

**Form 603
Corporations Act 2001
Section 671B**

Notice of initial substantial holder

To : Australian Finance Group
ACN: 066 385 822
ASX Code: AFG

1. Details of substantial holder

Name: IOOF Holdings Limited
ACN: 100 103 722

This notice is given by IOOF Holdings Limited on behalf of itself and its subsidiaries.

The holder became a substantial shareholder on: 25/05/2015

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interest in the scheme that the substantial holder or an associate had a relevant interest in on the date the substantial holder is as follows:

| Class of securities | Number of securities | Person's votes | Voting Power |
|----------------------------|-----------------------------|-----------------------|---------------------|
| Ordinary | 12,133,215 | 12,133,215 | 5.648% |

3. Details of present registered holders

The persons registered as holders of the securities are as follows:

| Holder | Registered holder of securities | Person Entitled to be holder | Nature of relevant interest | Class & Number (Ord) | Person's votes |
|--|--|-------------------------------------|------------------------------------|---------------------------------|-----------------------|
| Perennial Investment Partners Limited (ACN 087 901 620) | State Street | | Investment Manager | 280,617 | 280,617 |

| | | | | | |
|--|---------------------|--|--------------------|-----------|-----------|
| Perennial Investment Partners Limited (ACN 087 901 620) | Northern Trust | | Investment Manager | 7,138,948 | 7,138,948 |
| Perennial Investment Partners Limited (ACN 087 901 620) | NAB Asset Servicing | | Investment Manager | 3,121,301 | 3,121,301 |
| Perennial Investment Partners Limited (ACN 087 901 620) | Citigroup | | Investment Manager | 155,731 | 155,731 |
| Perennial Investment Partners Limited (ACN 087 901 620) | BNP | | Investment Manager | 1,436,618 | 1,436,618 |

4. Consideration

The consideration paid for each relevant interest and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Date | Person | Nature | Consideration | Class & number (ord) | Person's votes |
|------------|---|---------------------|-----------------|----------------------|----------------|
| 22/05/2015 | Perennial Investment Partners Limited (ACN 087 901 620) | Purchased on market | \$ 8,037,105.82 | 12,076,900 | 12,076,900 |
| 25/05/2015 | Perennial Investment Partners Limited (ACN 087 901 620) | Purchased on market | \$ 67,081.26 | 56,315 | 56,315 |

5. Associates

| Name & ACN | Nature of association |
|----------------|-----------------------|
| Not applicable | |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|---------------------------------------|---|
| IOOF Holdings Limited | Level 6, 161 Collins Street Melbourne Victoria 3000 |
| Australian Finance Group | Level 4, 100 Havelock Street, West Perth, WA 6005 |
| Perennial Investment Partners Limited | Level 24, 303 Collins Street Melbourne Victoria 3000 |