Insignia™ Financial

Insignia Financial Ltd

1H23 Results Presentation

Thursday, 23 February 2023

Renato Mota, CEO and David Chalmers, CFO

Overview

Renato Mota

Insignia Financial Opportunity

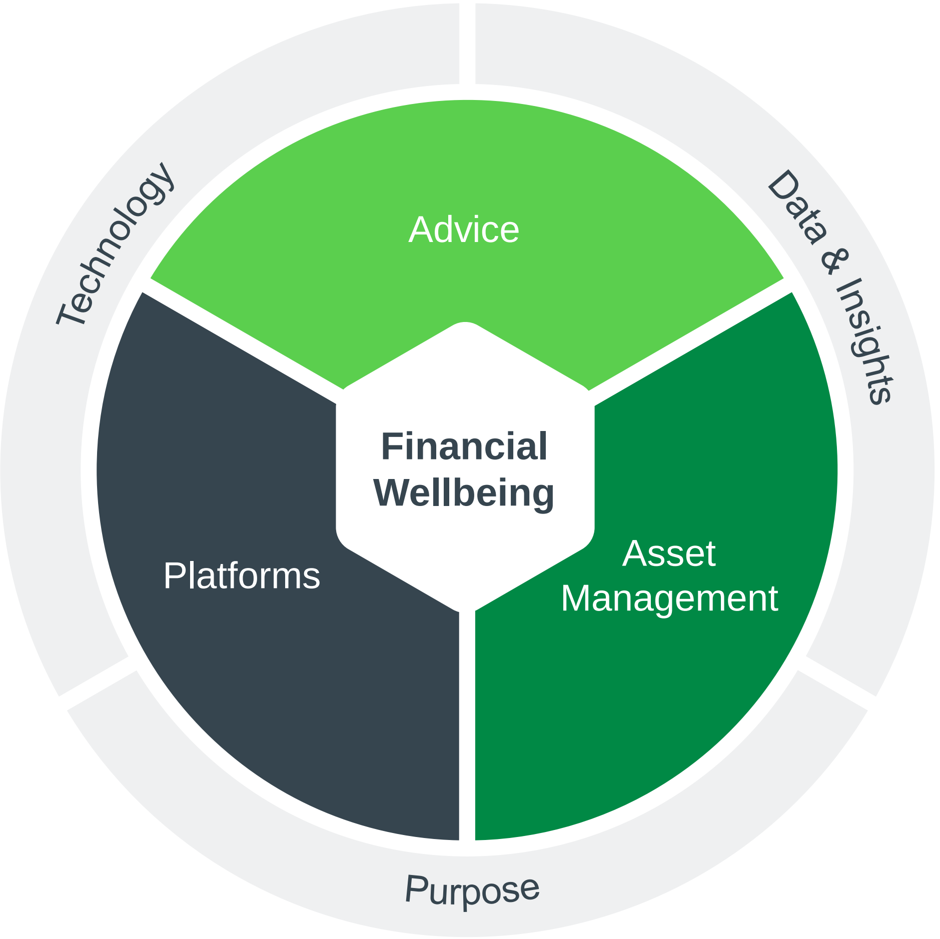
Diversified business supported by positive long term industry trends

Total super assets to grow from $3.3 trillion to over $9 trillion by 2040[1]

Australia leads the world in median wealth per adult[2]

12.4m of Australians have unmet Advice needs[3]

By 2033, 20% of Australians will be aged 65 and over[4]



Advice

- Advice as differentiator
- Full-spectrum Financial Wellbeing opportunity
- Licensee of choice for corporatised practices

Platforms

- Unique capability set: Workplace, Advisory and Personal platforms
- Proximity to advice creates insights: value for advisers and clients
- Customisation at scale enabled by proprietary technology

Asset Management

- Leading packaged-solutions provider delivering superior investment performance
- Portfolio construction and direct asset capabilities
- Focussed multi-asset capability to support member outcomes

Notes: (1) The Association of Superannuation Funds of Australia Limited (2022) Super Statistics. (2) Credit Suisse (2022) Global Wealth Report. (3) Investment Trends (2022) Financial Advice Report. (4) Centre for Population (2022) Population Statement.

1H23 Highlights[1]

Integration and simplification delivering benefits

Financial Performance	✓ NPAT $45m, up 67% on pcp ✓ UNPAT $94m, down 17% on pcp ✓ Operating expenses $518m, down 7% on pcp ✓ Interim Dividend 10.5cps
Synergies & Integration	✓ $218m synergy run rate target achieved ✓ Separation of P&I business from ANZ
Portfolio Focus	✓ Sale of AET completed on 30 November 2022 ✓ Divestment of JANA aligning with Insignia Financial's simplification strategy
ESG	✓ Received Climate Active certification, September 2022 ✓ Progress on embedding governance in operating model
Advice	✓ Nine financial advisers in the Insignia Financial Group advice network recognised in Barron's Australia Top 100 Financial Advisers 2022 list ✓ Continued progress to a sustainable and profitable Advice model
Platforms	✓ Platforms net flows improved $0.9b on the prior corresponding period ✓ Enhancements to advised Expand wrap product, including enhanced mobile experience
Asset Management	✓ IOOF MultiMix Balanced Growth Trust awarded Best Multi-Asset Fund at the Money magazine Best of the Best Awards 2023, third time in four years ✓ Strong retail momentum driving flows into multi-asset and supporting margin resilience

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Notes: (1) Items shown on a continuing operations basis unless otherwise noted.

Platforms

Delivering on simplification and growth through enhanced client experience

Workplace	Personal	Advisory
• $52b in super FUA across ~20k Corporate Super Plans including over 1k large employers[1] • Growing client base amongst larger, more sophisticated employer plans: 11 new employer mandates with $440m+ • Differentiated offer in Choice environment and amongst industry disruption and consolidation • Robust MySuper investment performance	• $32b in super FUA across over 465k members • Includes member accounts transferred after exiting corporate plans • Focus on wellbeing, engagement and enablement to strengthen member retention • Australia's largest pool of private retirement assets across Personal and Advisory channels	• $105b in super and investment FUA • Over $50b in FUA advised by independent financial advisers[2] • Supporting over 460k clients • $31b in FUA on the Evolve wrap suite[3] continues to grow, with $0.9b of net flows • Current macroeconomic environment and market dynamics have impacted Advisory flows across the market

- Contemporary technology
- Platform simplification, product enhancements and ongoing investment

Key Metrics[4]

$201.3b[4]	Funds Under Administration
$473.6m	Net Revenue (0.47% of FUA)
$295.1m	Expenses
$178.5m	EBITDA
0.18%	EBITDA Margin

Highlights

- Enhancements released for the products on the Evolve wrap suite
- Net flows improved by $0.9b on 1H22
- $10b in gross inflows received for the half underlines attractiveness of offerings
- Continued strength in Workplace flows, including $0.5b in net flows in 2Q23, the largest since the acquisition of MLC

Notes: (1) Large employer groups: greater than $5m FUA. (2) Advisers not operating under an Insignia Financial group licence. (3) Expand, Essential, Shadforth Portfolio Service. (4) Includes Closed/Transition channel.

