Y 2020 Earnings Call

Company Participants

- Mark Satchel, Chief Financial Officer
- Paul Feeney, Chief Executive Officer
- Steve Gazard, Chief Executive Officer
- Steven Levin, Chief Executive Officer, Old Mutual Wealth
- Unidentified Speaker

Other Participants

- Alex Medhurst
- Andrew Sinclair
- Benjamin Bathurst
- Gregory Simpson
- Gurjit Kambo

Presentation

Operator

Good morning, everyone. Given the circumstances, we've recorded this presentation in advance. I'll cover the business highlights and talk about our strategic evolution. Mark will talk to the financial performance and then we'll switch over to a live conference call and take your questions. And for the Q&A, I'll also be joined by some of my colleagues.

Let me start by acknowledging something that we all know. 2020 was a tough year for everybody. Many of us including some of our Quilter colleagues have had to contend with individual hardship, mental health challenges, and personal grief. My heart really goes out to anyone who has had to deal with these issues. I know it hasn't been easy. So I want to acknowledge right upfront the dedication of my colleagues in these very challenging times. I'm proud of how our teams have been there for each other and for our customers, advisers and for our charitable partners.

Turning to Quilter. While 2020 has had its challenges, it's also been a year of achievement. We've made excellent strategic progress. We've completed our platform transformation. We've largely integrated the acquisitions we made in 2019. And we've also initiated a strategic review of our international business. We demonstrated considerable resilience. Most importantly, we've supported our clients, and we've won several awards in the process, including Company of the Year from the Financial Times. And by taking strong action to protect the P&L from revenue headwinds, we've delivered robust results. At the same time, we've made sure the business is positioned to accelerate growth and improve efficiency in the years ahead.

Our new platform will enable us to drive faster growth in net flows. To capitalize on the opportunity ahead, we're repositioning our advice business. We've broadened Quilter Investors suite of solutions and we will also complete our initial optimization plans this year, delivering the targeted GBP50 million reduction in costs as well as a bit more we've identified, which Mark will tell you about later. Finally, we've continued with our buyback program.

We've completed GBP175 million of share buybacks. And we also completed our Odd-lot offer, which shrank our share register by nearly half. Quite a year.

Now, let's look at the numbers. I'm very pleased with our financial performance for the year, given the volatility in markets. Overall, adjusted profit flows and our operating margin all stacked up well against market expectations. Net flows were over five times the level we saw in the previous year, still below our 5% target, but making good progress. And we expect to narrow that gap further this year. Our AuMA at the end of December was up 7% on a year earlier. And we achieved an operating margin of 25%, limiting the decline on the previous year to just one percentage point. And we delivered adjusted profit of GBP168 million, down 8%. But the decline in EPS was limited to just 1%, thanks to a lower share count after the buybacks. And by moving up our dividend payout range, we raised the underlying dividend by 15% on last year. After excluding 2019's distribution from the proceeds of the sale of Quilter Life Assurance.

Now, let's look at operational performance, starting with flows. We delivered GBP1.6 billion of net client cash flows in 2020. As I mentioned, that's up over fivefold in 2019. On this chart, you can see how each business contributed. The line shows total net flows after adjusting for double count between our businesses. We enjoyed three particularly good quarters, last year, but the third quarter's usual seasonal weakness was exacerbated by the effect of the first lockdown, which given the lead times in our business took a few months to come through.

Let me draw out a few key points for you. First, you can see the real power of our UK platform in dark green, the beating heart of our business. In 2020, it brought in GBP1.5 billion of net flows, up from just under a GBP1 billion in 2019 and that was despite the distractions from platform migrations. Secondly, you can see Quilter Cheviot in black. The impact of outflows from the team that resigned in 2018 is clear. And pleasingly that drag is now behind us.

Next, you can see the solid performance for most of the two-year period from Quilter investors. It's fair to say that the contribution from them in the latter half of last year was below the level we expect. This is because we saw some outflows and switching to passive products, partly as a result of Cirilium Actives underperformance in mid-2019, which has now been rectified.

Finally, you can see the slightly more volatile contribution from the International business. That's lumpier business from higher net worth clients. The other point to note on this slide in the boxes, is that our DB to DC flow contribution was broadly unchanged year-on-year.

Now, let's turn to investment performance. We achieved strong performance in 2020. The detail is in the appendices, but you can see the key points here. First, Quilter Cheviot has continued to deliver. It has broadly outperformed its ARC benchmark over 3, 5 and 10 years. It's also been solid on a one-year basis.

Turning to Quilter Investors. Our Cirilium Active range has performed well since markets bottomed in late March 2020. And actually as at end of January, it was back to first quartile one year performance across four out of the five portfolios with the other one just dropping into second quartile.

Our Wealth Select range has also continued to deliver excellent performance. And finally, on this slide, our passive offering is now Quilter Investors' third-largest solution with over GBP2.5 billion under management. Let's remind ourselves how our business fits together. Our platform sits at the heart of our business, linking advice with investment solutions. But the thing that is unique to Quilter is the two powerful distribution channels on the left of the slide: our own restricted financial advisers, who generated around GBP1.8 billion or a third of the total gross flows onto the platform last year; and independent financial advisers who generated the remaining two-thirds. None of our competitors have the breadth of distribution that this combination of channels brings. And now that our new platform is fully operational, we think it will enhance flows across both channels.

So that's where the money comes from. Now where does it go? On the right you can see that we bring high-quality wealth solutions to our clients to whatever channel they want and in the appropriate investment wrapper, our omni-channel approach. In 2020, GBP1.6 billion went into solutions managed by Quilter Investors. And the rest, just over GBP4 billion went into third-party products and funds where we use our scale to offer pricing benefits to our clients. And our unique selling point is that we make both our and third-party investment solutions available to Quilter's and to third-party advisers, and customers can switch up well between the two.

In the middle you can see the scale of the platform, GBP63 billion under administration at the end of 2020. And within that, you could see the proportions that are managed within the Quilter ecosystem. 16% of that was introduced by our advisers from 13% in 2019. And 21% of the assets on the platform are in solutions managed by Quilter Investors, up slightly from 2019.

Now let's turn to the platform transformation program. I'm delighted to say that we brought the project to a well-executed completion. I want to record my thanks to the team who delivered this, the largest platform build and migration ever undertaken in the UK. It was completed in circumstances that could not have been imagined when we set out on this journey back in 2017. The two major migrations were both completed under full UK lockdowns. My colleagues were incredible in getting this over the line. The key statistics listed here don't really do justice to what we achieved. I encourage you to watch the video on our website in which Steven Levin talks about the migration process and the business opportunities ahead of us.

