Quilter plc – 2022 Half Year Results

10 August 2022

Paul Feeney: Good morning, all. Welcome to our interim results presentation.

We'll follow the usual format. I'll set out my perspective on business performance, flows and some of our important initiatives, and then Mark will walk you through the financials.

I'll then summarise, and we'll take Q&A.

We've also got the exec team in the room with us today, so I'll draw them into questions, as appropriate.

Let me start with the key highlights across my three key axes: financial momentum, operational improvement and strategic progress.

First, financial momentum.

We all know it was a tough market in the first half. Despite that backdrop, there's good momentum in our business and that's come through in our first half performance.

We drove £1.6 billion of net flows to our platform versus £1.8 billion last year. And £0.5 billion of flows into our High Net Worth business versus £0.4 billion last year. A creditable performance. And we increased adjusted profit by 9% to £61 million pounds. And that was achieved by delivering a two-percentage point increase in the operating margin to 20%.

The other notable feature of the first half was the return of £350 million to shareholders from the sale of Quilter International. Taken together with our previous buyback, we've now reduced our share count by about 25% since we listed.

Next, operational improvement.

As you know, we've substantially completed our optimisation plans delivering some £65 million of cost savings against the original target of £50 million. And we're now making good progress with our simplification plans. We've accelerated initiatives wherever we can.

We have also agreed a more straightforward process to help expedite the back-book transfers which we told you we were targeting at our Capital Markets Day.

And last, in terms of Strategic Progress.

I'm delighted that our new platform continues to be well received. In both Q1 and Q2 we were the leading firm for retail advised gross flows across the entire platform industry according to Fundscape data. To maintain that momentum, you'll recall we talked about targeting 700 IFA firms back at the Capital Markets Day. Well, we've already successfully converted over 10% of those to using Quilter as a platform of choice.

We also launched our expanded WealthSelect offering to give customers a choice of investment solutions that can cater for whatever risk appetite they have, with whatever investment style they prefer, all with an ESG overlay.

And we continue to make progress on our plans for tomorrow's Quilter, including investment in our mobile app delivery and our hybrid advice plans.

So, overall, continued good progress, notwithstanding the backdrop.

Let me now say a few words about each segment, starting with Affluent.

As you can see from the charts on the right, we experienced some revenue headwinds, principally from lower advice and mortgage and protection revenues. But despite those challenges, we increased profits in this segment by 7% to £47 million, supported by good cost discipline and the benefits of simplification.

We reduced year-on-year costs by 6%, despite inflationary pressures.

More broadly, from a strategic perspective, we've seen the first movements in transferring our adviser back-books onto our platform. We've streamlined the process to make transfers easier for advisers and their clients. And this should allow us to accelerate momentum from here.

We've also been pleased with feedback on our enhanced WealthSelect Managed Portfolio Service which I mentioned earlier.

Turning now to High Net Worth.

Here we delivered solid revenue growth, and a year-on-year increase in net flows, which we'll come onto shortly. Now we've also continued to invest to drive longer-term growth in this segment, so that means profits are down about £3 million year-on-year.

That investment includes growing our team of investment managers. We've added eight investment managers since this time last year. We're also building out our advice capabilities in our Dublin office and we're recruiting financial planners in the UK.

As we outlined in November, this is the start of being able to offer both financial planning and investment management right across all of our offices.

We've seen strong flows into Quilter Cheviot's Managed Portfolio Service, which we relaunched last November, as well as our Climate Assets Fund which has gone through the £400 million AUM milestone during this period. We are intending to launch a more growth-focused version of this fund in the fourth quarter.

Now, let's get into the detail on flows.

This is the usual flow chart that you've seen before. As you can see, total Gross and Net flows were down somewhat in the first half. But this overall high-level picture doesn't really give you a good feel for the key trends in both our UK Platform and in our High Net Worth business. That's because the overall group figures also include the assets we manage on third party platforms, including those related to businesses that we've sold, which are obviously in structural outflow and so distort the picture.

So today I want to dig a bit deeper and break out separately the flows for the Platform and the High Net Worth business. These are the main flow engines for Quilter, and will allow you to more easily make comparisons with our listed peers.

I'll start with the Platform.

As you can see, both net and gross flows for the first quarter were actually marginally ahead of the same period in 2021. But in the second quarter we saw a step down in the level of discretionary investment flows. Looking at the trends behind that, while we enjoyed consistent levels of flows into pensions in the second quarter, pressure on discretionary investment reflects a combination of both weaker market sentiment and the squeeze in household incomes.

That led to a step down in gross flows from around £2.3 billion in the first quarter, to around £1.9 billion in the second quarter. Basically, people are putting less in their ISAs.

But it's worth noting that the lower Q2 gross and net out-turn for the Platform was still higher than the level we were at before our new platform came on-stream.

So, we're confident that our new platform has definitely moved us to a higher sustainable level of flows. We're now capturing more flow from our own advisers and we're also targeting a wider range of IFA firms across the market.

We've continued also to improve persistency this year. You may recall that our Platform persistency in early 2020 was inflated by some of the transfer and operational problems that other firms were having in the early stages of COVID. So, the 93% persistency you see here, up a percentage point on last year, is welcome evidence of continued progress.

I'm particularly pleased that we've seen notably fewer clients leaving us to go to other platforms. The feedback we get from IFAs is that they no longer need to do so. Our new platform is so much easier to use and because we now offer such a comprehensive service.

Despite that improved persistency, the lower level of gross flows has fed through to lower net flows in Q2 and, of course, this is a trend you can see right across the market from last week's Investment Association statistics.

So, £1.6 billion of Platform net inflows for the half versus £1.8 billion in a much better market a year ago is a pleasing result.

While we know there is more to be done, as I said earlier, we've been delighted with the market reception to our new platform. We were the leading player for retail advised sales across the entire platform industry in both the first and second quarter according to Fundscape, and our market share position is clearly heading in the right direction. As the chart shows, relative to our major listed peers, we've shown the most significant improvement in gross market share over the last three years.

Back at the Capital Markets Day in November, we said we were actively targeting around 700 larger IFA firms who've historically not used us or been very low volume users of our platform. We've made excellent progress here. Around 80 of those firms have now adopted us as a platform of choice for new investments. We are having in-depth discussions with another 60 firms, and we're in the early stage of engagement with a further 100 firms. So, I'm confident that the market share improvement you can see on this slide is set to continue.

