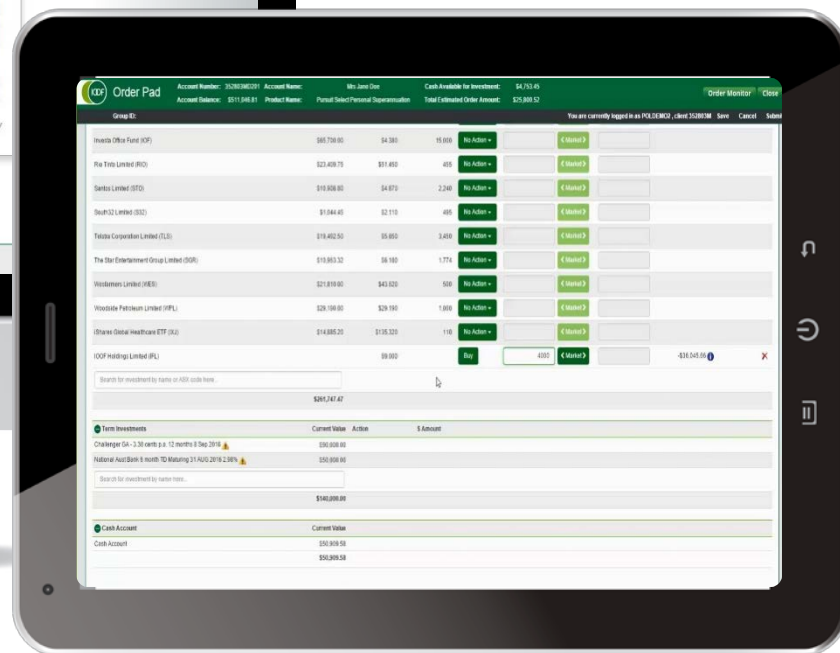
TAL

Tele Claims
Online claim forms

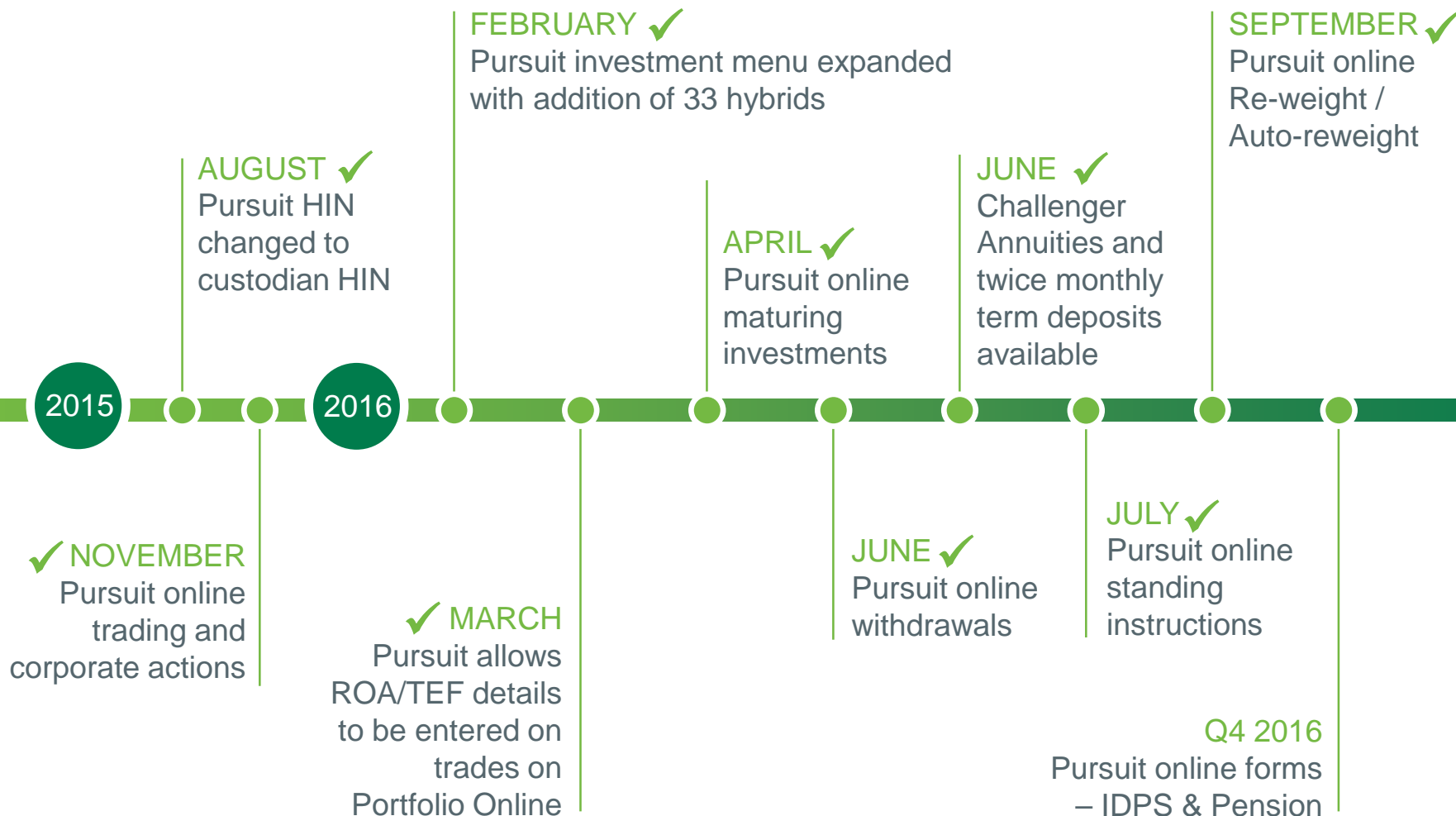
New online capability supporting transformation



