

**Austock Group  
Limited**  
(ASX : ACK)



February 2018

# **HY18**

## **Financial Performance & Business Update**

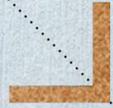
Rob Coombe  
Executive Chairman



# HY18 Results Summary



	HY18	HY17	Change	Change %
Revenue	\$4.7m	\$4.1m	\$0.626m	15%
Expenses	\$5.5m	\$5m	\$0.538m	10%
Statutory profit / (loss) after tax	(\$1,994)	\$75k	(\$2,069m)	2,759%
Underlying profit after tax	\$597k	\$75k	\$522k	696%
Underlying EPS	0.49c	0.07c	0.42c	600%
DPS	2.0c	2.0c	0	0
NTA	\$14.6m	\$6.9m	\$7.7m	111%
FUM	\$797m	\$685m	\$112m	16%
FUA	\$1,472m	\$1,378m	\$94m	7%
FUMA	\$2,269m	\$2,064m	\$205m	10%
Cash & Cash Equivalent	\$13m	\$5m	\$8m	160%



# HY18 Highlights & Key Performance Measures (YOY)



 16%  
Life Business FUM  
**\$797m**

 10%  
Group FUMA  
**\$2,269m**

 17%  
Active Financial Advisers  
**1,280**

 9%  
Approved Product List  
**288**  
DEALER GROUPS

 7%  
Services FUA  
**\$1,472m**

 46%  
Life Product Sales  
**\$88m**

 46%  
New Bond Numbers  
**1,508**

 70%  
Savings Plans  
**\$9m**





# Changes to Super

## NON SUPER MARKET WILL EXPLODE

> Many 'High Net Worth' Clients simply can't get money into Super.

*DEXX&R have estimated this market to be in excess of \$18bn p.a.*

### Investment Bonds will benefit:

- > Investors looking for the next best tax structure outside of Super
- > Superior for Estate & Intergenerational Planning

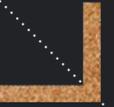


# WHY BONDS?

*Most Tax-Effective Vehicle Outside Superannuation*

Our Investment Bonds Are Suited to:

- Alternative & Complementary to Super
- Discretionary Trusts – managing income distributions
- Long term savings - Education/University/First Home Deposit
- Estate Planning strategies
- Aged Care, Pension & CSHC strategies