Advice

Delivering an accessible, sustainable advice offering across the advice spectrum

Professional Services	Self-Employed	Self-Licensed
• Wholly owned and operated advice networks	• Advisers operating their own business under an Insignia Financial licence	• Services advisers operating under their own licence
• 247 salaried advisers supporting over 26k clients	• Supporting 766 self-employed advisers across 403 practices	• Provides bespoke service packages to 512 self-licensed advisers across 101 practices
• Servicing high net worth clients through the Shadforth brand, with Bridges accessing a broader range of Australians	• Servicing a diverse range of advisers across six brands supported by scaled services and technology	• Leverages the service model that supports other channels, without licence risk
• Combination of fee based and asset based revenue	• Fee based revenue	• Fee based revenue

Wealth Central

Digitising and enhancing the client and adviser experience by streamlining the advice process and increasing the productivity of face-to-face engagement

Key Metrics

1,525	Advisers
504	Practices
$103.7m	Net Revenue
$128.5m	Expenses
($24.8m)	EBITDA

Highlights

- $12 million savings realised through realisation of synergy benefits from Advice 2.0 and other strategic initiatives
- ANZ Advice fee for no service remediation program being finalised
- $90 million in payments made to clients during the half from Advice remediation programs
- Nine financial advisers in the Insignia Financial Group advice network recognised in the Barron's Australia Top 100 Financial Advisers 2022 list
- Shadforth adviser named Financial Adviser of the Year at the Women in Finance Awards

Asset Management

Delivering continued strong investment performance across multi-asset and direct capabilities

Multi-Asset

- Manufactures diversified multi-asset and multi-manager investment solutions that support Insignia Financial's internal platforms and external wholesale clients
- **$34b in FUM** across IOOF and MLC branded products
- **$0.6b in net flows** into predominantly retail multi-asset structures and platforms (ex-JANA)
- Growing separately managed accounts (SMAs) presence with over **$0.9b in FUM** at 31 December 2022
- Multi-asset capability invests $104b in FUM on behalf of the Platforms business (not included in Asset Management segment FUM)[1]

Direct Capabilities

- Manages assets directly on behalf of clients across a range of asset classes
- **$49b in FUM** managed across the Antares, MLC Private Equity and Alternatives, Orchard Street, Fairview and Intermede brands
- Fixed income capability of Antares managing over **$25b in FUM**
- Differentiating MLC Private Equity capability managing **$4b in FUM** with developing growth opportunities
- Volatile institutional flows continue, with over $0.9b[2] in net flows into Intermede Investment Partners (40% owned) offset by clients' portfolio rebalancing in Antares Fixed Income

Well developed investment approach

Unified culture across a diverse group of investment specialists

Key Metrics

$83.8b	Funds Under Management
$114.0m	Net Revenue (0.25% of FUM)
$62.3m	Expenses
$51.7m	EBITDA
0.11%	EBITDA Margin

Highlights

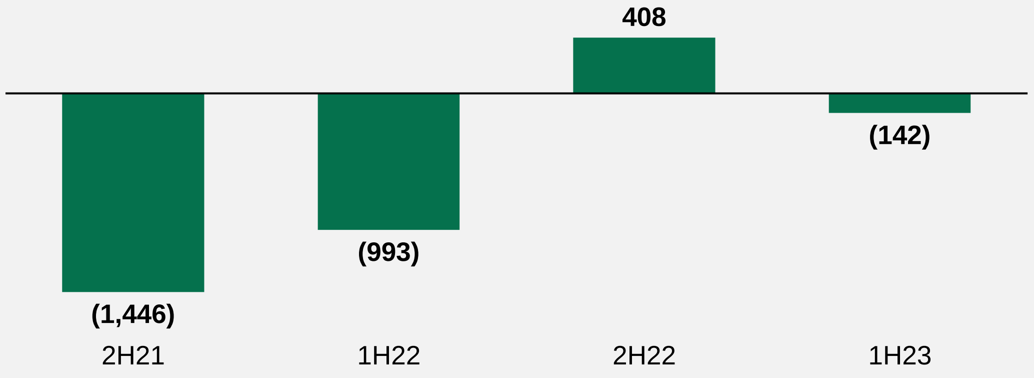
- Insignia Financial's largest MySuper product, MLC MySuper, is top quartile for performance over 1, 3, and 5 year periods
- IOOF MultiMix Balanced Growth Trust wins Best Multi-Asset Fund at the Money magazine Best of the Best Awards 2023
- Reset of commercial relationship with JANA and sale of remaining equity stake progresses simplification
- Broadened distribution of key capabilities with addition of multi-asset SMA's onto new platforms and launch of the MLC Global Private Equity Fund

Notes: (1) Asset Management manages multi-asset investment options (including MySuper) on behalf of Plum, MLC MasterKey and ANZ master trust platforms. The FUMA, net revenue, and operating expenses in relation to the management of these investment options are recognised in the Platforms segment. (2) FUM is recognised on the proportionate ownership percentage.

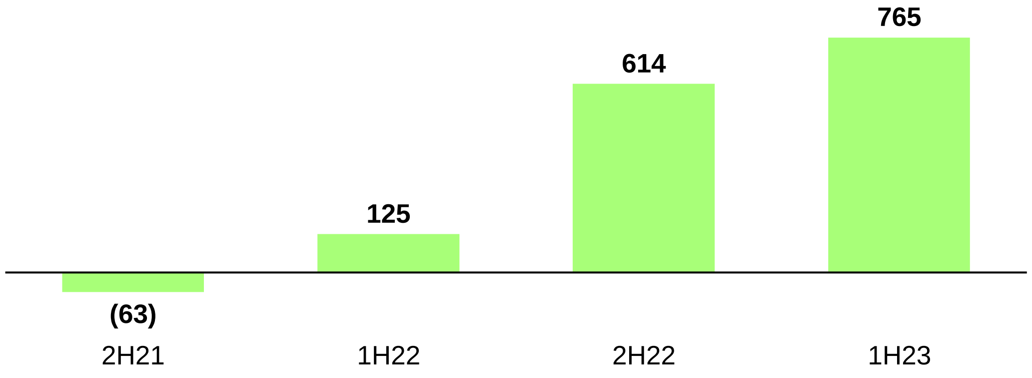
Flows: Platforms[1,2]

Channel diversification supports flows and positive momentum in underlying key products

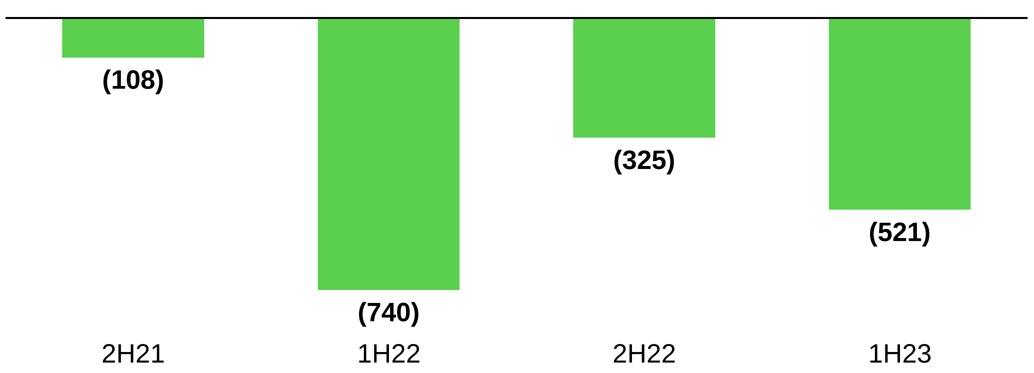
Platforms: Marginal decline due to challenges in Advised channel



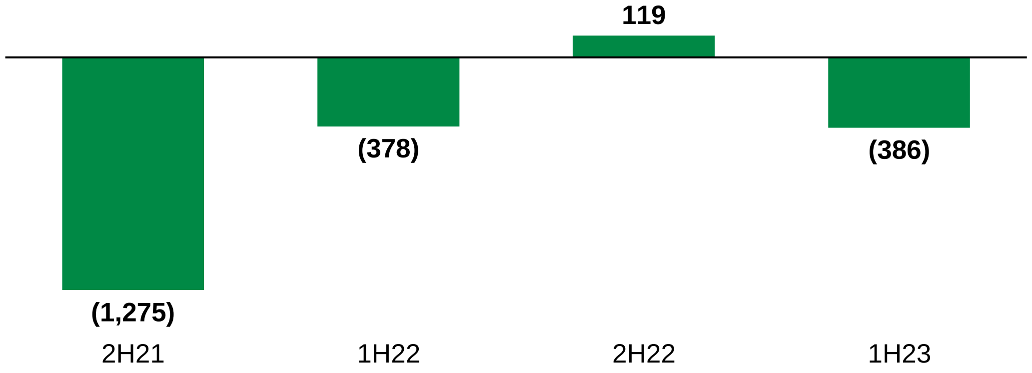
Workplace: Business wins, retention, and improved engagement