The new platform is powerful. It gives us market-leading functionality, a wider range of products and investment options, improved ease of use and all on technology that is robust, agile and scalable. So how will we harness this capability? The platform will help us to deepen relationships, to broaden relationships and to innovate more rapidly.

So starting on the left, we believe these capabilities will encourage our restricted financial advisers to move client assets that are currently managed on other platforms across our platform where it makes sense for the client. Second, with new functionality on the platform, we expect to capture more of the flows from our restricted advisers that are currently going to third-party platforms. Third, we can broaden relationships. While we've got active relationship with around 4,000 adviser firms, the majority of assets are concentrated in about a half of those firms. We have detailed marketing plans to deepen our relationships with firms where we've already got good engagement and will broaden our relationships with those where we don't. And the new functionality that we can offer will help us achieve this. And finally, the richer functionality on our new platform gives us more scope to innovate. We want to be a leader in the provision of integrated digital advice, enabling advisers to work more closely with clients, including offering self-service options. So I hope you can see the scale of the opportunity here.

Turning now to Quilter Investors. Our plan here is simple: by creating more solutions to meet clients' and advisers' needs, we aim to grow assets under management, giving strong top-line growth and operating leverage. For a number of years, we've only had two cylinders driving the engine here: the Cirilium family of solutions in green for our restricted advisers and Wealth Select in orange for the IFA channel, and we've been broadening that out.

Restricted advisers told us their clients wanted a lower cost alternative to the fully active Cirilium range. So we broadened the Cirilium family by adding a passive solution. And we followed it with Cirilium Blend, combining active and passive solutions at a lower price point. Advisers also told us that clients needed an income solution. So we launched two new solutions back in 2019, despite it being a tough environment to safely find yield. While these decumulation solutions are still modest in size, they have performed well versus their peers and we've got great expectations for them.

Looking forward, I also see huge opportunity to develop dedicated ESG solutions for investors. And Bambos Hambi is the man I have hired as Quilter Investors' CIO to drive that process. Now you'll recall that Mark provided some guidance on the product mix effect on Quilter Investor's margins back at the half year, and this chart provides some context behind that.

Cirilium Active is our highest revenue margin product. It's a premium multi-asset, multi-manager product. But we also offer alternatives for those who want lower-priced solutions. That's one of the reasons why we opened up Wealth Select, our managed portfolio offering to our restricted financial planners back in the summer. We expect the majority of our incremental growth to come from these solutions, which typically have lower revenue margins than Cirilium Active. But we don't run our business to protect an arbitrary revenue margin. We're focused on driving growth in revenues and improving our operating margin.

Now, let me say a few words about our advice business. Stephen Gazard took over as CEO of that business in the middle of last year. He is focused on simplifying our proposition and organizing it to support two broad customer groupings, higher net worth and then affluent together with mass-affluent. We will make the business better positioned to deliver improved client journeys.

Taking high-net worth first. We've previously talked about the increasing alignment between our high-net worth advice business and Quilter Cheviot. We're now formalizing that relationship by moving Quilter private client advisers from Quilter financial planning across to Quilter Cheviot, and we expect that to become effective later this year.

We think a competitively priced integrated advice and investment management proposition with exemplary personal service, will be very attractive to clients in this demographic. By aligning these two complementary offerings and providing clients with two layers of Quilter expertise, we have clear potential to attract and retain more clients within the discretionary wealth management space. Of course, Quilter Cheviot already has strong relationships with IFAs and we don't see this as a replacement for that at all. Our whole model is focused on servicing and delivering high-quality solutions to both open market and our own advisers and that remains as important for Quilter Cheviot as it does for our UK platform. We know there will always be a bit of blurring at the margins between high net worth and affluent. One of the benefits that our new platform adds is the DFM capability, which will allow our network firms with wealthier clients to offer discretionary portfolio solutions to them directly.

Turning now to affluent and mass-affluent. Following the acquisitions of Charles Derby and Lighthouse in 2019, we've now built our advice business to a point where it's got critical mass right across the UK. We're now simplifying the business, so that it operates on a fully self-employed basis. This model works better as a means of aligning customer and adviser interests, though it will lead to some advisers leaving this year. It will also shorten the time line required for the business to operate on a breakeven basis, which has always been our medium-term objective. And of course, we still intend to grow the business organically through hires and new graduates from our Adviser School. But our focus in 2021 is on driving productivity and increasing high-quality flows. To deliver a more seamless proposition for our affluent and mass affluent customers.

I announced this morning that Steven Levin will be taking on an additional role as CEO of Quilter Investors while maintaining his UK platform responsibilities. These are completely symbiotic businesses and we believe that bringing them closer together makes sense from both a customer focus and business efficiency perspective. I have tasked Steven with simplifying the client experience and ensuring a fully joined-up approach to customer pricing and proposition development with the goal of delivering even better customer outcomes.

So in summary, I think you can see how our UK capabilities are both complementary and mutually reinforcing. Experience has shown us that around 60% of the flows that come through our own advisers and around 20% of the flows from the IFA channel will end up in a solution managed by Quilter Investors. So by bringing more flow to our platform and by broadening the range of solutions from Quilter Investors, we intend to drive up the amount of money coming in the door and increase the proportion that ends up in a Quilter solution.

As this slide shows, our two distribution channels have driven an increased proportion of our AuMA being managed and administered within our ecosystem. Top left, you can see in green some GBP 10 billion of assets on our platform are advised by our restricted advisers, thus showing a compound growth rate of 28% since 2017.

On top right, just over GBP13 billion of the assets on our platform are managed by Quilter Investors and that has grown by a compound growth rate of 17% since 2017. While along the bottom, you can see that almost half of the assets managed by Quilter Investors are advised by our restricted financial advisers. And 56% of Quilter Investors' assets are now on our platform. And you can clearly see momentum in our integrated proposition has been increasing for the last five years and we expect that trend to continue. We will achieve this by taking market share in the IFA channel, capturing more flows from our own advisers and by offering new DFM capability to win business that we haven't previously been able to compete for. So exciting stuff. We're really looking forward to fulfilling the growth potential of this great business.

Now before I hand over to Mark, I wanted to say a few words about the International business. That before Christmas, we announced a strategic review of the business. That review is still ongoing. So I can't say anything in terms of conclusions today. But here's some context. International is a good business, but it hasn't been growing its top line.

