

Infocus Wealth Management announces advice network acquisition

In a statement on Monday 27th May, Clime Investment Management Limited (Clime) (ASX: CIW) announced it had signed an exclusive, binding heads of agreement with Infocus Wealth Management Limited (Infocus), outlining the sale of its owned financial advisory network, Madison Financial Group to Infocus.

The transaction is due to complete by the end of the current financial year.

The inclusion of the Madison network to Infocus would increase group financial adviser numbers to >200, boost funds under advice to ~\$16Bn, while also growing in-force risk insurance premiums to a total of ~\$210m.

Founder and Managing Director of Infocus, Darren Steinhardt commented, "We've known the Madison business for quite some time, having engaged with the former and current leaders of the business over the past 20+ years. Madison is a quality advisory network with quality financial advisers who represent well the expected high standards of practitioners in the evolving financial advisory profession. We're proud to have been chosen by Clime as their partner in this transaction and the entire Infocus community is genuinely looking forward to welcoming everyone from the Madison network into our fold."

"This acquisition represents a milestone for Infocus. It's our objective to grow, not for growth's sake, but for the commercial and risk management benefits that additional scale brings to each and every stakeholder within our business and our community. We have no desire to be the largest, our desire is simply to be the best, and to work with the best. This acquisition takes us closer to this objective."

He continued, "This move will see Infocus continue to leverage on our industry leading comprehensive end-to-end support structure, infrastructure and investment management offering. We can't wait to help a further 30+ financial advisory practices benefit from our key value proposition of growing adviser revenue, enhancing advice business efficiencies and effectively managing risk."

"Infocus is an ideal home for the Madison group, where they can integrate into a strong community, benefit from an outstanding culture and take advantage of industry leading hands on support to grow their advice businesses."

Upon completion of the sale, Infocus will have a market share of ~1.5%, making them the 12th largest financial advisory network in Australia. The transaction is expected to be earnings and cash flow positive for Infocus in the first year and will be settled by the issuance of \$2 million in Convertible Notes that will convert to ordinary shares in 3 years time.

The Madison Financial Group consists of 54 authorised representatives across 32 financial

advisory practices. Chief Executive Office of Clime Investment Management, Annick Donat said that the ASX listed manager has worked in close alignment with the Infocus team over several months to ensure the Madison licensee finds the right home. "Infocus will be excellent custodians of the Madison business. It is clear there is strong cultural and strategic alignment between the firms, and they have an outstanding track record of supporting financial advisers. Clime will work closely with Infocus to ensure a seamless transition, including the use of the group's dealer-to-dealer services, and longer term we will collaborate to drive mutual success and unlock further revenue opportunities."

The partnership between Clime and Infocus will continue to flourish outside of this sale, with the Clime Private Wealth advice business set to work closely with the Infocus team via the engagement of the Infocus B2D (or dealer support services) solution.

- ENDS -

For further comment please contact Darren Steinhardt on darren.steinhardt@infocus.com.au or call 0418 434 311.