Turning now to the High Net Worth segment. As I mentioned earlier, you can see that flows have been resilient. Gross flows at £0.6 billion for the second quarter were broadly in line with the quarterly average over the last three years. And net flows were essentially flat in the second quarter versus the first quarter and up year-on-year, which I think is excellent performance given the current market. And that's a great out-turn relative to our peers and shows the benefit of our dual distribution approach.

Let me now switch gears and turn to adviser numbers and productivity.

As you'll remember, we repositioned our adviser force last year to take full advantage of our new platform. Our objectives were to maximise usage of the platform by our own advisers and to ensure that they were better aligned with our products and services.

And it's worked. As you can see in the lower chart, we saw a sharp improvement in adviser productivity last year. And that has been sustained into this year despite lower flows across the market.

Indeed, flows generated by our advisers in the first half onto our platform and into our solutions were running at a mid-teens rate of opening assets in Affluent and a low teens rate in High Net Worth.

Putting that into perspective, net flows from Quilter Advisers onto our platform were just under £1 billion in the first half of this year, up 10% on 2021. I'm also pleased to report that, as we predicted, adviser attrition has normalised.

But adding new advisers has been challenging this year. Our robust vetting of new entrants and a slower pace of regulatory authorisation has meant our pipeline of new joiners hasn't fed through as quickly as we'd have liked. And some aggressive consolidation in the market has definitely increased competition for advisers.

So, what have we done? Well, we've repositioned our offer to compete more strongly, and we continue to support our firms with Practice Buy Out and Management Buy Out funding. We've also launched our Adviser Retirement Plan where we can acquire, and we can now accommodate retiring advisers' client-books directly into our national business.

We're pleased to see our pipeline of adviser firms wanting to join us continue to grow and we've added further resources to our recruitment team. Once advisers are in our network, we want to ensure that they feel fully embedded into the Quilter culture and philosophy. So, we've launched our Ties That Bind programme to underpin this.

This programme is focused on three core areas.

First, we're helping advisers run profitably; we're investing in technology to make it easier for them to engage with clients and with us.

Second, we're helping advisers grow sustainably; we're investing in new central paraplanning and support structures, we're helping them to grow adviser numbers through our Financial Adviser School and by providing recruitment resources.

And third, we're helping advisers exit with confidence. As I just mentioned, we've got market-leading Practice and Management Buy Out schemes. We've completed 22 such transactions this half alone.

And, of course, advisers can now sell to our own national business, securing the transfer of client ownership and assets with little disruption.

With the foundations of our advice business firmly in place we're now re-focusing back on adviser growth. To that end, we've appointed Stephen Fryett back into the business as Managing Director. Stephen was a founder of the business that became Quilter Financial Planning before moving to manage our largest network firm. So, he has a unique perspective from both sides of the fence. And I know both Steves are excited about the opportunities they see to accelerate our growth here.

Turning now to the assets we manage.

Our most important initiative in 2022 to date has been the relaunch of our WealthSelect managed portfolio solution. WealthSelect now incorporates a full range of risk and investment styles, all with ESG overlays. That allows us to accommodate a wider range of investor needs than many of our peers. We provide a choice of 56 portfolios to cover the full spectrum of client appetites from active to passive, adventurous to conservative and with responsible and sustainable options.

There's a chart in the appendix which shows you the detail, but as I highlight on the chart, performance of our WealthSelect portfolios continues to be extremely good, as is the performance of our Cirilium passive and blend ranges.

Cirilium Active has an excellent long-term record but, as a more quality growth focused proposition, its short-term performance has been more mixed in these markets.

So, before I hand over to Mark, let me summarise.

We all know it's a difficult operating environment. But what differentiates us at times like these is how we respond and the opportunities we seize.

So how are we responding?

First, I'd emphasise that, through our advisers and our investment managers, we're staying close to our customers to help them manage their financial affairs. And in tough markets, our customers really appreciate the value of advice and that's what makes our adviser focused model so resilient.

And we're investing in our Ties That Bind programme to reinforce the relationship between advisers in our network and Quilter.

Next, to drive growth, we will keep adding new IFA firms to the platform. This will be the principal source of incremental flow to get us to our 6% target.

Meanwhile, we've continued to drive strong flows to our platform despite a difficult market. And in High Net Worth, we'll continue to add investment managers and build out our advice capabilities which will also support growth in flows.

While investing, we'll maintain our resolute focus on costs and accelerate our simplification plans wherever possible.

We remain well capitalised. And we continue to believe in the attractiveness of our integrated business model.

Finally, I wanted to mention that we are conscious that it's not just us that has to manage through tough times. Our staff have to do so as well. So, that's why we've announced a one-off £1,200 payment to all staff who earn £50,000 or less with their August pay. Our colleagues have been phenomenal throughout the ups and downs of the last few years and so we want to support them also.

And with that, let me hand over to Mark to run you through the numbers. Mark.

Mark Satchel: Thank you, Paul, and good morning, everyone.

As Paul has said, the first half of 2022 had its challenges for a whole bunch of reasons. Obviously, the decline in equity markets and the rise in bond yields had a significant impact on our assets under management and administration. That led to some revenue headwinds which, unless equity and bond markets improve, will be felt more in the second half.

So, I'm going to drill down in a bit more detail than normal to help you understand how we are managing our business to deliver the right outcomes for all of our stakeholders. But let me say upfront, there are four messages that I hope you take away from my presentation.

One, that the business is in good shape, delivering robust flows and improved persistency.

Two, the trend in revenue margin is playing out in line with our expectations.

Three, we've got costs under tight control despite inflationary pressures.

And lastly, we've got a strong balance sheet following the completion of our capital return programme.

So, let's get started.

We think our financial performance during the first half was pretty good, given the market environment. Overall, adjusted profits and our operating margin all stack up well against market expectations. We know net flows were below 2021 levels, but the sustainable trend in our flows is on an upward trajectory.

And let me walk you through the details. Starting top left, and as Paul mentioned, flows were lower than a year ago in Affluent but up in High Net Worth and came in at £1.4 billion for the half overall. Our average AUMA to the end of June were modestly ahead of last year, and I'll get into the detail behind that in a moment. And top right you can see revenues were broadly unchanged with a slightly higher management fee revenue offset by lower other revenue, principally due to lower advice revenues and mortgage related income.

Costs, bottom left, were down 2% to £242 million. By completing our optimisation plans and maintaining cost discipline, we largely offset expense increases and we've also benefited from lower FSCS levies this half. That gave an operating margin of 20%, up two percentage points on where we were a year ago. As a result, we delivered a 9% increase in adjusted profit.