So the question we are asking is, what is the best way of maximizing value to shareholders from our international franchise? Can we make International a growth business? What would that require in terms of capital, investment and management bandwidth? Can we deliver a better profit trajectory by restructuring the business? And what would it cost to achieve that? And finally, might it create better economic value for shareholders if we sell International? And is it better for Quilter to be more diversified or to be a simpler, more UK-focused business. We're still working through those questions and we'll update you once we've reached our conclusions, which will be before the end of the second quarter.

And with that let me hand over to Mark to take you through the financials.

Mark Satchel {BIO 18275874 <GO>}

Thanks, Paul and good morning, everyone. I don't need to tell you that 2020 was a pretty extraordinary year for a whole range of reasons. But let me say upfront the four messages that I hope you take away from my presentation are that the business is in good shape, the trend in revenue margins is in line with our expectations and we're more resilient in the second half. We've got costs well under control. And having delivered a strong performance here in the first half ,we did an even better job in the second. And lastly, we've got a strong balance sheet with our capital return program progressing well and we plan to step up the pace of return in this year.

So let's get started. As you've heard from Paul, we made GBP168 million of adjusted profit for the year. Let me walk you through the details behind how we got there. Starting top left, net flows were much improved on those of a year ago, with better persistency particularly encouraging. And despite considerable market volatility over the course of the year, average AuMA was up slightly on 2019. And top right, you can see revenues were down 4%, reflecting a slight decline in the revenue margin, which mainly came through in the first half. Costs, bottom left were down 3% or GBP16 million and I'll get into more detail on costs later. That gave us an operating margin of 25%.

As a result, we saw around an 80% decline in profit contribution, and that was after absorbing a number of items including Quilter Life Assurance stranded costs, significant increases to the FSCS levy, double running London property costs and COVID-related expenses. So the end result was adjusted diluted earnings per share of 8.5 pence, a decline of just 1% on last year. That's a smaller decline than we saw in adjusted profit as a result of the share buyback program.

Right, let me give you a broader perspective on the year, starting with revenue margins. And I'll break it out by our business units. First, Quilter Cheviot, the black line saw relatively stable margins. New business is coming on the book at a broadly similar margin to our existing stock. Second, Quilter Investment Platform in maroon at the bottom. Here, we see dilution of around 1 basis point a year in line with our guidance and broad stability in the second half. The expected decline reflects the new business being generally priced in the mid-to-high 20s toward a slightly lower margin than the stock.

The new business differential is most pronounced with clients of Quilter Financial Planning where we offer the platform at our keenest price point. Although it is dilutive to our overall platform margin, we'd like more QFP clients on the platform as we benefit from other incremental revenues. You can also see the impact of the platform repricing, which came into effect in April. Thirdly, Quilter International, the blue line. Here, as you will remember, new assets have been coming onto the platform in our portfolio bond had lower margin than legacy assets for several years. That's why we have been very hard on cost here to maintain profit levels. Finally, Quilter Investors in the orange. You can see the margin was at a high base back in late 2019, which reflected two things: the revenue provision release that we called out this time last year, which added about two basis points and secondly, a mix effect from the proportion of funds in Cirilium Active.

Quilter Investors' margin was boosted by that asset concentration within Cirilium. We always anticipated that this benefit would be transient. So we've now seen the margin normalize as we've guided. And as Paul showed you earlier, as we bought in our range of multi-asset propositions, we expect a lower margin faster growing business. I expect that the Quilter Investors' margin should settle in the mid-40s to low 50s range in the medium term, similar to where it was back in 2015 to 2017. And this dynamic will obviously be influenced by clients and adviser choices.

So in summary, at a group level, the green dotted line, you can see a modest decline in margin with that decline mainly taking place in the first half. My expectation here is that we will continue to see a gradual decline in the overall group margin reflecting the mix shift as we step up in growth in platform assets.

Now let me turn to costs. Since we listed this business, I've often been asked about our ability to flex our cost base. And I think 2020 really demonstrates our cost credentials in a tough market environment. Our total cost base of GBP514 million for the year was down GBP16 million on 2019 despite acquisitions and some notable headwinds. Lighthouse and other acquisitions added GBP12 million of costs, including restructuring spend. Quilter Life Assurance stranded costs and dual-land and property costs added around GBP15 million. FSCS levies were GBP7 million higher than in 2019 and are likely to increase by about the same amount again this year.

The 2020 cost was double the 2018 level and represented around 4% of the UK cost base last year versus 2% three years ago, and that percentage will be higher again this year. They are becoming a meaningful cost right across the industry. In addition, other costs including unexpected COVID expenses added about GBP5 million to the cost base. These were largely offset by our optimization program, which has delivered incremental benefits of around GBP23 million in the year, taking the run-rate savings by year end to around GBP46 million. That isn't far shy of our GBP50 million target by end of 2021.

And separately, we've also had the benefit of our tactical initiatives, which reduced costs by GBP42 million well ahead of our GBP30 million pound target. So with optimization and other management actions, we've reduced the cost base by around GBP65 million. And notably, total costs were down year-on-year despite continued investments in the business. So a really good outcome on costs. I hope you agree.

Let's relate that to revenues and look at the operating margin dynamic. So working from left to right, taking revenues first. Under what we would regard as business investment, you can see the uplift contributed by advice acquisitions, principally Lighthouse and the impact from our platform repricing to improve competitiveness.

Next, the contribution from slightly higher average AuMA, and the net client cash flow we generated in the year also added to revenues and hence operating margin. Then mix shift delivered a net reduction of about four percentage points to the margin. And there were also other impacts from the external environment, including lower interest income and the non-recurrence of the provision release I mentioned earlier.

Now looking at the cost side of the equation. Under investments, you can see the cost contribution from acquisitions and the dual-running cost from consolidating our London properties. Then there are incremental costs, which we don't have a lot of influence over, higher inflation, and higher FSCS levies and, of course, one-off COVID-related expenses this year. Together, these reduced the operating margin by just over two percentage points with a higher FSCS levy contributing about half of those headwinds. Finally, you can see the positive impact of our management actions, including both our optimization program and tactical savings. As I said earlier, these reduced costs by around GBP65 million in aggregate. Overall, we delivered an operating margin of 25% in 2020 versus 21% for the half year. However, before you start extrapolating from the second half operating margin, let me make a few points to frame the outlook for 2021. The main support to the operating margin was the tactical cost savings, mainly from lower staff compensation and T&E expenses as well as deferring some development spend.