Personal: Stabilising with focus on wellbeing, engagement, and enablement



Advised[3]: Positive flows in Evolve and challenges across other brands



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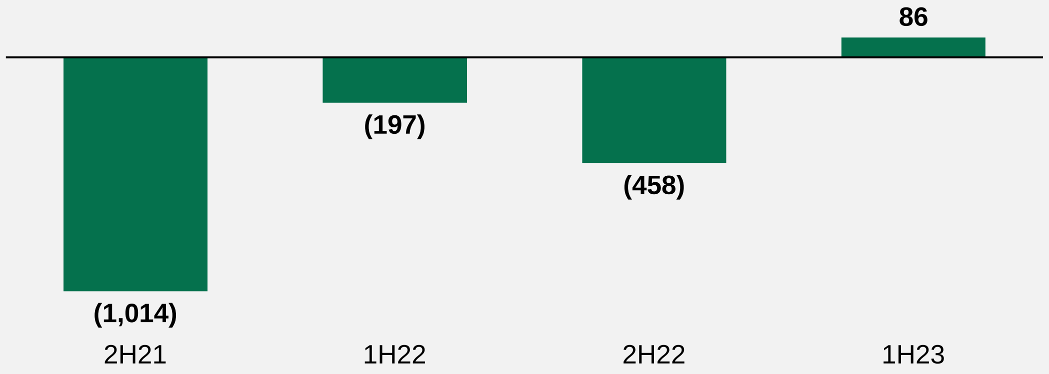
Notes: (1) 2H21 based on proforma, including MLC. (2) Excludes AET. (3) Includes Closed/Transition channel.

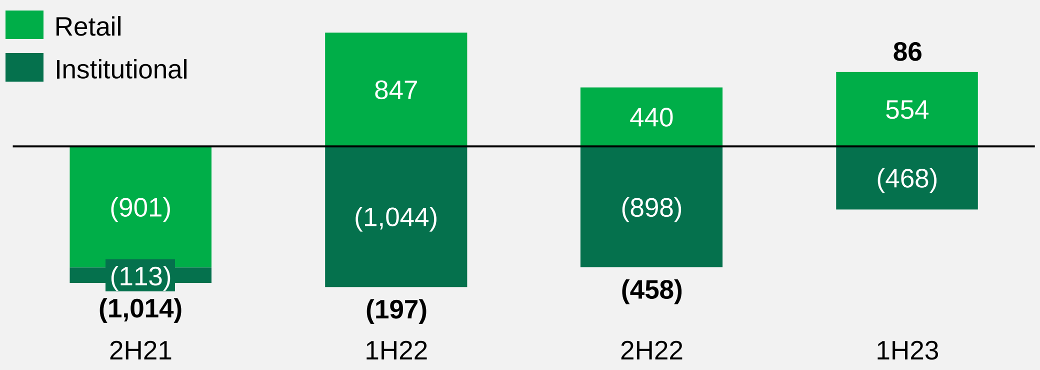
Flows: Asset Management[1,2]

Positive momentum offset by institutional volatility from client rebalancing

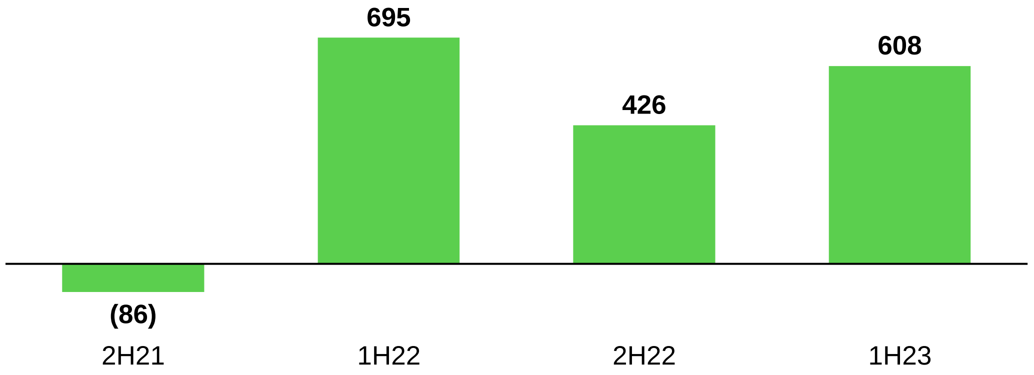
Asset Management: Positive momentum



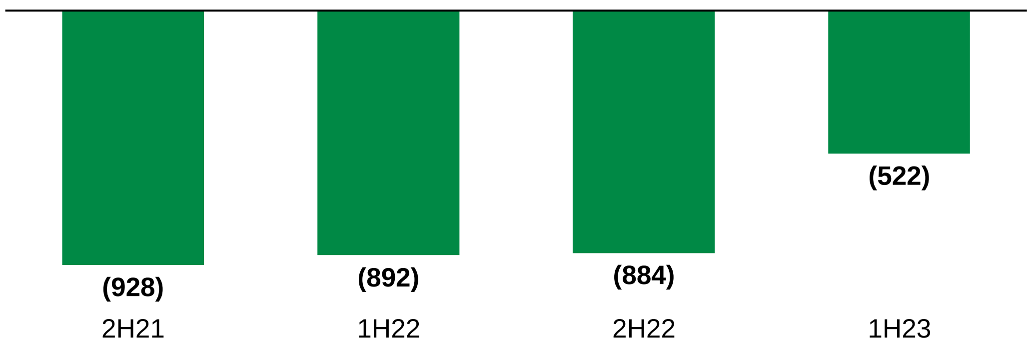
Retail & Institutional: Retail flows momentum



Multi Asset: Strong uptake in multi-asset offerings



Direct Capability: Strong flows in Intermede offset by rebalancing



Notes: (1) 2H21 based on proforma, including MLC. (2) JANA net flows excluded across all periods.

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Financial Results

David Chalmers

1H23 Financial Summary[1]

Profit & Loss	1H23 $m	2H22 $m	1H22[2] $m	1H23 v 1H22
Net Revenue	**691.3**	725.3	758.8	(8.9%)
Operating Expenses	**(517.7)**	(537.1)	(558.5)	7.3%
EBITDA	**173.6**	188.2	200.3	(13.3%)
UNPAT	**94.4**	110.1	113.9	(17.1%)
UNPAT (incl discont ops[3])	**98.6**	114.9	119.6	(17.6%)
NPAT (incl discont ops[3])	**45.1**	9.8	27.0	67.1%
UNPAT EPS (cps)	**14.4**	16.9	17.6	(3.2 cps)
Dividends (cps)	**10.5**	11.8	11.8	(1.3 cps)

Key Metrics	1H23	2H22	1H22	1H23 v 1H22
Net Revenue margin (bps) *(Annualised Net Revenue as a % of FUMA)*	**47.0 bps**	47.7 bps	47.9 bps	(0.9 bps)
EBITDA margin (bps) *(Annualised EBITDA as a % of FUMA)*	**11.8 bps**	12.4 bps	12.6 bps	(0.8 bps)
Cost to Income	**74.9%**	74.1%	73.6%	1.3%
Closing FUMA[4] ($b)	**285.1**	290.6	318.3	(10.4%)
Average FUMA[4] ($b)	**291.9**	306.8	314.3	(7.1%)

Actual 1H23 v 1H22:

- Net revenue decline principally relates to the impact of lower investment markets on average FUMA
- Net revenue also impacted by:
  - Strategic platform repricing initiatives and the Platform Simplification program
  - Integration of MLC Advice into Bridges and subsequent reshaping of the service proposition as low fee paying clients have moved off fixed term service agreements
- Operating expenses decline driven by synergy benefits offsetting annual remuneration increases, other increases due to CPI, and normalisation of spend post COVID
- Cost-to-Income (CTI) deterioration due to negative markets and lower net revenue
- NPAT increase primarily driven by the gain on sale from the AET disposal

Notes: (1) Items shown on a continuing operations basis unless otherwise noted. (2) Finalisation of the purchase price allocation (PPA) for the MLC business has resulted in a number of adjustments recognised retrospectively in the comparative reporting period. (3) Discontinued operations is the Australian Executor Trustees business (AET). (4) FUMA represents Funds under Management (FUM) and Funds under Administration (FUA).