That translated into Adjusted Diluted Earnings per share of 3.7 pence, a decline of 5% year on year. And that decline was mainly due to a more normal tax rate of 18% in the first half, compared to the tax credit in 2021 from a one-off deferred tax benefit. This more than offset the lower share count from the share buyback and share consolidation scheme.

Right, I promised you a little more detail on the evolution of AUMA and this slide shows it. The detail in grey shows how AUMA evolved over 2021. The bars represent the month end positions. The grey line shows the rolling average as it built up over last year and the green shows the same for this year, to date.

What you can see is that in 2021 AUMA trended up throughout the year. In contrast, in 2022, AUMA started at a high point, and has been on a declining trend given the movement across equity and bond indices.

From a P&L perspective, what's important is average AUMA, because this is what drives revenues. So, if you look at the two lines you can see that in the first half average AUMA this year has been ahead of the corresponding period of 2021. But as the year has progressed those lines have been converging.

So, as you think about modelling revenues for the remainder of the year, bear in mind market levels will impact how that green line progresses. If markets don't improve, the two lines will converge further, as you can see with the dotted line, making the second half a tougher comparative for revenues.

It's worth adding at this point that end July AUMA was up a bit on end June levels, taking it back above the £100 billion mark again. So, if the July trend continues, then we will have a better average AUMA out turn for the second half than what I am showing here.

Now, AUMA is only one component of revenues. The other part is margins where, as you know, there are pressures across the industry, so let's turn to that.

I'm pleased that the picture here is totally in line with our expectations. In High Net Worth – the black line – we're holding relatively stable margins with just a single basis point decline from the second half of last year. New business is coming onto the book at a broadly similar margin to our existing stock.

Next, our Investment Platform – in dark green at the bottom. Here we see gentle dilution of around a basis point a year in line with our guidance. That reflects the new business being generally priced in the mid-20s.

Finally, let me say a few words on the managed assets in our Affluent segment – the lighter green. And you'll have spotted that we have restated revenue margins here. This relates to the restructuring of our WealthSelect range which Paul mentioned. And you'll remember that I called out the financial impacts of that back at the Full Year Results.

Basically, we now earn a fee on an additional approximate £3 billion of assets in our Affluent segment which are in WealthSelect on the Platform but not managed in Quilter Investor funds.

Because the wrapper management fee margin is modest at 15 to 20 basis points, the inclusion of that additional £3 billion of assets reduces the managed revenue margin we report in the Affluent segment by around four to five basis points. Clearly, this is just optics without any impact on the business economics.

Let's now turn to the cost side of the equation.

In the first half of 2022 we reduced our total cost base to £242 million, down £6 million on last year, despite inflationary headwinds and investment in growth. And here you can see that we've continued to manage down base costs as a percentage of revenues. That's the hard work bit and that's the driver behind our expected operating margin expansion.

The cost of revenue-generating staff as a percentage of revenues has moved up modestly reflecting the sort of investment that Paul mentioned earlier.

We've accrued variable compensation at a similar level to last year and the uplift in other variable costs reflect more normal levels of operational expenditure after the pandemic, as well as a tick up in development spend within the business and a full period of FNZ platform costs after the migrations last year.

Finally, we've benefited from a reduction in FSCS levies this year resulting from the industry-wide levy surplus that was carried forward from last year.

The waterfall on the righthand side summarises the main changes year-on-year. Cost push came from inflation as well as more normalised levels of investment. Lower FSCS levies and our management actions more than offset the these, leading to reduced overall costs.

When it comes to thinking about second half costs, please bear in mind that as Paul has mentioned we are making a one-off cost-of-living payment of around £4 million to staff in August. In addition, we'll also have the full half's impact of inflationary salary increases.

Overall, I'd expect a run-rate higher than simply doubling the first half expenses excluding FSCS and then adding that £16 million back on.

And by way of guidance, we think the current consensus for costs in the mid £480 millions is sensible assuming stable markets. But this could be higher if markets improve which would push up both revenues and variable staff compensation.

Now let me turn to the strength of our balance sheet, starting with the major movements in solvency ratio which are all straightforward.

We began the year with a ratio of 275%. The capital return programme reduced the ratio by 56 percentage points. Below the line transformation costs were a three percentage point drag while profits added five percentage points. The interim dividend reduces the ratio by two percentage points, bringing us to the 219% you see here.

I should also say that we continue to evaluate options around our Tier 2 bond which, as you can see, contributes 35% of our Solvency II capital. As you know, it has a call date early next year. As the bond markets have become more turbulent since our full year results, it makes the decision a little more complex. Regardless of the decision we make, we expect higher interest costs in 2023 and beyond.

It's also worth flagging here that we have completed our review of the Lighthouse British Steel Pension Scheme transfers, we have reduced our outstanding provision at the end of the period to £2 million reflecting investigation expenses still to be paid. Our claim under the Lighthouse Professional Indemnity Insurance has been agreed. So, in total, the net cost of the remediation programme to us has been around £12 million.

Next let me touch on the cash position at the bottom.

You will recall that we ended 2021 with £756 million in cash. Completion of the Quilter Life Assurance buyback cost £28 million. The B-share issue and redemption cost £328 million, and the final dividend cost £62 million of which around £25 million was part of the Quilter International capital return.

Remittances from subsidiaries totalled £107 million. And so, we are left with just under £390 million of cash in the bank at the end of June.

We've earmarked around £120 million for the interim dividend and our Business Simplification and investment plans which leaves the remaining cash balance broadly in line with our risk appetite.

The Board has decided to leave the interim dividend unchanged on last year. Given the lower earnings after the higher tax charge, this represents a broadly unchanged pay-out ratio of around 53%. We expect to continue to move up our targeted pay-out range at the full year. The extent of that will be determined by the overall profit out-turn for the year, as well as the market and business conditions prevailing at the time.

You'll be familiar with this slide. It's the targets we set out at our Capital Markets Day last year. The only caveat I'll flag is around our operating margin targets. As you know, we are targeting a 25% operating margin in 2023 and 30% by 2025. I very much believe that achieving an operating margin in excess of 30% is absolutely the right place for a business like ours.

You will recall that when I set those targets at the Capital Markets Day, I did say three things were required to achieve them.

First, we had to achieve net flows broadly in line with our target.

Second, we expected equity market growth of around 5% per annum.