So our expense base in the second half reflected the benefit of a fuller period of cost reductions, compared to the first half. Most of the costs associated with dealing with COVID-19 were incurred in the first half, which is also most of the FSCS levy is charged. But of course, we enjoyed a much stronger revenue environment in half two, given the market rebound.

Given the better tone to markets, we expect the majority of the tactical cost saves to return to the P&L in 2021. So when you think about operating margin progression this year, you need to consider a starting point which excludes the benefit of those tactical cost saves.

Now let's look forward into this year. Our 2020 cost base was GBP514 million, and the waterfall on this slide highlights some of the moving items we expect this year. First, we expect a meaningful reversal of last year's tactical cost savings. Then you need to think about higher FSCS levies and inflation. And the remaining optimization benefits will provide some offset.

In 2020, we delivered in year savings or GBP40 million of the 2018 cost base and exited 2020 with run rate savings of around GBP46 million. So under the existing program, you can expect a further GBP4 million of incremental savings to give in-year benefit of around GBP10 million in 2021. And as we have gone through the optimization program, we have identified some other costs we plan to take out during the course of this year. We expect to spend about GBP16 million more than our original GBP75 million restructuring budget, target additional cost saves of around GBP15 million. Most of that should come through during 2021, but some of that will be back ended into 2022. When you put that all together, we are targeting a cost base of around GBP560 million for 2021, subject to markets being broadly stable with where they are now.

And my caveat here is deliberate: if we have much better markets over the course of 2021 and that drives better revenues, then we might spend a bit more to invest in driving faster growth. So you'd expect a slightly higher cost outturn.

Right, let's turn to capital returns starting with the dividend. You will recall that last year we paid a total dividend of 5.2 p. As we said at the time, that dividend was made up of two components, a regular dividend from our continuing operations of 4 p per share and a contribution of 1.2 p from Quilter Life Assurance, which is part of the capital return from the sale proceeds. The payout ratio last year was 46%, with the calculated the total dividend on total reported earnings or the 4 p dividend on continuing earnings of 8.6 p.

This year the continuing EPS is essentially flat, but we've increased the dividend from 4 p to 4.6 p per share. That's a healthy increase of 15% and is a good progression of our target payout range in line with what we said we would do at IPO. And given the year we have had, I think we've landed in the right place. We expect to remain in the upper part of our dividend payout range with future payouts.

Turning now to our capital return program. As you know we commenced our GBP375 million buyback program last year with it subject to staged, board and regulatory approvals. We spent GBP175 million to acquire around 131 million shares at an average price of just over 132 p. We also spent just over GBP20 million on the odd-lot Offer in May, which shrunk the number of shareholders on our share register by nearly half. We have regulatory approval in place for our next GBP100 million of buyback.

As you would expect, we won't restart the program until the Board has updated the market on its strategic intentions for our international business. One other point to note, a limiting factor to the pace of our buyback last year was a desire to mirror the buyback to our share register structure. That meant we split it equally between the LSE and JSE. We are removing that constraint, which we expect will allow us to accelerate the pace of repurchases this year while remaining within the safe-harbor requirements.

Now let me turn to our balance sheet. In this slide, I've summarized the major movements in our solvency ratio and our cash position. We began the year with a solvency ratio of just over 220% and GBP815 million of cash in the holding companies. The capital return program reduced the solvency ratio by around 22 percentage points and cost us around GBP200 million in cash. The remaining capital return program will reduce the solvency ratio further by around 23 percentage points and cost another GBP200 million. We've also called out the impact on the solvency ratio of our below-the-line expenditure on PTP and optimization, which as a cash item comes through in the head office costs line. You'll recall that in the first half, we had injected a bit more cash into subsidiaries than was received from dividends and remittances given the COVID environment.

I'm pleased that position is normalized with GBP170 million upstream from our subsidiaries over the course of the year. Of the end of year cash balance of GBP517 million, do bear in mind around GBP300 million is earmarked for the final dividend, buyback and cash spend in respect of PTP and optimization programs. So the final cash position is not quite as large as it looks.

You'll be familiar with this slide. It's our current guidance and updates. We've highlighted particular points to note in green. As you've heard, our strong operating margin outturn in 2020 was supported by tactical cost savings. To help you think about the likely 2021 outturn, we've been pretty granular on the cost outlook and you'll all have your own views on market levels and likely margin trends. If I look at our cost guidance relative to consensus, revenue expectations, it points to a broadly stable operating margin for this year, that looks like a pretty sensible conclusion to me. And as I mentioned earlier, we are looking to spend GBP16 million of additional restructuring costs to drive incremental savings of around GBP15 million per annum with these to be achieved by mid-2022.

Finally, in terms of dividend guidance, we are pointing to the dividend being sustained around the current payout ratio in line with our existing policy. So in summary, I'm very pleased with the financial performance of the company in 2020 and in particular our cost control. The business is in good shape. Revenue margins are tracking as we expect. Costs are well controlled and will remain under a tight grip this year. And our balance sheet remains in a strong position with our GBP375 million share buyback program on track. And with that, let me hand back to Paul.

Paul Feeney {BIO 17570862 <GO>}

Many thanks, Mark. Right, before we get to Q&A, let me take a step back. Since before we listed, we've had a clear vision about what we wanted Quilter to be: a modern, full-service wealth manager with two strong distribution channels, our advisers and the independent advisers across the UK. We wanted Quilter to be seen as the best place to go for trusted financial advice in the UK. We wanted to have the most technologically advanced adviser platform, offering the full breadth of investment solutions, from the fully active to completely passive, as well as blended and income solutions for specific needs. And we insisted on a model built on quality assured customer choice, flexibility and transparency. And with all that now in place, we've built a really strong foundation for our next phase of growth.

So now as we look forward, our plans are focused on: first, driving a sustained improvement in net flows. And pleasingly, we've seen good momentum here in the first two months of 2021. Second, completing our optimization plans and we're developing plans for the next stage of improving business efficiency. Third, we will complete the restructuring of Quilter Financial Planning to deliver a highly productive adviser base driving flows into a broader range of Quilter solutions as well as third-party ones where appropriate.

We'll also complete our review of International and then set about implementing the conclusions we reach. And finally, we will complete the remaining GBP200 million of our GBP375 million buyback and we hope to accelerate the return with a view to essentially completing the program this year. So we've done a lot and we're now firmly focused on execution in 2021 and beyond. I'm really excited about taking this business to its next level of performance.

With that, let me open up for questions.

Questions And Answers

Operator

(Question And Answer)

Thank you. (Operator Instructions) Let's go with our first question, Andy Sinclair from Bank of America. Your line is now open. Please go ahead.