1H23 Financial Summary by Segment

UNPAT by Segment	1H23 $m	2H22 $m	1H22[2] $m	1H23 v 1H22
Platforms	118.3	132.0	141.5	(16.4%)
Advice	(21.9)	(27.0)	(28.3)	22.6%
Asset Management	34.8	35.4	38.2	(8.9%)
Corporate	(36.8)	(30.3)	(37.5)	1.9%
Group UNPAT (Continuing)	**94.4**	**110.1**	**113.9**	**(17.1%)**
Discontinued Operations[1]	4.2	4.8	5.7	(26.3%)
Group UNPAT	**98.6**	**114.9**	**119.6**	**(17.6%)**

Platforms

UNPAT decreased by $23.2m from 1H22:

- Net Revenue decrease of $47.5m on 1H22 driven by lower average FUA due to market performance, and repricing
- Expenses decrease of $15.3m due to synergy realisation

Advice

UNPAT loss improved by $6.4m from 1H22:

- Net Revenue decrease of $10.5m against 1H22 mainly driven by the reshape in service offering following the Bridges integration with MLC Advice
- Expenses decrease of $16.7m largely delivered through simplification initiatives

MLC Advice break even target restated to Advice Segment UNPAT of $10m on a run rate basis by FY24

Asset Management

UNPAT decreased by $3.4m from 1H22:

- Net Revenue decrease of $9.0m driven by lower average FUM balances due to investment market performance, lower private equity performance fees, and divestment of Presima in June 2022
- Expenses decrease of $6.8m a result of synergy initiatives and the Presima divestment

Corporate

Corporate includes centralised expenses and funding costs; funding costs increased due to both higher interest rates and higher funding requirements

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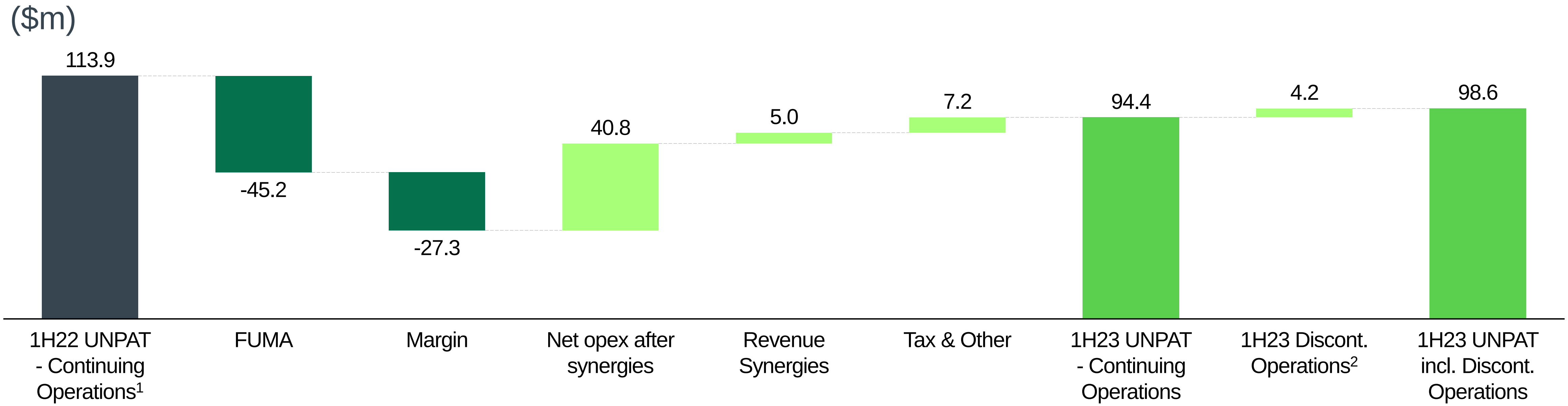
Notes: (1) Discontinued operations is the Australian Executor Trustees business (AET). (2) Finalisation of the purchase price allocation (PPA) for the MLC business has resulted in a number of adjustments recognised retrospectively in the comparative reporting period.

Group UNPAT Analysis

Decline driven by market performance

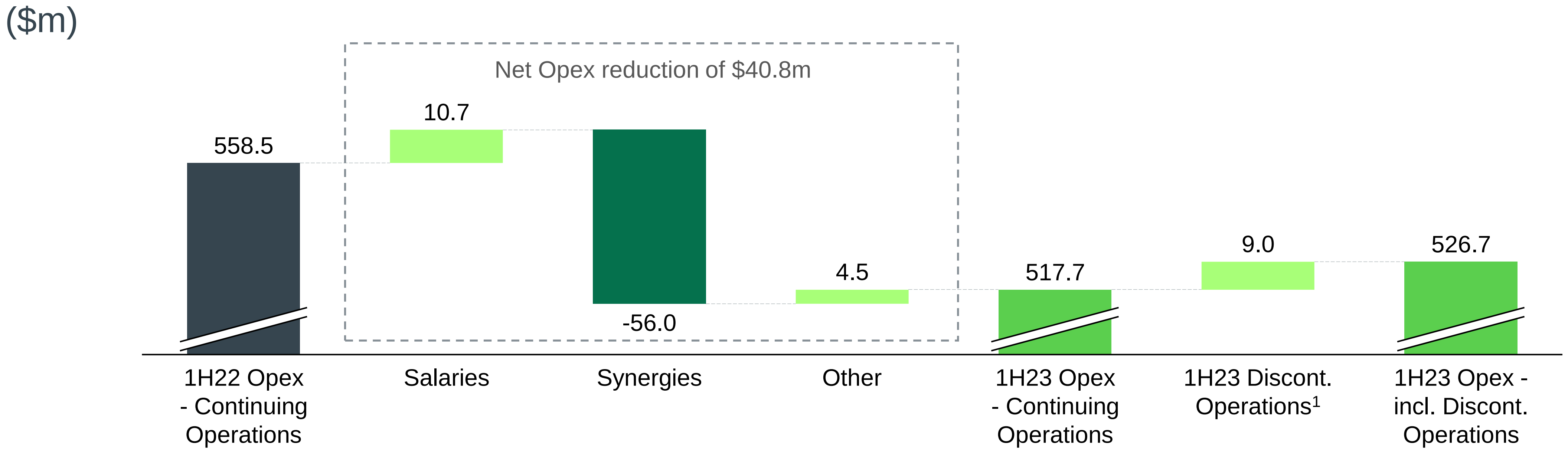


- Lower average FUMA principally due to negative investment market performance and resulted in significant decline of FUMA linked-income
- Lower net revenue due to reduced pricing of selected products, and MLC Advice into Bridges integration
- Other includes:
  - Increase in funding costs as a result of the increased costs of borrowing and higher peak debt balance;
  - Offset by a lower impairment charge

Notes: (1) Finalisation of the purchase price allocation (PPA) for the MLC business has resulted in a number of adjustments recognised retrospectively in the comparative reporting period.(2) Discontinued operations is the Australian Executor Trustees business (AET).