And third, we had to achieve our Business Simplification plans.

Now while flows are slightly off the pace, and we almost certainly won't hit the 6% flow target this year, I'm not unduly worried about the impact of that on our operating margin targets. And our Simplification plans are very much on track. However, so far this year, markets are clearly not helping at all.

So, if we don't see a market improvement later this year and into 2023, it may well have some impact on the timing of our target operating margin delivery. But those targets remain at levels that this business should be more than capable of achieving.

So, in summary, I am pleased with the financial performance of the company so far in 2022. The business is in good shape, and we are pleased with the first half profit out-turn. We are on top of and managing everything that is in our control. The trend in revenue margins is broadly as anticipated. Costs are well controlled. And our balance sheet remains in good shape.

And with that, let me hand back to Paul.

Paul Feeney: Thank you, Mark. Right before we go to questions, let me summarise our key priorities.

First, our principal focus is always on looking after our customers and advisers. And by doing that we'll drive revenue growth. We'll continue to increase flows across our business and aim to manage more of those flows over time.

Second, we will maintain strict cost discipline and deliver our Business Simplification plans.

Third, we will drive operating leverage and improve our operating margin.

And finally, we'll move up our dividend pay-out range and deliver strong returns to shareholders.

Clearly, despite the backdrop, we've been busy. There's significant value still to come from Quilter and we're really focused on delivering it.

Right, with that, let's open up for questions. Over to the operator.

Operator: Thank you. If you wish to ask a question, please dial 01 on your telephone keypad now to enter the queue. Once your name has been announced you can ask your question. If you find your question is answered before it's returned to speaker, you can dial 02 to cancel. And our first question comes from the line of Andrew Sinclair at Bank of America. Please go ahead. Your line is open.

Andrew Sinclair: Thanks. Morning everyone. Three questions for me please. First couple on financial advisers and then one on margins.

So, firstly headcount down a little bit again. I realise it's been a tough backdrop, but there are still some peers who are growing. I just really wondered if you can give us some context of when you think you can get back to growth and what sort of growth you think is achievable over the medium-term. And that's as well if you can just give us the breakdown into, if possible, growth of recruitment and attrition numbers. That's a long question one.

The second question was just on the Financial Adviser school. I just wondered if you could tell us how many students are in it at the moment and how many graduated in H1.

And final question, which is just on margins, I totally understand it. Markets are going to make things very difficult at the moment. But I just really wondered if you think about the 2023 and 2025 targets differently is when you look at 2025 targets, are there some levers that you can pull a bit harder if markets still remain depressed, I mean you can feel a bit more confident in those targets than perhaps 23 which will clearly be more influenced by the markets. Thanks.

Paul Feeney: Okay, thank you Andy. Well, I'm going to take the first question then hand over to Steve Gazard who runs Quilter Financial Planning for us. Steve, I think you can take the question on FAS in terms of how many graduating we're expecting. Then I'll open on the margins question and handover to Mark.

Andy, the RFP result isn't where Steve and I would like it to be and quite frankly I'm not happy about the figure we're presenting. We've been open about having a shake out of our restrictive planners who needed to leave the business over the last 18 months. And quite frankly a few of those were still making their way out of the numbers in this half.

However, the result of the initiatives we've taken and put in place is now an adviser force where we are all more strategically aligned. It's a stable adviser force. Productivity has improved substantially, as you've seen, and it's been maintained, even in these markets. And if you look at the result of that, we delivered £1 billion of net flow onto our platform from our own advisers this half, which is up 10% on the last half. So, there's no doubt that the pain we went through to a strategically align our adviser force has worked and is working.

I'm also heartened to see the pipeline that we've got which is coming through. And also, recruitment into our Adviser School which I'm sure Steve will talk about now.

So, we've got a great proposition, a relevant and compelling one for advisers. You know, from what I'm looking at now, it could take to the end of the year, six months, to see net adviser growth, not only stabilised but start getting back to growth. But certainly, what we've done is working.

Let me see. Do you want to…?

Steve Gazard: Yeah, of course.

Peter Feeney: … add some colour to that.

Steve Gazard: Yeah, of course. Morning, Andy. I mean, look, adviser numbers are ultimately a combination of recruitment and retention. So, if I deal with those in separation.

So, from a recruitment perspective, we are seeing positive results with the numbers of advisers engaged with us in active, meaningful conversations. That's up about 50% on this time last year and our pipeline applications is up circa 25% as a result.

However, as Paul alluded to, we continue to focus on the robust vetting, and this combined with regulatory authorisation and delays across the market mean that pipeline is taking longer to land than we would have hoped.

But I am pleased with the numbers that I now see feeding through on a month by month basis and as a result we've added 75 planners so far this year.

From a retention perspective, as Paul said, I'm equally heartened to see that not only are attrition levels are nearly 50% favourable to this time last year, but more importantly, they're actually returned to those levels we experienced pre our business alignment work. So, that's circa around 10% on an annual basis.

Interestingly, what we've seen is a meaningful chunk of the losses this year have been outside of those actual terminated by us have been retiring advisers. And as Paul mentioned, we've therefore added our national retirement plan and, as a result, since we've launched that, we are capturing an increasing number of those opportunities meaning that, yes, we do lose the headline adviser number, but importantly we're retaining both the clients and the assets. So, that's definitely working for me as far as I'm concerned.

So, solid foundations in place, launched into the next stage, and again, as Paul has alluded to, we've appointed Steve Fryett back into the business to drive that accelerated growth agenda with me.

With regards to the Financial Adviser School, 30 graduated in the first half of the year. We have over 50 currently in the school, in the current cohorts. I'd expect 70% to 80% of those to graduate out before the end of the year and add to that population of advisers being authorised.

Paul Feeney: Okay.

Andrew Sinclair: Just before we jump on, just sorry, just the 75 that you were saying there that you added this year in terms of growth recruitment. Does that include the 30 grads or not?

Steve Gazard: Yes, it does.

Andrew Sinclair: Perfect. Thanks.

Paul Feeney: Okay. So, margins. I think your question, Andy, was 25 targets, can we, given the market conditions, can we go harder? I think one thing you've seen in the first half of this year is that we have gone harder. We've brought forward quite a bit of our Simplification initiatives. I'll give you an example. We had planned to exit, no, we had two major buildings in Southampton as a result of running two platforms quite frankly for several years, or building one platform and running another one. And we had planned to consolidate those into one building. And that was supposed to happen next year. We've done it this year. And we completed that about six weeks ago, which has given us, that will give us a good cost run rate benefit going forward.