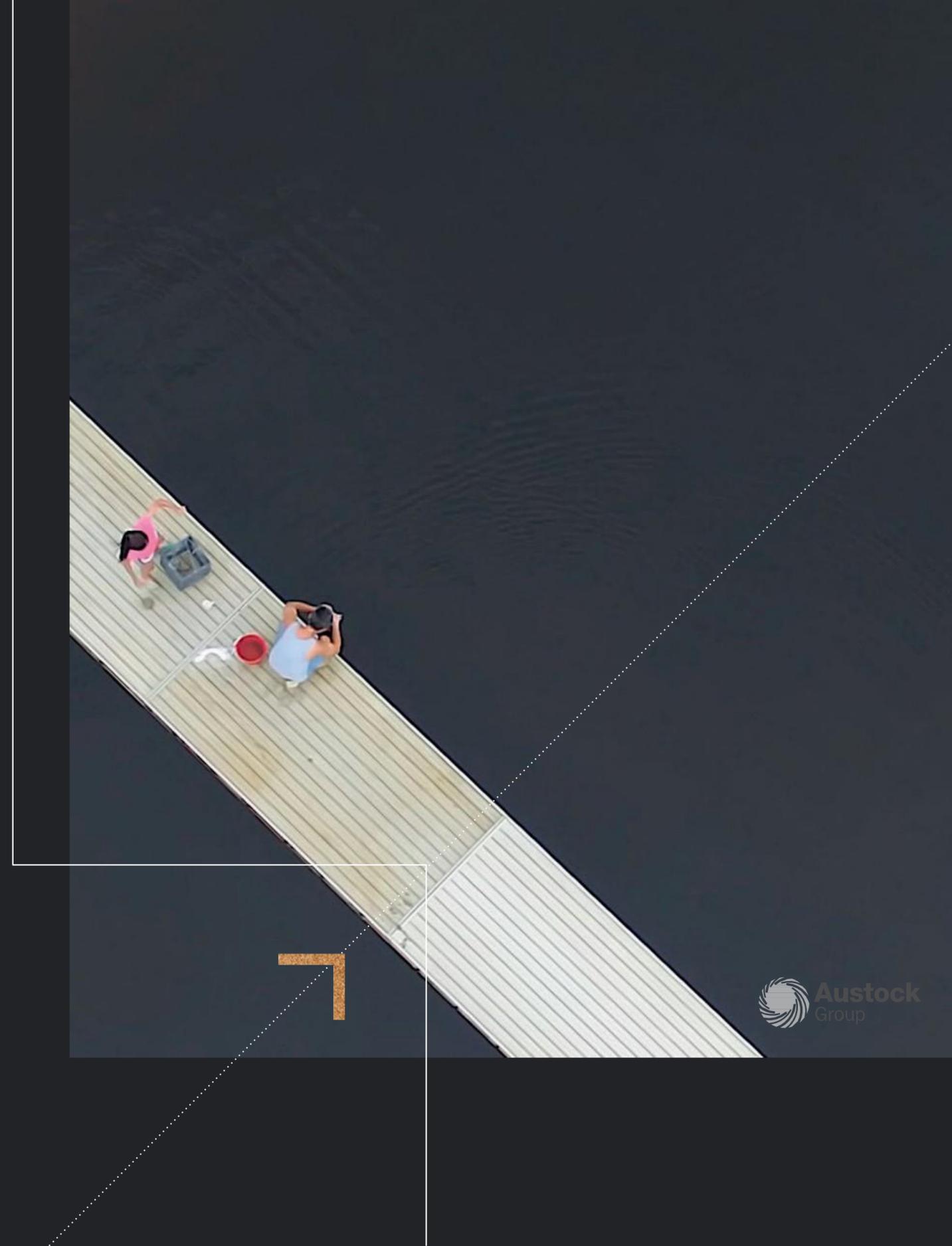


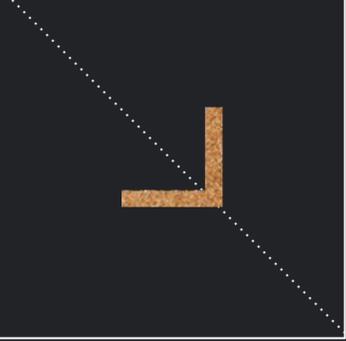
# OUR COMPETITIVE EDGE

## Project Clearwater – Austock Group

- > Austock has been competitive in a stagnant market
- > Significant changes & restrictions to Super – increased attractiveness of sector
- > Competition is set to increase

*‘As a result of this, Austock has chosen to lift the profile of its business and refresh its brand, team, product, pricing, investment and service offering to put “Clearwater” between itself and existing competitors’.*





# Project Clearwater – Brand Architecture

1

## Audience

- > HNWs that are thinking about the future and looking for a “different” provider to help them navigate their course
- > Looking for trustworthiness and stability
- > Life isn’t simple for them and they need smart solutions
- > Seeking solutions designed to meet all the challenges and opportunities the future holds

2

## Ambition

- > To be known as Australia’s most forward thinking financial solutions company

## Purpose

- > Help people embrace the future with excitement - not fear

## Idea

- > Prepare people to navigate the financial complexities of tomorrow

3

## Values

- > Optimism
- > Clarity
- > Forward thinking
- > Pro-active

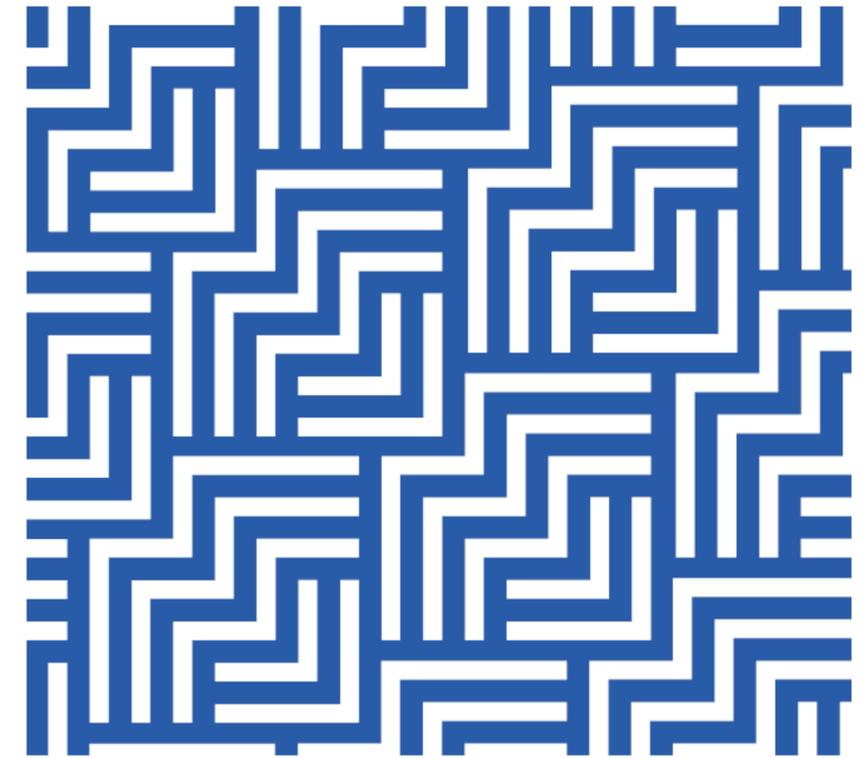
Outthinking today.