Expense Base Analysis

Synergy benefits accelerated, combined with prudent cost control



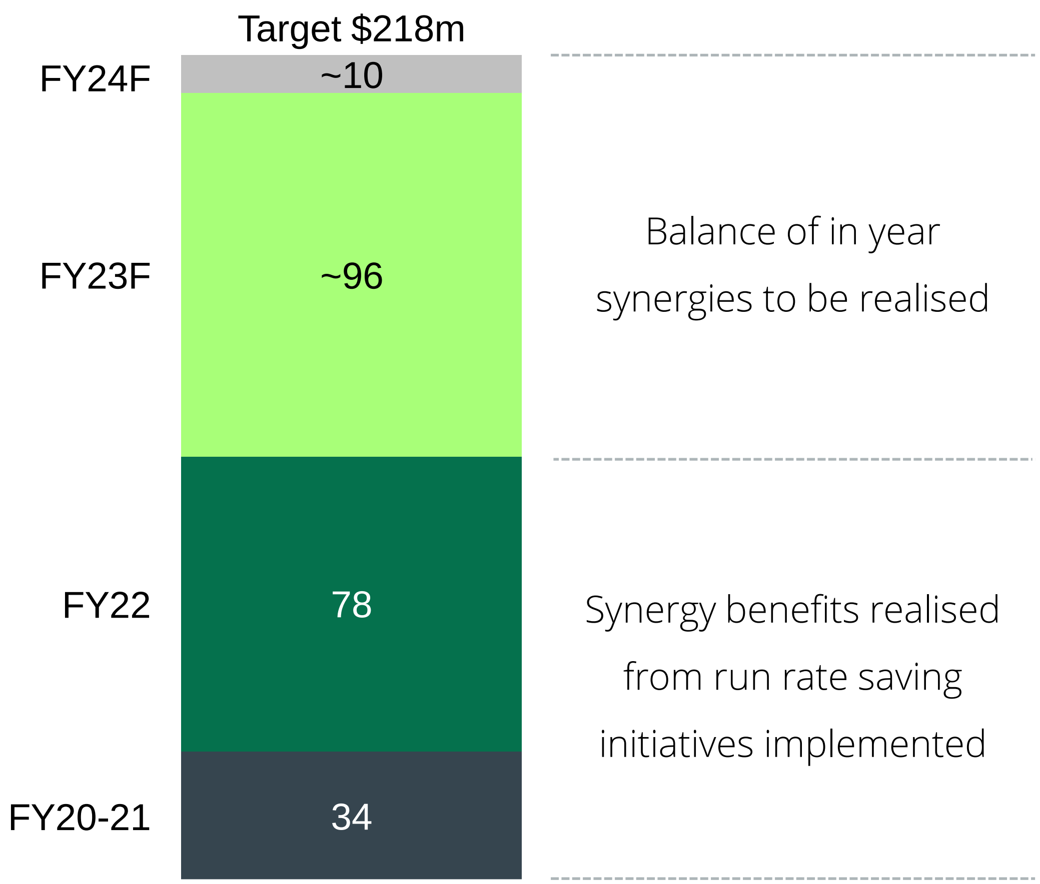
- Salaries increase reflects nominal CPI uplift, additional personnel costs have been offset with additional savings
- $56m of incremental synergies achieved, on a pcp basis, through reductions in employee expenses from the organisational design program, property consolidation, and procurement management
- Other includes increases due to CPI (e.g. insurance, regulatory fees) and normalisation of spend post COVID (e.g. travel and entertainment, marketing), offset by Presima divestment

Notes: (1) Discontinued operations is the Australian Executor Trustees business (AET)

Realising Integration Synergies

Synergy program of initiatives completed ahead of schedule

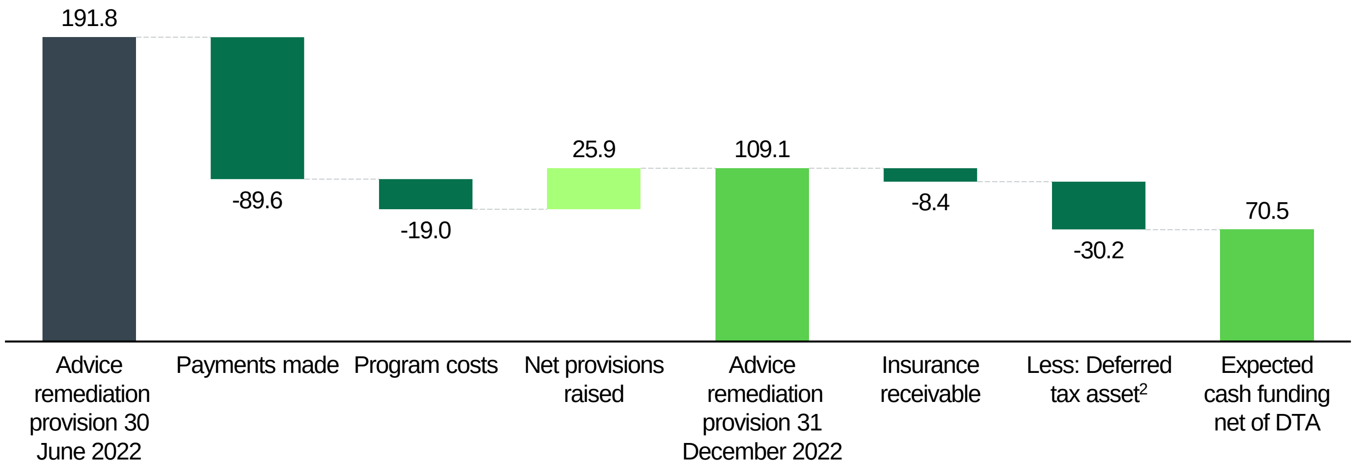
In-year synergies: realised in P&L ($m)



- Completion of P&I ($68m) and MLC ($150m) integration program to realise acquisition synergy benefits
- $218m synergy run rate target achieved by end of 1H23, and ahead of 3 year timeline. In year synergy benefits to be largely realised by FY23.
- On track for realisation of ~$96m of synergy benefits in FY23, ~$11m realised earlier than anticipated at FY22
- Key activities include: organisational design, procurement savings, property consolidation, and external investment manager fee reviews
- Continue to apply robust simplification approach to identify and realise additional efficiency opportunities

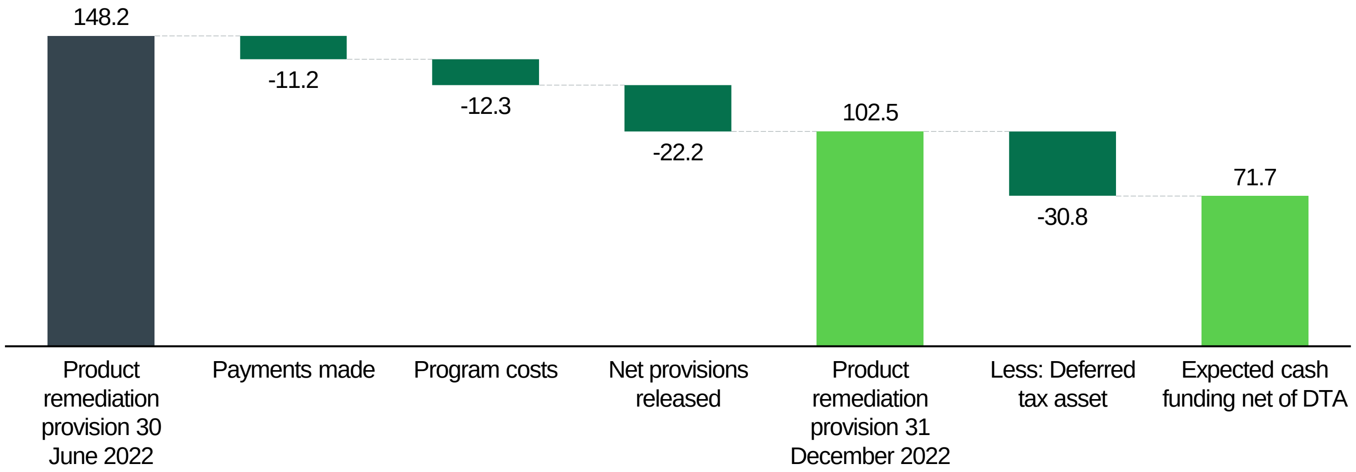
Remediation

Advice remediation ($m)[1]