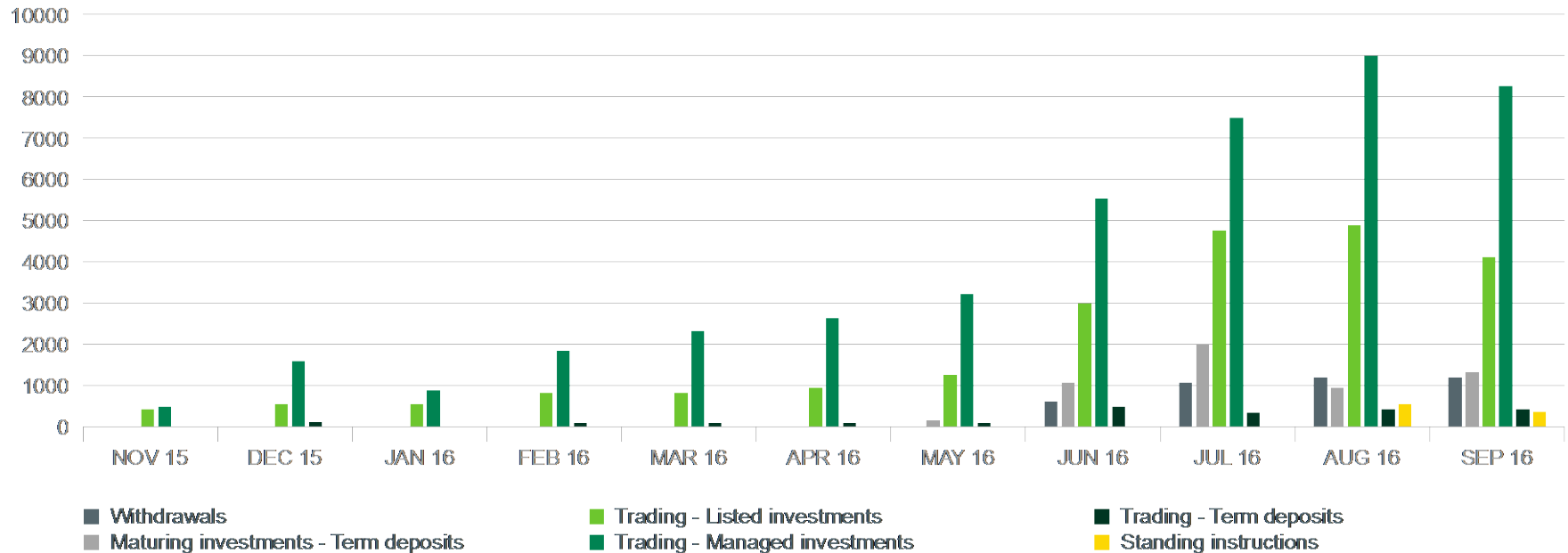
Online transactions are full straight through processing (STP) with immediate completion



Portfolio online enhancements over last 12 months



The result - online capability making it easy





02

The reaction

What are our clients saying?



Hello Cherie & Dan

Thank you from the bottom of my heart for your email but more so for expediting this matter & your very kind words as well as your amazing service.

I will check my account in the next few hours and confirm the above amount has hit my account.

Frank & Daniel, it is you both I owe a multitude of thank you, if it wasn't for Frank taking my situation seriously & passing it onto Daniel then we would not have had this outcome. May God Bless you all, my family & I thank you again for a job well done. Frank, just a quick note relating to an earlier email, yes I have now regained confidence in IOOF, it's just the service consultants need re-training as to how to handle these matters.

THANK YOU ALL AGAIN

“*Thank you from the bottom of my heart for your email but more so for expediting this matter and your very kind words as well as your amazing service*”

“*May God Bless you all, my family & I thank you again for a job well done. Just a quick note relating to an earlier email, yes I have now regained confidence in **IOOF***”

Our BDM's have become advocates!

Hi Sheen,

I must say I am thoroughly impressed with Client first.

Particularly, the level of pro-activeness and communication.

Happy for you to pass on my feedback to Lisa and Frank. I also worked on other cases with Michelle Holl and Camille Clark, and they were also absolutely brilliant.

Thanks again for your effort Sheen,

Best regards,

Christopher Ip

Business Development Officer

IOOF Holdings Limited

Our BDM's have become advocates!