So, we're looking at all of things. But Mark, do you want to add some colour to that?

Mark Satchel: You've already added some of the colour I think, Paul. But, Andy, look, I've always said to achieve the targets we set out the Capital Markets Day, you need to believe in three things, and I outlined some of those in the presentation. It's the NCCF growth, it's the ability to achieve the Simplification plans, and it's market levels also providing some support along the way.

And really, it's the market level component given the reliance that our revenue base has on average assets under management which are driven by market indices that actually sort of has probably the biggest impact.

So, should market conditions stay difficult, tight, lower indices like they are at the moment, then clearly, we will look at accelerating Simplification, which is what we've done in the first half. We'll look at making other cost reduction initiatives, which you can also see from the slide we made in the first half. But there is a limit in the ability and capacity to do that forever.

So, frankly, we would obviously be looking at it if we're going to be in tougher markets for a longer period, and that is what we're looking at the moment in any event. But there does become a point at which it's very difficult to go any further.

Andrew Sinclair: That's brilliant. I appreciate the colour. Thanks guys.

Operator: Thank you. Our next question comes from the line of Greg Simpson at BNP Paribas Exane. Please go ahead, your line is open.

Greg Simpson: Hi, okay, good morning, everyone. A few questions on my side and the first one would be I think you mentioned it's 80 firms or so that have agreed to be, to use Quilter as their primary platform on the IFA side and a pipeline of more.

Have you been seeing that come through in this period in terms of flows? Or is it something you expect to build in H2? The reason I ask is in H1 flows on the platform from the IFA side were down year-on-year and quite limited in Q2 versus a more robust outcome on the restricted adviser side. That was the first question.

And the second one could be, is, could you remind us of the different drivers of other income and how much is mortgage related and how much is, in particular, is market linked directly in terms of how if you think about that evolution?

And then the third one is what is the current run rate you're at in terms of the £45 million of Simplification savings? I think that was the target out to 2024, but where are we at today? And have those been accelerated and how are you thinking about your next year with the benefit of that versus maybe more inflation? Thank you.

Paul Feeney: Okay, thanks Greg. Clearly, I'm going to bring Steve Levin in, in a moment, on the IFA flows on the platform.

I'll just say that we're delighted with how much progress we're making. We're getting advisers, new advisers, on our platform. 80 in the first half of the 700 we've been targeting, 60 in active discussions and another 100 that we've opened discussions with. And clearly, they don't give you all their business on day one. So, getting them, the first thing is to get them on and get them using you as a platform of choice. But Steven, do you want to add some colour to that?

Steven Levin: Yeah. So, Greg, we didn't actually say we were the primary for all of them, we said we were a platform of choice, which means we're in the top two or three. For some we are primary, for some we will build up to that.

What advisers do, what adviser firms are, and obviously our goal is to be the primary platform for all of these firms, and many, many more. But what advisers do is they have to go through a process. We're talking about larger firms here, so these have got panels, vetting processes, internal things that they go through before they pick a panel and that takes time.

So, we've been doing that. Some of those 80 that started using us from January actually we've already started seeing meaningful flow and there's some good flow from that that's in our numbers already. Others that have adopted us and made their decisions only in May or June, we wouldn't have seen much flow from them yet because that will be coming through later.

Also, what practically has to happen, and just so you understand how these lead times work, is once on the platform, once an adviser firm, sorry, has adopted us, that would be sort of a decision of the management or whoever controls the panel of which platforms they use in their firm. Then you've got to go out and train all the advisers in that firm, which could be a small firm of five advisers, could be 50 advisers, and that takes a little bit of time. And from there you start seeing the pipeline of flow.

Advisers also first obviously focus on new business and so we see new business flow coming to us. And then later we would focus on trying to get them to move books once they've built confidence in our platform as well. So, that's how we see it.

Paul Feeney: Okay. And the next question I think Greg was on other income drivers and how the other income line breaks down. Mark, do you want to…?

Mark Satchel: Yeah. So, look, other income is predominantly made up of revenue earned from advice fees. There's a small component of it in the first half now that interest rates have started rising that is related to revenue that gets generated from interest and it's on cash deposits. And that's principally in Quilter Cheviot and in the group. There's about four to five million of the total coming through from that. But the rest of it is all pretty much predominantly QFP or NPCA. So, anything on the advice side revenue.

Within that, it roughly breaks down, and this percentage movement does move, but about 50% of it is in recurring fees, which is obviously market linked and that's go up and down as markets rise and fall. About 15% of it is fixed and about 35% of it is variable, coming through from initial fees and charges made.

And within the initial components, mortgage and protection income within that is a significant component of it because most of that is transactional. You don't get any recurring on it, and it all comes through as initial. So hopefully that provides you with a little bit of flavour around that.

And then I think the third question was…

(Overspeaking)

… on the 45. So, where we are today, we've got a benefit of five million coming through in the first half, which is part of the slide. We have got the 12 million on it overall, seven million of it was Optimisation, five million Simplification, and that five million translates into an annualised run rate of about 12 to 13 million.

Greg Simpson: All right, thank you.

Operator: Thank you. Our next question comes from the line of Enrico Bolzoni of JP Morgan. Please go ahead, your line is open.

Enrico Bolzoni: Hi, good morning. Thanks for taking the questions. One partially asked and answered already, but just slightly rephrasing it. Of the 80 new firms that you on boarded, could you quantify in terms of gross flows how much they contributed or how much you expect them to contribute?

And also, just I think you mentioned, I just couldn't hear well, when you say primary, so platform of choice, do you mean, the main platform used, or one of the two or three platforms used by the IFA firms? So that's my first question.

My second question was you mentioned that now basically due to restructuring it is much easier for advisers to sell the business to you. Can you just give us a bit of a practical example of what was not possible before and what instead is possible now? Just trying to understand in practical terms how that could help.

And then finally, another question. I mean I appreciate that we're now middle month, clearly there's been a nice rebounding market over the last month or so. Have you seen any change in investors' behaviour, or are people still on the cautious side in terms of contribution to ISA and to their pension? Thank you.

Paul Feeney: Okay, thank you, Enrico. So, question, of the 80 firms can we break down what their flows, the gross flows are or what they're expected? And basically, when we talk about platform of choice, do we mean primary or secondary. So, Steven, do you want to…?

Steven Levin: So, we have said that these firms have represented about 10% of our gross flows from IFA channel this year from these 80 firms. So that, I think, gives you an indication of the size of them.