Q - Andrew Sinclair {BIO 17749036 <GO>}

Good morning. Thanks, everyone and three for me as usual, if that's okay. Firstly is on flows. Congratulations on completing the platform migration. I know I've given you a lot of grief over the years about that, but was really good to see the migrations go smoothly and the project complete. But now it is complete, I just want to think about the 5% net inflows target we've had historically. That was set prior to the platform completion just really wondering why shouldn't that go higher now that we have got the platform online?

Secondly is just on adviser headcount. You've talked about pruning the existing portfolio a bit to focus on productivity. Do you think we'll finish 2021 with higher or a lower headcount than we finished 2020? And after that pruning, what sort of rate of growth do we expect? And then, thirdly, just on excess capital. I think you mentioned that your leverage is a more important constraint than holdco cash or solvency ratio. Just wondering how we should think about excess capital within the business. And unless I'm mistaken, I think you've got a call available on your debt in 2023. How would you be thinking about that? Thanks.

A - Paul Feeney {BIO 17570862 <GO>}

Okay. Thank you, Andy. It's Paul. And certainly, it was a great incentive and motivation for us to get the platform in so that to prevent me from having to face you on the obvious question that we're having . So I'm delighted that we have, and thank you for your good wishes. So I'll take the first two questions, and I'll obviously let Mark take the second question. So, 5% inflow target, so certainly our inflows last year were five-fold the previous year, but still below our 5% target. We do expect to move certainly towards that target this year. And I can tell you the first two months of the year are pleasing compared to certainly very pleasing compared to the previous year. So, we are seeing momentum there. Look, you're right in what you say, we have the power within Quilter to do more. At the moment, we're not changing our guidance. We need to -- we're still in a national lockdown. It will depend a little bit on markets. But certainly, we want to move right through to that target increasingly this year. And we'll see, but early signs are very encouraging.

Adviser headcount. Yes, adviser headcount was up last year 2% up last year, despite the extraordinary conditions last year. So, I'm actually quite pleased with that, given that we were hardly able to recruit anybody face-to-face. We're still not able to recruit anybody face-to-face, given the fact that we're still in a lockdown. We will see some prudent -- the key goal for us this year with our new platform in is to make sure that our great adviser force is aligned properly with our proposition and fully supported in doing so. So, for instance, last week, we just announced -- well we announced internally that our national business has gone exclusive tie on our brand new platform. That wouldn't have been possible on the old platform. Now with the huge network business, that's -- we want to take them on the journey with us. But certainly, we want to make sure that we're seeing increasing flow, increasing high quality flow, increasing productivity. And of course, we're still recruiting. But maybe I can just very quickly bring Steve Gazard in, who's our new Chief Executive appointed last year to take over Quilter Financial Planning. Steve, do you have anything to add around it?

A - Steve Gazard {BIO 21784069 <GO>}

Sure, Paul. I mean in any normal trading year, we'd expect to kind of 10% number of attrition. Last year, we saw that at around 12% as advisers took some kind of lifestyle decisions on the back of COVID and kind of draw a conclusion to their kind of trading world earlier. In addition to that, we laid out specific initiatives across the national and the network to ensure that actually any advisers who represented too much risk or too little margin or a combination of both were no longer with us. That combined with the kind of natural attrition led to the numbers that we have published. This year, we expect that we will continue that journey. So we will end up probably with a modest decline in numbers by the end of the year. However, alongside that, our pipeline of interested parties to join us is probably at its strongest as it's ever been. But clearly, as Paul's already indicated, it becomes difficult for people to see the white of our eyes in those kind of conversations. But we remain hopeful on our organic growth numbers throughout the course of this year.

A - Paul Feeney {BIO 17570862 <GO>}

Yes. And also, we've got a 104 graduates going through our financial adviser school, majority of which will come through to us this year as well. So that's also supportive. Mark, do you want to take the capital question?

A - Mark Satchel {BIO 18275874 <GO>}

Andy, just on excess capital, I mean, you can see we've got a very strong Solvency II ratio. Our CRD IV surplus is also very strong. As I've said previously, those aren't the constraints in terms of our capital. What we -- what is our constraining factor is our free cash. And that's why, I have shown again the holding company position because that's actually is an indicator of our free cash, not everything at a holdco level. It's free cash because we do retain liquidity at a holdco level because it's more efficient to do it that way to support liquidity stress events in the underlying operating businesses that we manage.

So if you take the numbers that I've put up previously, we've just got this over GBP500 million of excess cash, GBP300 million of that is earmarked for buybacks as well as completing both PTP, which we still got a little way to go on, the wind down and some staff changes and things like that, that needs to be funded as well as on the optimization expenses. And that gets you to just over GBP200 million of cash at the holding company level, which I'm very comfortable with at the moment, has been an indicative amount that supports the liquidity requirements and stress events around the businesses. So -- and I think the other part of your question was just around the call on the Tier 2, which you are correct, that there is a call may that we have in two years' time. And the Board hasn't actually deliberated much on that at all. And at the moment, I don't have any specific plans to seek to call that at the moment, but that may well change over the course of the next few years.

Q - Andrew Sinclair {BIO 17749036 <GO>}

Very helpful. Much appreciated. Thanks all.

A - Paul Feeney {BIO 17570862 <GO>}

Thanks, Andy.

Operator

Thanks very much. Our next question comes from Gurjit Kambo from JP Morgan. Please go ahead.

Q - Gurjit Kambo {BIO 6300383 <GO>}

Hi. Good morning, everybody and yes, congratulations on a good set of numbers, I guess in a very difficult environment so just want to say that.

A - Paul Feeney {BIO 17570862 <GO>}

Thanks, Gurjit.

Q - Gurjit Kambo {BIO 6300383 <GO>}

So in terms of questions, firstly just around the flows on the active side. Clearly, Cirilium Active performance has improved. Do you think that will start to drive a bit of an acceleration in flows? And maybe how long historically would it take for the lag between performance and flows to come through in those sort of funds? And then just on the cost side, there's an additional GBP15 million you've identified. I think you've said some of that will come through in '21 and then the rest comes in '22. Just I know it's very helpfully, Mark, thank you for the very clear guidance on '21 cost. But when we look out a little further, there's still a bit of help from the new efficiencies coming through there. But just then maybe and sort of any broader way to think about '22 costs will be helpful. And then just finally, can I just clarify,, on the buyback, I think you mentioned that you don't start the new buyback until the Quilter International review is completed. I just want to confirm if that is the case. And does that mean there's nothing between now and, let's say, the spring in terms of buybacks? Thank you.