- 13 advisers remaining in the Quality of Advice program, 3 small adviser books to be completed by FY23, and remaining 10 to be completed by FY24
- Provision increased by $26m ($18m net of receivable) from higher than expected failure rates in the Fees for No Service program relating to ex-ANZ licensees program undertaken by ANZ on behalf of Insignia Financial

Product remediation ($m)

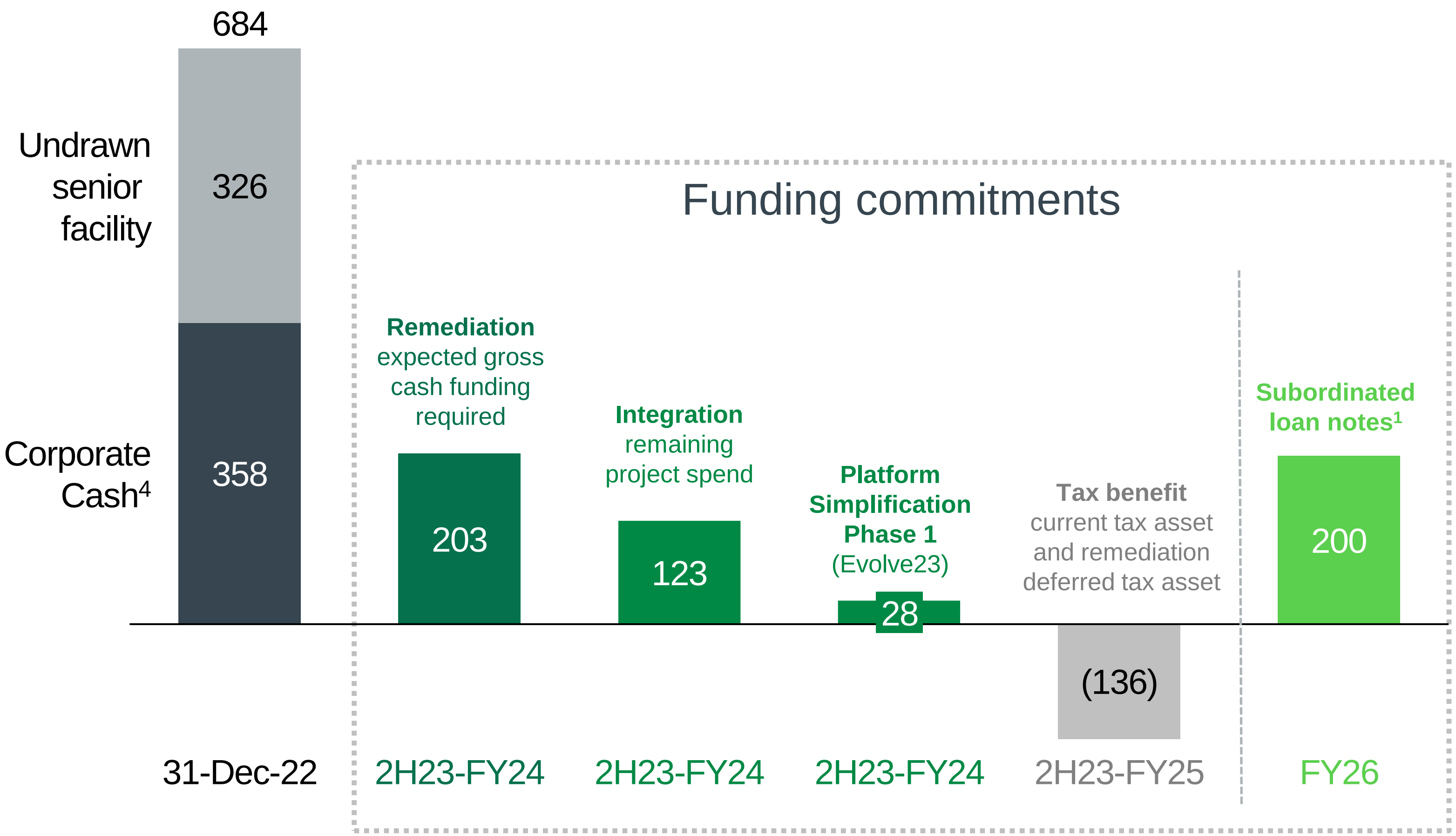


- P&I remediation continues to progress with $23m outstanding as at 31 December 2022
- MLC remediation progressing and expected to be substantially completed by end of calendar year 2023
- Provision decrease is driven by the release of remediation provisions following review

Notes: (1) Includes balances relating to structured historical advice remediation programs only. (2) Deferred tax asset based on net of insurance receivable.

Corporate Cash & Debt Facilities

Cash & undrawn debt ($m)



- Cash and undrawn senior facilities of $684m as at 31 December 2022
- Current and Deferred tax benefit of $136m (current tax asset $72m, deferred tax asset on remediation payments $64m) will reduce cash tax payments and offset balance of remediation, integration and simplification spend
- Senior leverage of 1.2x as at 31 December 2022
  - Net debt per covenant: $360m[2]
  - EBITDA per covenant: $307m[3]
- Senior leverage expected to stay within target range of 1.0 - 1.3x for the remainder of FY23

Notes: (1) Subordinated loan notes (SLN) excluded from net debt per terms of the syndicated facility agreement (SFA). IFL early redemption possible from 31 May 2024. SLN holder early redemption possible from 30 November 2024. Maturity date 31 May 2026. (2) Senior drawn debt less corporate cash, excluding ORFR, regulatory requirements, cash held in subsidiaries. (3) Based on rolling 12 months and definition per SFA. (4) Excludes cash held for AFSL requirements and definition per SFA.

Interim Dividend

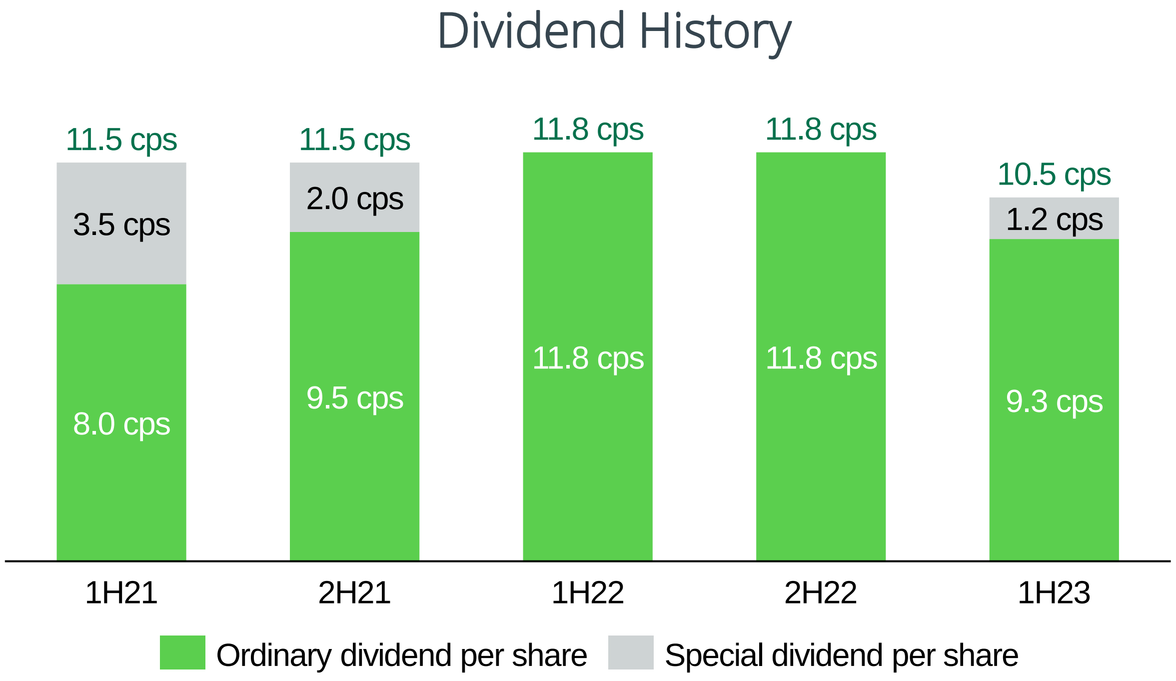
Payout ratio increased; dividend franking reduced