In terms of, our objective is to be the primary platform, which means you get the largest market share, share of work from that adviser firm. These 80 firms we're talking about though, just to be clear, they are firms that were not really using us in the past at all. You don't go from not being used for an adviser firm to being their platform of choice. That wouldn't be a sort of a natural decision of an adviser. They want to, we first get onto that panel. Most adviser firms would have a panel of two or three core platforms that they use. So, we haven't been on that list at all. We've got onto that list for those 80 firms, so that means we'll be in the sort of the two or three that they're primarily using. And then our objective is to get to the number one spot in there, and that will take time as they get more familiar with us. But that's how it practically it works. Okay.

Paul Feeney: And the next one, Steve Gazard. Steve, it's easier to sell the business to us now than before. Can you let Enrico know what was not possible before and what's possible now, and maybe give some examples? Without names.

Steve Gazard: Yeah. Absolutely. So, yeah, we've long supported our practice buyout and management buyout schemes where we have helped other network firms acquire businesses both internally and externally. And that continues to do so. The new piece for us is the launch of our national retirement plan. The key difference there is that advisers retiring can now sell to our own cohort of financial advisers business, whereby we can directly look after the clients, look after the assets and drive that forward allowing the adviser to retire off with little disruption. And that was a new launch this year.

Paul Feeney: And the third question related to July/August. Yes, we have seen, we've seen a good rebound in markets in July and we're the first nine or ten days of August, which has been very welcomed. And that's stock markets obviously we're talking about there, which certainly helps our assets under management and helps our revenues and everything.

Look, it's too early to say, Enrico, with this. Obviously, the retail investor will lag a bit the market rebound. It's also July and August. So, everyone's on holiday. So, I would expect, if there was a rebound, I'd expect to see it from September onwards really rather than in the summer months. And it also depends on how whether this a proper rebound or whether it's a… and none of us know about whether it's a temporary thing.

Enrico Bolzoni: Thanks.

Operator: Thank you. Our next question comes from the line of James Allen at Liberum. Please go ahead, your line is open.

James Allen: Hi, morning, guys. Two questions from me if I can. The first one is just around the hybrid advice proposition. You've held your cards pretty close to your chest on this. I was just wondering whether you could provide any more colour on this now, kind of rough launch date, pilot testing feedback, similarities or differences versus the advice proposition being proposed by Hargreaves.

And then secondly, just on the WealthSelect relaunch, so, from my understanding, there was about an extra billion of AUMA expected to move into Quilter Investors this year, with around a two billion impact next year as part of the relaunch. What was the benefit of that in the Quilter Investors inflows in the first half as part of that relaunch? And what should we expect for the full year?

Paul Feeney: Okay, thanks James. I'm going to bring Steven Levin in a moment on hybrid. But hybrid advice proposition. We're making good progress with our hybrid advice proposition. It's basically going to enable us to quite frankly address a more mass affluent market and a younger market. And one of the attractions of Lighthouse that we bought was that we have 30-odd affiliates with contracts to provide advice to almost six million people in this country. Which quite frankly is almost impossible to get to face-to-face, certainly economically face-to- face. That's going to provide a lot of the lead generation and access for our new hybrid advice proposition which we are launching.

Clearly, we are keeping it under wraps, and we're keeping it under wraps for the very simple reason, our competitors are also going along the same lines, and just as they're keeping it under wraps, Chris is keeping it under wraps over at HL.

We're coming from different positions. He's coming from a D2C position into hybrid advice. We're coming from an advice platform into hybrid. And I hate the term "hybrid advice" by the way. Hybrid. What's it a hybrid of, you know? We've got to come with a different term, and we will come up with a different term. But you know what we mean.

So, we're not going to unpack it today because we do believe it's a competitive USP that we're launching. We expect to launch actually in early 2023. We're going to get this right and do it right and launch it and launch it with impact. I've probably taken all your colour there, Steven, do you want to…? Yeah, okay.

WealthSelect launch? Look, one of the things that Mark said is in the first half of this year with our relaunch proposition and now all of our ESG proposition, it's enabled us, and we've taken the opportunity to take a wrapper fee and all of the assets within WealthSelect, not just the assets which are actually not just the Quilter Investors funds. And that's brought £3 billion of assets within WealthSelect, if you like, within the charging function of WealthSelect. So, it's added another 15 to 20 basis points on £3 billion of assets. And Mark was saying whilst in terms of how it looks, it looked like therefore the average margin in QI has gone down.

The reality is the revenue's gone up because we're now getting that revenue on £3 billion of assets.

And clearly now we've only just launched and the performance since we launched, which is three months ago, has been very good, excellent, first, second quartile type performance of those portfolios. It's a pretty good time to launch ESG responsible and sustainable portfolios, given what had happened to that market up to that point.

And it will build from here. But again, Steven or Marcus, do you want to, either of you want to add to that? Have I stolen your… okay. So, James, those are your answers.

James Allen: Thanks very much.

Paul Feeney: Okay.

Operator: Thank you. Our next question comes from the line of Ben Bathurst of RBC. Please go ahead, your line is open.

Ben Bathurst: Morning everyone. Thanks for taking my questions.

I'll start on costs if I may, in particular just wondering which parts of the cost base have you been feeling the inflationary pressure most keenly in H1 making up that £10 million increase that you show in the waterfall, Mark? And I just wondered, is there any evidence of the pressure there building anymore in recent months given the macro backdrop?

And then secondly on platform flows. Paul, you mentioned that you're now in a position to accelerate back book transfers. I just wondered, is that something we should expect to see imminently in H2? Or does the more challenging market backdrop complicate the ability to conduct those transfers in any way? Thank you.

Paul Feeney: Thanks, Ben. Mark, do you want the first one?

Mark Satchel: Look, I mean in broad terms we're feeling inflationary pressures across all cost categories, but if I call out a few specifics on that. Utility bills in our buildings are obviously massively up, as they are in people's homes and everywhere else. Staff inflation is also pretty keen. We increased our average staff payroll cost by about 4% in April. You know what headline inflation rates were running at in the UK, you know it's below that. But that's a big component and really part of the one-off payment that we're making that Paul mentioned earlier to some staff is just reflective of the inflationary environment that we are living in.

And then some of our IT contracts obviously have inflation linked clauses within them which in the past haven't amounted to much more than a row of beans, but it's now becoming a lot more pertinent as far as those are concerned. And that's where our procurement team does a good job in, despite the contracts maybe linking to some crazy index at the moment, are doing a good job of actually managing that down.