Hi Frank,

I have some positive feedback for the ClientFirst team which I wanted to share.

I called the former adviser, XXXXXXX, due to his email below. I didn't know what to expect. When I spoke to him, he was just curious about "Team Apollo" and asked me if I knew about it. He just wanted to confirm that Apollo was legit!

He had called Apollo (having been provided with a number previously) asking what is required to get \$20K from his pension account and was told it could be done over the phone, right then and there. When I asked him about his experience, he responded that it was unbelievable service (which is why he had to check the legitimacy with me). I explained to him the reason why he may have been dealing with Apollo in the past, why we are trying new ways to help clients (to try to anticipate their future needs) and why we believe we want to move away from the "old way" of providing client service (i.e. get them off the phone as quickly as possible).

XXXXX was a great adviser before his retirement and it's great that he chooses to remain invested through IOOF's platforms. It's a great reaction and shows how awesome the ClientFirst service can be. As a sales team, we are very happy to be fielding these sorts of calls! We continue to deal with his son, XXXX, who now runs the family advice business and we have no doubt that XXXX will be letting XXXXXX know about his experience.

This sort of feedback can only be positive for IOOF long term so thank you to you and the ClientFirst team!

Kind regards,

The wall of compliments is growing

A new lead indicator with a strong positive growth trajectory!

“Can I just express my appreciation for the service that I received from the team in finalising this withdrawal that was time critical and you were able to push through the payment of the funds even though we had pending sales outstanding.”

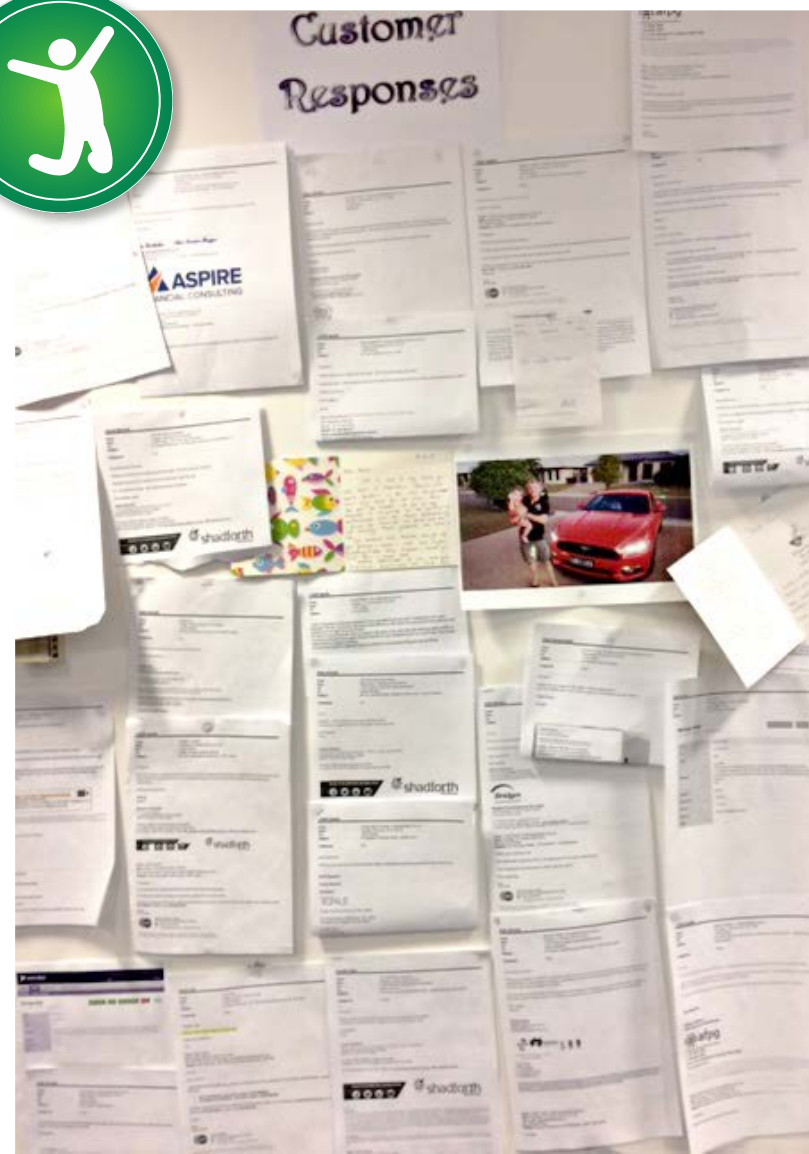
“Thank you so much for your kind assistance today, I really appreciated that you went the extra mile for me. “

“Thank you very much for organising this so quickly. The client was very relieved. ”

“Thank you so much for your help – your provided us with exceptional service and it was a pleasure dealing with you as you were so professional and knowledgeable.”

“Thank you very much, your efficiency overwhelms me.”

“Very impressed by the efficiency of the Apollo Team.”



Our clients



[View the our clients video](#)





Questions?