A - Paul Feeney {BIO 17570862 <GO>}

Thank you, Gurjit. Well, obviously, I'll take the first one on flows and investment performance. And Mark can take the one on costs and buyback. So first, flows. First of all, let's say, I'm really pleased with the investment performance across Quilter Cheviot and across Quilter Investors. So if you go back to this time last year, we did have a quite a large drawdown in Cirilium Active. And since that time, it's pulled not only all back, but I was looking at the numbers last night. And certainly, to the end of February, all of the five active portfolios, Cirilium Active portfolios, I mean, first quartile over one year and predominantly second quartile over three years and pretty much first quartile every -- virtually every period longer than that. So tremendous achievement.

We did see a switch last year within the Cirilium family from more from Active to Blend than Passive. It was, net, it was about GBP1 billion out of Cirilium Active and into Cirilium Blend and Passive. So on a net basis, it was zeroed out. But it did have an effect on the revenue margin, though, because it was more to the Passive side. We're seeing that reverse to a certain extent at the moment. Cirilium -- sorry, Active, right now, is doing better than Passive. And Active has done better than Passive over the last six to seven months. Now, we'll wait and see. The thing about Quilter is, to some extent, we're agnostic. There is a lower margin obviously, on Passive, obviously, versus Active. But there's also a lower cost to provide Passive than there is Active. So it hasn't -- it doesn't have a huge effect on the operating margin. It has -- obviously an effect on the revenue margin. But we will see. At the moment, we're seeing a bit of that reverse because Active is doing so well. Clearly, our Active is doing well, and active is doing well in the market, but we'll see.

Mark, do you want to take cost and buyback?

A - Mark Satchel {BIO 18275874 <GO>}

So just on the cost side of things between now up to '22. When we launched the optimization program about two years ago or sort of made announcements around it, I've always said then that we were chunking that up into two phases. The initial phase, which we're just about close to completing now, is really looking at a lot of the support functions and the sort of underlying operations of the business. And we said at that stage, that's due to two reasons: One, we had the big migration going on, but also just due to bandwidth and management distraction. There was the other side of the optimization, things ought to come. We are still in the process of going through those. So you're going to have to be rather patient and actually sort of give them a clearer picture on what that might mean in the more medium term.

But you would have seen today, I have included some additional optimization activities, which almost see as an extension of really the Phase 1 activity that we've currently been doing that we plan to deliver another GBP15 million of cost saves at about the same sort of cost to achieve that. On the buyback, look, we completed this last tranche of the buyback this week. So that's come above. There's likely to be a period of time now. Exactly how long that will last? I can't categorically say. It will be at least before the end of the second quarter, but hopefully, potentially earlier. But I can't commit to that at this stage that we'll recommence the next tranche of the buyback.

Q - Gurjit Kambo {BIO 6300383 <GO>}

Just on that Mark, why did -- just understand why wait until the end of Q2? I guess, the sale of International is still slightly unrelated to this buyback. Is there any reason you need to wait for that period?

A - Mark Satchel {BIO 18275874 <GO>}

There are constraints over what can get launched, when and where and how, which are -- wouldn't get into all the detail on this now Gurjit. But I'm not saying that it is going to wait until the end of Q2. It could happen earlier than that.

Q - Gurjit Kambo {BIO 6300383 <GO>}

Okay. Thank you.

Operator

Thank you. Our next question comes from Greg Simpson from Exane BNP Paribas. Please go ahead. Your line is now open.

Q - Gregory Simpson {BIO 18850594 <GO>}

Okay. Good morning. Just a few questions from my side. Just on Quilter International, Slide 14, which shows some color on the management fee contribution, can you provide a bit of color on the operating profit contribution last year? And also to confirm the business, I think, pays minimal tax due to the domicile, just to check the numbers there given the potential strategic review of the business?

Secondly, could you maybe share some comments around the adviser reception to the new platform? How is it being received? How is uptake? Has there been any kind of behavioral impact from advisers that have shifted over? And then lastly, I'd just like to check how the integration of Lighthouse is going. I think at the time of the deal, it had a potentially a very large reach in terms of clients with various contractual relationships it had. So how has that been given the pandemic? And also if there's appetite for further M&A. Have had the pandemic caused and, I think, like higher regulatory costs had caused more groups looking to maybe sell? Thank you.

A - Paul Feeney {BIO 17570862 <GO>}

Okay. Thank you, Greg. Well, I'm going to ask Mark to take the first one on International, then I'm going to go over to Steven, Steven Levin, for talk about the adviser reception on the new platform. And then integration of Lighthouse, I'll touch on with Steve Gazard, and I'll mention appetite for M&A. So Mark, do you want to take that one on International?

A - Mark Satchel {BIO 18275874 <GO>}

Yes. Just the last time that we would have publicly disclosed sort of profit information on International was when we were still part of Old Mutual plc. And at that stage, you'd have seen that the profit is sort of in the low GBP50 million -- adjusted profit in the low sort of GBP50 million -- type mark. Over the course of the last few years, you would have heard us saying that the revenues have been declining in the quarter and again today. And that we have been particularly hard on expenses in order to maintain profitability. So I think you can take from that sort of a more or less number in terms of what the international profit contribution is. And it's effectively at a 0% tax rate, just on the other point that you were after.

A - Paul Feeney {BIO 17570862 <GO>}

Okay. So adviser reception to our new platform, Steven?

A - Steven Levin {BIO 18803363 <GO>}

Thank you. Yes. So, the adviser reception to the new platform has been largely positive. Advisers are saying that they like the fun stuff we've done on discretionary investment management on how easy it is to manage and model portfolios and rebalance portfolios. They like enhancements we've made for reporting tools to make it easier to manage their business. They find that the platform itself is easy to use and quick to use for their clients, which is something we've invested a lot of time in. And so, there's a lot of positive feedback in terms of things like about streamlined, processes, quite complex transactions. And there's a lot of feedback from advisers sort of saying that our platform is easier to use than peers, which is very positive. We've had some advisers taking a little bit of time to get used to some of the changes, which I think is to be expected. And we've got a lot support for advisers to help them do this. The final migration was actually only two weeks ago. So it's still a tranche of advisers are still getting used to the platform for the first time, and we're supporting them with that.