So, those are probably the main three areas I'd call out.

Paul Feeney: In platform flows, in terms of…

(Overspeaking)

Ben Bathurst: Can I just ask a quick follow-up on that?

Paul Feeney: Sorry, go ahead, Ben. I interrupted you.

Ben Bathurst: Mark, just quickly when you mention IT contracts, can I just confirm. Does that include the FNZ contract or is that something separate, not individual?

Mark Satchel: No, it doesn't. No. That won't.

Paul Feeney: So, platform flows, accelerating back book transfers. Well, first I'd say, we would expect to see an acceleration now from here having now put the process in place. I would still remind everybody that these are individual advice points. As much as we would love to press a button and do a full re-registration, electronic re-registration, advisers still have to go to clients and do an individual review of clients before they move them onto our platform. But we have got the process in place. Steve, do you want to put some colour on that one?

Steve Gazard: No, I agree. So, I mean, as you say, the key thing is that we believe it is an individual price point or an individual suitability, but we have both clients and advisers who are very keen to now gain access to our new platform and that's great. We've simplified the advice process to make that easier for advisers. We're rolling out supporting technology that makes it noticeably easier for them to transact in that space. And we're also helping our advisers through the creation of expansion of our central support and paraplanning team that will help them deal with it.

So, we would expect that acceleration, but we will ultimately deal with it on an individual client by client basis. So, it will take time.

Ben Bathurst: Thank you for that.

Operator: Thank you. Our next question comes from the line of Alex Medhurst at Barclays. Please go ahead, your line is open.

Alex Medhurst: Hi guys. Thanks for the presentation. I actually have had most of my questions answered, but maybe I could take one or two quick follow-ups on the flow side of things.

First then, I noticed platform outflows have been roughly flat for the last couple of years at about 8% versus periods that do sort of 5% or 6%. Can you just elaborate on what's driving the higher outflows and when you expect that gap to close that you've been talking about for the last couple of periods?

And then secondly, a slightly kind of related point, I guess. I hear the point on the cyclical challenges to flows at the moment, but again, listed periods in the Affluent segment, whether that's platforms or advice businesses, we're still doing sort of 7% plus net new money in Q2 annualised. So, I guess the question is, do you think you can be matching those at some point structurally in the next few years? And, if so, what are the steps you still need to have to take to get to that structurally higher level of flows, even when the conditions are cyclically more challenging? Thanks.

Paul Feeney: Okay, thanks Alex. So, 8% platform outflows, what is driving this, when will we close the gap? Don't forget, we've got the largest single adviser platform in the whole of the UK market, and we've got one of the most mature platforms in the whole of the UK market. So, in a smaller platform we'll have a much lower delta between gross and net, because they haven't got much, they've got lower AUM.

But so, we have got that, but Steven, do you want to add to that?

Steven Levin: Yeah, so I mean, as Paul says, one of the points is the age of the platform. So, some of the other platforms that you are looking at are younger. And therefore, they have less of business that was written 10 or 15 years ago. That is just naturally clients that are older and more in outflows.

The other key driver is, and that I think will change on those platforms overtime, but the other key driver for us is the difference between net and gross market share which we've tried to talk about once before. So, we have been number one for gross market share for the last several quarters now, and what that will do is, as we have more and more time when we're bringing in most assets in the front, that will change, that means we're bringing in assets that are again sort of younger in their own right. You've sort of got to think of this a little bit in the sort of the age of the assets of which you've brought in.

The challenge that we had is before we did our platform migration there was a period of time of a number of years when our flows were lower and we lost market share before the platform migration, which you've all seen historically in the numbers. What now needs to happen is we have to have several periods of leading the way in the gross flows, and then the nets will start following that because the outflows as a proportion of the assets will then start shrinking.

So, that's how they're done, and it will work. And for us the focus remains on driving the gross flows as much as we can and on minimising outflows as much as we can.

Paul has also pointed out, and we're pleased to see that there is a reduction in outflows to other platforms because there's less reason for advisoes to choose another platform. The outflows from clients taking their money remains at levels that we've seen before and that's the nature of parts of people in pension and in drawdown. But for us the big focus is on reducing the outflows to other platforms because our platform is now the leading one in the market.

Paul Feeney: Yeah, and I think that kind of answers your second question too actually, Alex, but can we get to the, you're talking about 7% annualised. I think our platform, from the first start did about close on 4.5% annualised in this market. So, as our gross flows continue to, as we continue to lead the market in gross flows, over time that shifts the net number as Steven said. And we most certainly can and do expect to be able to do those numbers.

Alex Medhurst: Great, thanks very much.

Operator: Thank you. We have one further question in the queue this time, so just as a reminder to participants, if you do wish to ask the question, please dial 01 on your telephone keypads now. And the next question comes from the line of Guillaume Desqueyroux of Sanlam. Please go ahead, your line is open.

Guillaume Desqueyroux: Hi, good morning, thanks for taking my question. Only one form me.

So, now that Quilter International, that the sale is completed, okay, can you give us an update on your thoughts on the group Solvency II supervision versus the ICAP Capital

Compliance? If I remember well, it's something that you pointed out during the Capital Market Day. Simply I wonder what can be the upside in moving to ICAP Capital Compliance? I suspect that the reporting burden can be different under the two frameworks, so any colour could be really helpful to frame that.

Yeah, because I'm just thinking about one of those three pillars you mentioned quite a few times is about the simplification plan and I just don't know if you have some costs that can be reduced by this kind of thing. And if I may actually, I know that one of your peers under the IFPR, which I'm less familiar with and I just don't know if it's something that can be also an option for you. So, yeah, a lot of regulatory framework questions in one question.

Paul Feeney: No, that's all fine. Look, if we had to move out of Group Solvency II, it would be IFPR on the group supervisory basis, to move into, because that's obviously replaced some of the previous regulations that you're referencing there in terms of ICAP, etc.

I think a few things on this. On pure fundamentals, we remain a Group Solvency II regulated business. In terms of the calculations that the regulators perform, that we are required to perform to determine which supervisory framework we fall within on a group basis, we are in the process of having some conversations with the regulators about that, but I've got nothing to really update you further than that, so that is something that we are reviewing.

In terms of upside of moving, I've said before our constraints from a shareholder perspective when it comes to sort of, we call it loosely capital returns is liquidity not capital. It doesn't really matter which group supervisory framework we're under. The capital requirement sort of shifts and it's the liquidity requirement that still remains a constraining factor for us.