1H23 Interim Dividend
9.3 cps ordinary
1.2 cps special
50% Franked

Total payout ratio
70%
Of 1H23 UNPAT
(including special dividend)

1H23 Record Date
13 Mar 23
1H23 Payment Date
3 Apr 23

Dividend Reinvestment Plan
1.5% Discount[1]



- Payout ratio of 70% in line with the target range of 60 - 90% of UNPAT
- Future dividend franking will be impacted by lower/ nil expected 2023-2024 tax payments as remediation-related tax benefits offset future tax payments
- 1H23 interim dividend will be 50% franked, 2H23 and FY24 dividends expected to be unfranked

Note: (1) Refer to Dividend Reinvestment Plan Rules for full details.

Outlook | FY23[1]

Short term outlook reflects resilience, and growth momentum built by strategic execution

	Original Outlook	1H23	Revised Outlook
FUMA Net Flows[2]	Positive	($0.1b)	No change from original outlook
Group Net Revenue margin	1.5 – 2.5 bps decline on 47.8 bps (FY22)	47.0 bps	0.5 - 1.5 bps decline on 47.8 bps (FY22)
Group EBITDA margin[3]	broadly in line with FY22 of 12.5 bps	11.8 bps	0.0 - 0.5 bp decline from FY22

Note: (1) Items shown on a continuing operations basis unless otherwise noted. (2) Excludes JANA net flows. (3) Assuming normal market conditions.

Priorities & Outlook

Renato Mota

Financial wellbeing

Developing a diverse offer, leveraging insights and scale

Scalability

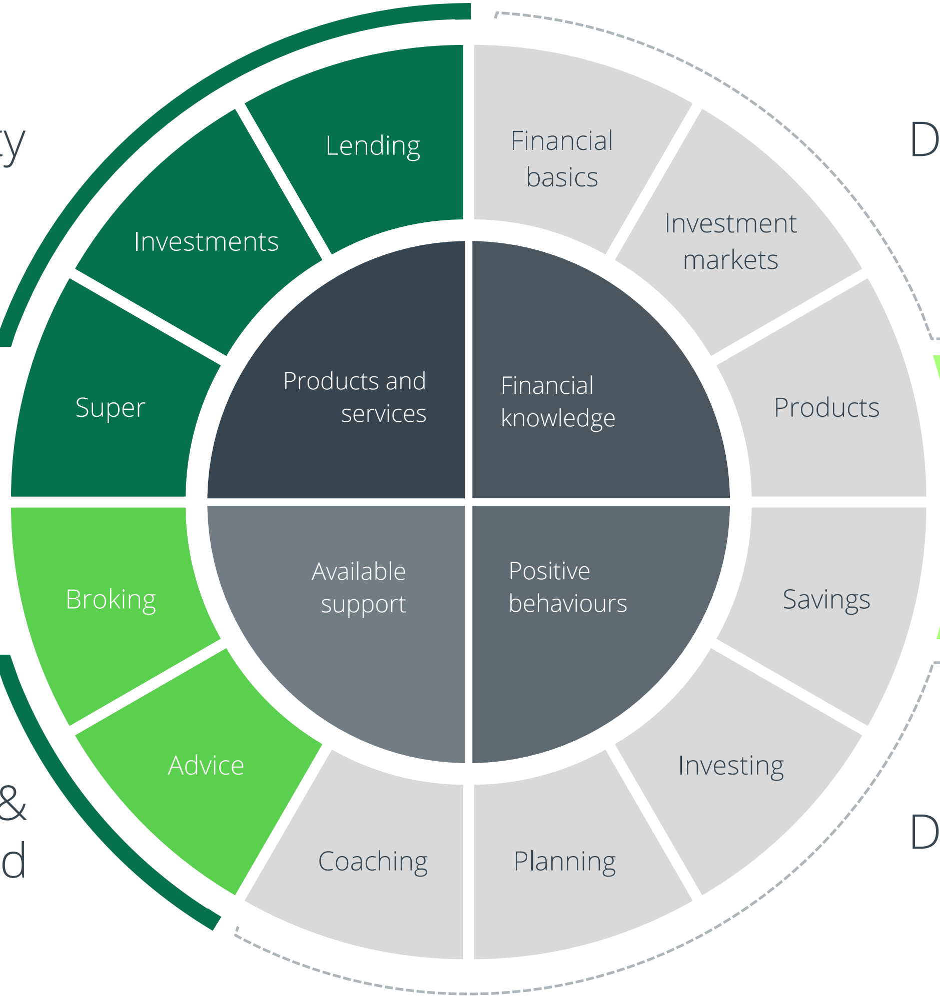
Leverage scale

Enhance offering

Lowest cost-to-serve

Improve accessibility

Premium & personalised



Digital content & hybrid

Opportunity for Insignia Financial to complete the financial wellbeing continuum

Data & intelligence

Platform, Product and Entity End State

Simplification translating scale to lower cost-to-serve

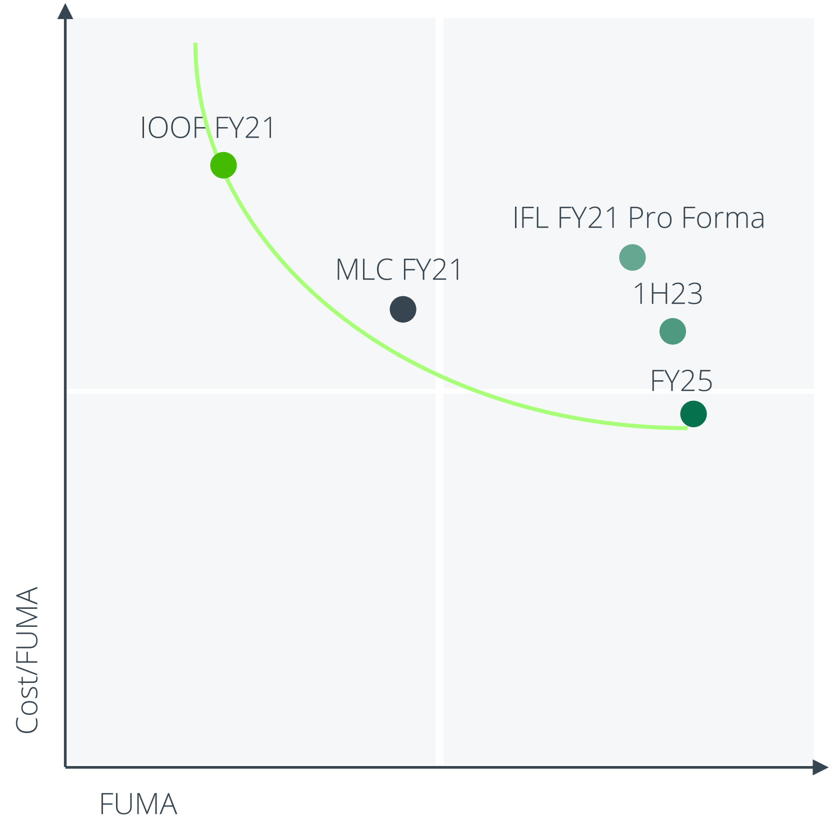
	FY21	1H23	FY23F	Target end state
RSE Licensees	4	4	4	1
Super Funds[1]	10	9	9	1 – 2
Platforms[2]	8	6	6	1 – 2
Products[2]	105	73	53	~20

Embedding governance: implementation of licence condition recommendations

Custody rationalisation | Investment structure simplification | Entity simplification

- Platform simplification will continue to unlock the benefits of scale for Insignia Financial and its members, through leading market offers
- Cost-to-serve is lowered through the streamlining of product and operating structures that platform simplification drives
- Targeting cost to income ratio in low to mid-60s% once target end state is reached

Targeting lowest cost-to-serve



Notes: (1) Includes the SMSF Eligible Rollover Fund but excludes AET Small APRA Funds. (2) Excludes third party administered platforms (e.g. Macquarie and HUB24) and risk-only products.