A - Paul Feeney {BIO 17570862 <GO>}

Okay. There's also a great video that Steven's done. It's on our website, but we can maybe want to, we can email it to you as well, Greg, but -- which talked about the platform, get into a bit more detail and the opportunities we've now got through. So -- and I couldn't tell you I'm just so delighted that we've landed this and landed it so well. In terms of integration of Lighthouse appetite for further M&A maybe I'll just take that one. We sort of took the foot off the gas a little bit on M&A while we integrated our big acquisitions that we made latter part of 2019. Those are pretty much done now, to a large extent, so I'm pleased with that. Our priority this year is, as I said, aligning our adviser force, supporting our adviser force now our new platform is in. You know very well that we've linked to receive almost 50% of linkage going through other platforms. That's what we want to get on to. That's where our major opportunity is. Look, we're still looking in the private client adviser space and I'm sure that we will still do some stuff there. But right now, our total focus is on really making this business fun. So Steve, integration of Lighthouse, its reach in terms of clients in the group?

A - Steve Gazard {BIO 21784069 <GO>}

Yes, Paul, as you said, I mean, from an integration of Lighthouse, I'm really pleased with the progress there. I mean, two cohorts of advisers, really one in the network and one in our national. Both of those are -- have now adopted our client proposition. So, that's a really key aspect and as Paul said earlier, our national business has also accepted. And taken on-board the exclusive single type platform proposition. So that's a big step of the integration journey for us. With regards to the reach to the end-user kind of consumer through the affinity relationships, that remains strong. Like everyone, we and the clients involved in that have to get used to a new way of operating last year remotely. Our team has embraced that and has done really well. And last month, we had our best month for an engagement of interest from those affinity groups that we've had over 12 months. So it feels like that one's back on track.

Q - Gregory Simpson {BIO 18850594 <GO>}

Excellent.

A - Paul Feeney {BIO 17570862 <GO>}

Okay. Thank you, Greg.

Operator

Thank you. Our next question comes from Benjamin Bathurst from RBC. Please go ahead.

Q - Benjamin Bathurst

Morning, everyone.

A - Paul Feeney {BIO 17570862 <GO>}

Hi, Ben.

Q - Benjamin Bathurst

I've got two questions, thanks. Firstly, just on the short term flow outlook. Given the sort of a high levels of cash savings among wealthy households that the Bank of England highlighted right now, I wonder, are you undertaking any sort of particular initiatives to capitalize around this tax year end, the nicer season? And it feels that does have the potential to be sort of unusually productive period for flows. And then second question is just on the planning business. You guided at half year the potential for subdued housing market activity to impact the revenues in QFP. I just wondered to what extent that ended up really being a feature of the 2020 results. And also what the outlook is for that source of revenue looking into 2021, given the housing market dynamic?

A - Paul Feeney {BIO 17570862 <GO>}

Okay. Thank you, Ben. So first of all, in terms of short-term flow outlook, look, there is a lot of pent-up demand out there. We know that. There's a lot of money sitting in very low earning interest deposits that we will look to find a home. And it's been sitting there, because there's been a lot of headwinds, pandemics and U.S. elections, Brexit, call it what you will. For us, our focus in terms of that, clearly, is supporting our advisers. So with our new platform in place, we can do so much more. So we have major marketing campaigns out to our own financial planners and of course, the open market financial advice market. So I think we're -- as I said, we're seeing some good momentum in the first couple of months. Early days because as I say, as Steven just mentioned, our brand new platform fully only went in two weeks ago. So it's got in, in time. In terms of QFP subdued housing market, I'm going to ask Mark and then maybe Steve as well, Steve Gazard can come in about how that has affected our revenues and what we feel for 2021?

A - Mark Satchel {BIO 18275874 <GO>}

So Ben, at the time of providing that guidance, we've seen a massive slowdown in the housing market that have taken place during Q2 as a result of coronavirus. And probably at about the time that we provided that guidance was at about the time that the Chancellor announced at these stimulus plans in terms of stamp duty thresholds under GBP 500,000, et cetera, et cetera. So -- and although actually the benefit of that has flowed through very well in the fourth quarter, which means that actually, on a like-for-like basis, year-on-year, we're probably are actually slightly ahead of where -- we are slightly ahead of where we were in 2019. So my guidance at the time was very much consistent with what we were seeing and experiencing in the market, and that did change in the latter half of actually the last half, so really Q4. And obviously, with the extension to that and the tapered variation of it that was announced last week, I'm expecting that there'll be some sort of decent support for that going forward into this year. Steve, I probably said pretty much what you were going to say. Is there anything you'd like to add?

A - Steve Gazard {BIO 21784069 <GO>}

No, I mean, it remains a core part of our proposition and the core part of the way in which advisers engage with clients from a full financial planning perspective and it remains strong at the moment.

Q - Benjamin Bathurst

Thank you very much.

A - Paul Feeney {BIO 17570862 <GO>}

Thanks, Ben.

Operator

(Operator Instructions) I will now hand back to the room for any questions on the web.

A - Mark Satchel {BIO 18275874 <GO>}

Thank you, operator. We have I think two or three questions from the web. So I'll read them out and then Paul can redirect them. The first is from David McCann at Numis. He asked, there have been some comments in the trade press suggesting some advisers and clients are having issues with the new platform. How widespread are these issues? And have the issues highlighted now being rectified? This second question is on costs, you said you mentioned that GBP560 million cost could be higher if we have stronger markets. If we see weaker markets, would you consider taking tactical actions again to protect the margin? That's the first question. Paul, you could deal with that and come back.

A - Paul Feeney {BIO 17570862 <GO>}

Okay, I'll take the first one and maybe Steven can comment here. And obviously, Mark will take the second one. Look, I was really -- it was one article, and I was really surprised to see that because the feedback we've had has been pretty much overwhelmingly positive. So, I think we've done remarkably well. We've landed the largest platform build and migration ever undertaken in the UK and we did it predominantly through national knockdown. And a lot of our competitors have very little to say because we landed it well. But so, yes, obviously, it's a huge undertaking, GBP63 billion. Steven, what has been your --

A - Steven Levin {BIO 18803363 <GO>}

Yes, as I said earlier, I mean, the feedback has been overwhelmingly positive. As with everything there can be issues when you do change of that scale, and we have had some. We've rectified any issues we've had very quickly. We've got teams in place, and we remain on that basis. As I said earlier, the final migration was only two weeks ago. We have a process of support and extensive monitoring in the first few months after migration. And if there are any issues that emerge, we deal with them very quickly and we support advisers through that process.