There is additional burdens coming out of Solvency II supervision in terms of reporting, but I mean we're really talking stuff at the margin in their overall cost base of the group. It's not going to suddenly result in a massive windfall change in our cost base as a consequence of that. And frankly, some of it will be replaced by an increased burden from the regulatory regime that we would move to if we had to move to that.

So, it's always an interesting discussion, but I don't think that there's a lot of economic value from a shareholder perspective derived from the various capital regimes.

You mentioned something as well, Guillaume, about cost reductions as a result of International coming out, and I think most certainly there is. There are things that we've had to maintain cost wise while we were running that business which we'll no longer need to retain. We have a transitional service agreement with the company we sold it to, Utmost, which I think runs for another 16 months or so, something like that. But one of the key things is the IT platform that it has been sat on, which our heritage business was also sat on, so we had to maintain it. Clearly will be decommissioning that at the end of that period of time and that will also help quite a bit with our costs.

Guillaume Desqueyroux: Is Utmost taking over the platform or they are just migrating from your old platform to theirs? Is it something that you know?

Paul Feeney: Well, they are… it's a bit of both. Some of the core bit they're taking over, but a lot of it they're just, they're doing themselves.

Guillaume Desqueyroux: Understood. Thanks.

Operator: Thank you. And we've had one further question come through. That's a follow-up Andrew Sinclair at Bank of America. Please go ahead, your line is open.

Andrew Sinclair: Thanks guys. Just one final one from me was I think you mentioned that there were some cash margins just from interest rates coming through your other income. I'm just keen to understand, obviously we've had a few base rate increases recently and that will not have been fully phased in H1. Just what's your outlook for that for H2 and beyond? Thanks.

Mark Satchel: Yeah, Andy, so look, there are two components to it. One is the client component within QC which I'm not expecting there to be a major movement in the second half regardless of what happened to the interest rates just given some of the dynamic on the charging structures we have there. And the other component is group cash, and our cash management practices that we have within the group. Obviously if interest rates do continue to go up, well, then we will have a benefit of that. But I mean you're really talking, Andy, you're talking single digit millions here. I mean this is not life changing stuff in terms of bottom line.

Andrew Sinclair: Great stuff. Thanks, Mark.

Operator: Thank you. No further questions to this, and I'll hand the floor back to our speakers.

JP Crutchley: Okay, we've got two questions coming from the web. The first is from Mike Christelis at UBS touching on the RFP question. And noting the decline and asking if we can say anything about RFP growth over the next say three to four years.

Paul Feeney: Yeah. So, do you want to take that one, Steve?

Steve Gazard: Yeah. So, I mean I think as we said, look, we've put the solid foundations in place now. We've reinvested at the beginning of the year bringing across a new exec lead from a competitor. I've added two further recruitment directors in that are going live as we speak. And obviously we've strengthened our proposition so, yeah, I'm confident that we are ready for the next stage of growth over the next two to three years and we've talked low, mid-single digit growth over that period of time and that's what we would expect.

JP Crutchley: Second question comes from Raheem at Investec who says can you talk a little to the market conditions with respect to M&A? And whether the bolt-ons you've previously talked about are more or less likely given the current backdrop. He then goes on, Mark, you've implied a cash buffer of around £260 million. Is what you considered to be prudent given the shape of the business and given the underlying cash generation of the business, it would feel like that buffer will continue to grow in coming periods even given the current market levels. If you don't use this for M&A, can we expect this to be driving an acceleration of cash returns beyond the current ordinary dividend? So, i.e., the cash buffer we had, will we use it for M&A, and if we don't, will we accelerate additional returns to shareholders?

Paul Feeney: Okay, I'll take the first one in terms of M&A. Certainly, we are seeing, yeah, we are seeing a lot more M&A in the market. There are now 32 PEbacked consolidators in the UK financial advice market, and they're all trying to build mini Quilters. And some will do well and a lot of them will not.

But certainly, competition has increased. I think also because I take from that that they see how attractive this market is. This is not stupid capital. It's quite intelligent capital, even though not all of it will succeed. But given the business we've built, certainly building it now if we were trying to do it would cost us three or four times as much as it has cost us.

We're at the situation where we don't need to do more M&A. I'm sure we will do some bolt-ons, more of client and adviser books, but probably in the high end of the financial advice market going forward. But fundamentally it's an organic growth story from here. Fundamentally in our advice business. And we've got that best advice, we've got the best adviser proposition on the market. The best platform, the best choice, the best proposition, a fantastic financial proposition, a fantastic retirement proposition. We've got the industry leading executives to run it.

So, I think now we just need to show the market what we can do.

The second one is definitely yours, Mark.

Mark Satchel: Yeah, I know, well, I'll talk a little bit to that. So, look, as things stand at the moment, we are very much in line with our liquidity risk appetites, we've got a robust capital management framework that we manage the business towards. Clearly the board does review and consider the cash and capital situations from time to time, and they will be considering that in the round.

What I'd probably just sort of add a little bit to provide a bit more colour which is getting a little bit into the weeds of it, so, I didn't put this in my overall script and those sort of things, but just given the shape of the way that last you played out and this year when it came to sort of dividend repatriation up to the holding company level, in the first half of this year we did see a higher than what I'd sort of probably class as usual repatriation just given the timing of profit verification and dividend contributions and all the rest of it. So, where we are at the half year, we're sort of running sort of slightly ahead of roundabout the £250 million liquidity buffer that I've spoken about before, so we are a bit ahead of that. But I'm expecting, and this is going to be dependent on market conditions in the second half and all those usual caveats, so in some ways, almost the sort of funding of the final dividend has been taking place a little bit in the first half, dependent on these other factors, but obviously the board will consider more in the round when we get, when we go in those deliberations at the end of the year.

Paul Feeney: Okay, thank you everybody. I really appreciate your time. Thank you for putting up with our new format. It saved us about £150,000, so as shareholders or representatives of shareholders or advisers to shareholders, I'm sure that you'll appreciate that.

I hope that's helped. We're pleased with what we've produced, we're focused on delivering for you. We're focused on delivering the value that we see, and there's a lot more value to come from Quilter and we will deliver it for you.

So, thank you very much and enjoy your summer. I hope you if you haven't had a break, then you're getting a good break. And I think we'll try and get one too in a bit.

Thanks very much everybody.

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