**Manifesto**

- We do unexpected.
- We do unconventional.
- We do unusual that will become usual.
- We do finance ahead of its time.
- We do investments based on the new world, not today's world.

Who'd have  
thought parents  
would be earning  
their child's  
degree before  
their child does?



**Introducing ChildBuilder:**  
A tax-effective tool to help your  
clients invest in their child's future.

Talk to a company  
that thinks beyond today.





# Project Clearwater – Product Enhancements

## New Fee Structure

- > Tiered fee discounts on client's total investments & special offer to 30 June
- > Remove Investment switching costs

## New Investing Features

- > Dollar cost averaging
- > Auto rebalancing
- > Automatically increase regular savings plan amount

## New Products

- > FuneralBond

## New Investment Menu Categories

- > Multi Strategy Income – Kapstream
- > Long / Short Australian Equity – Ellerston
- > Dynamic Allocation – AMP
- > Diversified Conservative - Perpetual

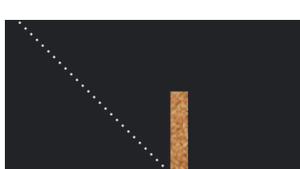
## New Sector Specific Index Manager

- > Australian Equity
- > Australian Bond
- > Listed Property
- > International Equity (Hedged & Unhedged)

## New Product Features

- > EstatePlanner - Create & design a future annuity for a beneficiary





## Project Clearwater - IT Enhancements

### Technology Improvements to Enhance Customer Experience

- > New Customer & Adviser Web Portal
- > Responsive (Mobile-First) Design
- > Online Application Forms (with KYC & AML Functionality)
- > Investor Portal with Switching Capabilities
- > Capturing better Customer Data
- > More Comparison Calculators
- > Education Calculator

On track for April delivery



# Project Clearwater - People



## CHRIS FREEMAN

CHAIR GENERATIONLIFE-Commenced Nov 17

- > 40 years experience in Financial Services
- > Deep experience and contacts in IFA market
- > Chairman, Templeton Growth Fund Limited
- > Chairman of Advisory Board to Barrons Magazine
- > Member of the Institute of Chartered Accountants and Australian Institute of Company Directors



## GRANT HACKETT OAM

GENERAL MANAGER OF DISTRIBUTION, AUSTOCK GROUP

Commenced September 17

- > Previously Head of Priority Markets Westpac - experience across marketing & distribution
- > Previously Director Regal Funds Management
- > Diploma in Financial Planning
- > Executive MBA (First Class Honours)



## CATHERINE VAN DER VEEN

JOINT CEO GENERATIONLIFE-Commenced January 18

- > Previously Joint Head Wealth Strategy CBA
- > Extensive product, marketing, distribution background
- > Worked in Sydney, London, Singapore, Boston
- > Degree in Agricultural Economics from Sydney Uni and graduate of Harvard Business School (Leadership Program)



## FELIPE ARAUJO

HEAD OF KEY ACCOUNTS, AUSTOCK GROUP

Commenced November 17

- > Previously Relationship Director and Head of Industry Specialisation Westpac
- > Extensive experience in customer acquisition
- > Bachelor of Business Economics and Finance RMIT



## LUCY FOSTER

JOINT CEO GENERATIONLIFE-Commenced January 18

- > Previously Joint Head Wealth Strategy CBA
- > Extensive experience in financial services strategy and execution in Australia and overseas
- > MBA (distinction) from the University of Strathclyde and an undergraduate degree in Medical Sciences from the University of Glasgow.



## JO LEON

HEAD OF MARKETING, AUSTOCK GROUP

Commenced January 18

- > 20 years experience in marketing and has worked at NAB (including MLC) and BT Financial Group
- > Extensive experience in customer acquisition, engagement and B2B marketing
- > Bachelor of Arts – Marketing & PR from University of Canberra





# 2017/2018 – Focus on Bonds & Developing Future Growth Strategy

## People

- > Continue to invest in new staff, implemented new sales reporting and operating rhythms

## Brand

- > Launch Generation Life **Delivered**
- > Hard Launch Generation Life **Deferred**

## IT

- > New Website landing page **Delivered**
- > Comparison Calculators **April**
- > Online Forms & transactional capability **April**
- > Enhanced Web Portal **April**

## Product

- > Funeral Bond Launch **Delivered**
- > New Funds & Product Enhancements **Delivered**
- > New PDS **Delivered**
- > Further Menu Innovation **April-On track**
- > Develop Retirement Income Strategy **March - June**

## Distribution

- > Lift YoY sales 20% **Should exceed**
- > Increase active adviser numbers 20% **Should exceed**
- > Develop HNW Strategy **On track**





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