A - Mark Satchel {BIO 18275874 <GO>}

Yes, David, clearly, I think we've demonstrated this year that we would take tax collection on expenses in the event of market declines or sort of significant market falls. Clearly, the impact that that's going to have on a particular year's P&L is going to be dependent on the timing of when that happens as well as the nature of it, et cetera, et cetera. Revenues, obviously, are far more reactive on a day-to-day basis in terms of what market levels are doing, the expense base has a little bit more of a lead-time around it. So it will depend on the nature and the timing. But clearly, management, I think, has demonstrated their credentials, wide credentials when markets have deteriorated.

A - Unidentified Speaker

Okay. There's another question from at Capital, which he's asking for an indication on whether overall revenue margins should stabilize around current levels. And what should we be considering around the outlook for future revenue margins?

A - Paul Feeney {BIO 17570862 <GO>}

Okay, Mark I think that's one for you again.

A - Mark Satchel {BIO 18275874 <GO>}

So, I've previously guided that I'm expecting that revenue margins overall on a blended basis within the group are likely to sort of decline by basis point or so per year. And when you look across the various parts of our business, we've experienced a good period of stability in the Quilter Cheviot revenue margin over the last few years. The platform, we are expecting a decline of about 1 basis point a year. And part of that's due to mix and more a bigger proportion of the assets on the platform, we manage through Quilter Financial Planning. And those clients who offer the keenest pricing on, and we have said quite a few comments about that earlier on. So I mean my guidance on the revenue margin is there's going to be some clients in adviser choice that's going to influence that. There is the mix shift and blend within our business. I'm expecting that our platform is likely to grow at a faster rate than the rest of the business on an overall thing. So it's a lower margin. So you'd expect that's going to have an impact on the blended revenue margin for the group. So I'd be expecting the 51 bps that we've got at the moment is going to sort of have a gradual decline, but the overall revenues that we generate and the overall AuMa that we manage will continue to increase.

A - Unidentified Speaker

We have one more question from the web, then I hand back to the phone to see if there's any further questions. The question is from Greg Wood at Melville Douglas asking whether we would ever consider white labeling offerings from our platform and Quilter Investors for South African distribution channels.

A - Paul Feeney {BIO 17570862 <GO>}

I think our focus that we have got now, I think it would be somewhat strange for us to do that. I mean we have a large shareholder base in South Africa, which has been very low, very supportive and, quite frankly, wonderful. But we don't have a client base in South Africa. So I think we have got, we operate here in the fourth largest -- market in the world and I think it's good focus.

Steven, what would you -

A - Steven Levin {BIO 18803363 <GO>}

I think that's fair, the right answer at this point.

A - Paul Feeney {BIO 17570862 <GO>}

Yes. So I think we'll stay focused.

A - Unidentified Speaker

Coming back to the operator, I think there may be one more question at least on the phones.

Operator

Yes. Our next question comes from Alex Medhurst from Barclays. Please go ahead. Your line is now open.

Q - Alex Medhurst {BIO 19646531 <GO>}

Morning guys, and thanks for taking my question and I hope you're all keeping well. I just have one follow-up on net flows and specifically the split between your restricted channels and the external channels. It looks like, obviously, the restricted channel did well this year. But in the second half of the year maybe outflows from external IFAs accelerated in Quilters Investors, and flows to the platform from the external IFAs fell to approximately zero in the second half. So perhaps, could you give us a bit of color on that and perhaps also address whether you've seen a reversal in the first couple of months this year and when we might see that external channel to really kick into gear? Thank you.

A - Paul Feeney {BIO 17570862 <GO>}

Yes sure. I'm going to -- I'll ask Steven Levin to come in, in a moment on the platform side. Our platform, we did really well last year. The gross flows were very stable around GBP5.7 billion, 1/3 of the gross flows under the platform were from our restricted financial planners and 2/3 from the external market. And then if you look into Quilter Investors, we've seen strong inflow into Quilter Investors from the external channels somewhat less on the external channel last year. But, overall, a decent showing. But we've got big plans. One of the issues on the external market of course has been what our platform can and cannot do. So maybe, Steven you could talk a little bit about what our plans are now for reigniting IFA flows?

A - Steven Levin {BIO 18803363 <GO>}

Yes, absolutely, I mean, as Paul said, there is a more detailed video on the Investor Relations website which has a little more detail. But just to give a short answer to that, so I mean, in essence, our strategy for driving flows in the market is about both broadening and deepening our distribution footprint. So there are whole lot of advisers that we've got very strong relationships with and always have, but we have not had as big a share of wallet of their business in the past because our previous platform wasn't able to do everything. So we have capability gaps in terms of cash accounts and junior officers products like that, investment trusts, etcetera. With the new platform, it sort of ticks all of those boxes. So we can go back to all those advisers who we've got strong relationships with and drive up our share of wallet there. So that's the first strategy.

The second is there is a significant segment of the market, which we have very low market share in. And those are advisers that we are now going to target and we have already been doing that obviously. Those are advisers that want to make use of heavy use of discretionary models, which are the previous platform was not as strong at and things like that. And so those advisory firms, our new platform can now do everything they need. And we sort of call that broadening our distribution, finding new friends, so to speak. And that is a key focus of us this year, and that will be one of our key growth drivers.

Q - Alex Medhurst {BIO 19646531 <GO>}

Okay. Thanks. That's helpful. Perhaps, if it's okay, just to ask a quick question, just drilling down on that. Could you just maybe comment over whether those external adviser channels substantially moved back into net inflows this year in either the platform or Quilter Investors?

A - Steven Levin {BIO 18803363 <GO>}

I would expect there to be significant net inflows in the platform this year.

A - Unidentified Speaker

Yes. Indeed.

A - Steven Levin {BIO 18803363 <GO>}

And Quilter Investors too.

Q - Alex Medhurst {BIO 19646531 <GO>}

Okay. Thank you.

Operator

Thank you. There appears to be no further questions, so I will hand back to the speakers.

A - Paul Feeney {BIO 17570862 <GO>}

Okay. I just want to say thank you to everybody. Thank you to -- on the call and, obviously, to our shareholders and your customers. We have delivered. We've had a strong year of strategic delivery in the platform, good set resilient set of financial results, I think pretty much a market beat across the board. But more importantly, I think, we are set up now for the growth in one of the UK's fastest growing secular financial services markets, and we've positioned the business that way. So our key priorities now are simple: they are growth and efficiency. And that speaks to flow, performance, and of course, to operational efficiency and cost efficiency. And so thank you very much, everybody. I hope that was helpful. And I'm sure we'll see you in the rounds that follow. Okay. Take care. Bye-bye.