Platform Simplification

Platform strategy to optimise client and member outcomes, reduce risk and expedite delivery

Product	Current State[1]	Solution	Benefits	Economics
Wrap[2]	• $78.5b FUA • 384k member accounts • 2 platforms	Proprietary Evolve Platform In-House Administration	• Specialist Wrap functionality • Contemporary, proprietary technology • Scale offering • Comprehensive and intuitive reporting • Enhanced Features • MLC Wrap migration targeting 1H24	Evolve23 (Phase 1) development and implementation costs, including foundation investment, expected to be $53m
Master Trust[3]	• $110.3b FUA • 1.2m member accounts • 4 platforms	Dedicated Software Solution In-House Administration	• Master Trust platform consolidation • Cost-effective, scalable implementation • Client centric design • Deliver member benefits more quickly • Development planning underway • Business case under development	Future phase costs & benefits to be finalised[3] Targeted to be funded within existing dividend policy and 1.0 - 1.3x senior leverage target

Notes: (1) As at 31 December 2022. (2) Wrap includes Investor Director Portfolio Service (IDPS) and IOOF Employer Super (IES) and excludes Platform Connect. (3) Master Trust is superannuation only and excludes legacy products and third party admin products. (3) Subject to fiduciary approval.

Asset Management wellbeing

Leveraging investment capabilities and enable technology to deliver financial wellbeing

Capability	**Multi-Asset**	**Single Asset Classes**
Funds Under Management	**$34.4 billion**	**$49.4 billion**
Asset Classes	Multi-Asset Diversified Portfolios	Alternative Assets, Private Equity, Global Equities, Australian Equities, Australian Fixed Income, Unlisted Property
Investment Staff	~40	~60
Enablement Technology	Multi-Asset SMAs, Master Trust, Wholesale Funds, Tailored Portfolios	Institutional mandates, Managed Funds, SMA offerings
Opportunities	Managed Accounts expansion | Private Equity build out | Improve client experience | ESG | Simplification	

Insignia Financial

Creating financial wellbeing for every Australian

	Focus Areas
Creating Insignia Financial	• Insignia Financial way of working – Principles and Culture • Brand & reputation – Reinvigorate MLC Brand • Embedding governance – addressing licence condition recommendations • Environment and social – Remediation completion
Simplify	• Progress NAB TSA separation • Platform, Product and Entity simplification • Operating model alignment – supporting simplification priorities • Focused portfolio
Financial Wellbeing	• Digital engagement – Explore new initiatives and value drivers • Advice enablement – Improved sustainability and investment in scalability • Platform functionality – Expand enhancements • Investment performance excellence – Continued focus on long-term competitive performance

Over 2 million clients across Australia | $201b Funds Under Administration | 1,525 Advisers | $84b Funds Under Management

Appendices

Corporate Balance Sheet[1]

Flexibility to fund simplification, remediation and growth

$m	31 December 2022	30 June 2022	Change
Cash	509	514	(0.9%)
Receivables	279	579	(51.9%)
Other tangible assets	658	672	(2.0%)
Intangibles & goodwill	2,569	2,606	(1.4%)
Assets held for sale[2]	29	77	(62.7%)
Assets	**4,044**	**4,448**	**(9.1%)**
Borrowings	781	771	1.3%
Provisions	387	546	(29.1%)
Other liabilities	495	720	(31.2%)
Liabilities held for sale[2]	0	10	(100.0%)
Liabilities	**1,663**	**2,047**	**(18.7%)**
Net Assets	**2,381**	**2,401**	**(0.8%)**
Equity	**2,381**	**2,401**	**(0.8%)**

- Corporate cash of $358m, excluding restricted ORFR cash and cash held for regulatory requirements
- Reduction in receivables and other liabilities driven by settlement of $300m ANZ remediation receivable
- Other tangible assets include $272m in restricted ORFR fixed income investments, as well as $187m in property, plant & equipment, and $60m invested in businesses accounted for as associates
- Intangibles & goodwill largely consists of assets accounted for through acquisition accounting for purchased businesses
- Borrowings increased largely due to accrued interest, and includes $598m[3] senior debt and $186m[4] subordinated loan notes
- Reduction in provisions includes $135m[5] in remediation payments made to clients and program costs
- Minimal change in net assets reflecting sustainable returns to shareholders

Notes: (1) Excludes balances relating to the statutory benefit funds. (2) Assets and liabilities held for sale relate to: Australian Executor Trustees business at June 2022, and investment in JANA Investment Advisers Pty Ltd and buildings held for sale at December 2022.(3) Includes borrowing costs. (4) Face value of subordinated loan notes is $200m and reflected on the balance sheet at its amortised value. (5) Includes BAU remediation costs.

1H23 Segment Results | Platforms[1]

Platforms	1H23 $m	2H22 $m	1H22 $m	1H23 v 1H22
Net Revenue	**473.6**	**495.9**	**521.1**	(9.1%)
Operating Expenses	**(295.1)**	(300.2)	(310.4)	4.9%
EBITDA	**178.5**	195.7	210.7	(15.3%)
UNPAT	**118.3**	132.0	141.5	(16.4%)
Net Revenue margin (bps) *(Annualised Net Revenue as a % of FUMA)*	**46.7 bps**	47.6 bps	47.8 bps	(1.1 bps)
EBITDA margin (bps) *(Annualised EBITDA as a % of FUMA)*	**17.6 bps**	18.8 bps	19.3 bps	(1.7 bps)
Closing FUA ($b)	**201.3**	198.2	219.4	(8.3%)
Average FUA ($b)	**201.0**	210.0	216.4	(7.1%)
Net flows ($b)	**(0.1)**	0.4	(1.0)	85.7%

Actuals 1H23 v 1H22:

- Net revenue has decreased predominantly as a result of market performance, resulting in a reduction in average FUA
- Net revenue was also impacted by both strategic re-pricing initiatives, along with the Platform Simplification program; include the following:
  - repricing of OneAnswer index options, September 2021
  - completion of the Evolve21 platform simplification, December 2021
  - Choice admin fee reprice in MLC Workplace from July 2022
  - Your Future Your Super (YFYS) investment option changes and terminations
  - transition of Integra members to Smart Choice in June 2022, and
  - repricing from the new Expand relaunch in November 2022
- Declining operating expenses largely driven by synergies achieved across the Group
- Significant improvement in net flows on a pcp basis, particularly in the Workplace channels; challenging conditions in the Advised and Closed channels resulting in a dip compared to 2H22 but flat on a pcp basis

Notes: (1) Excludes AET .

1H23 Segment Results | Advice

Advice	1H23 $m	2H22 $m	1H22 $m	1H23 v 1H22
Net Revenue	**103.7**	108.2	114.2	(9.2%)
Operating Expenses	**(128.5)**	(138.1)	(145.2)	11.5%
EBITDA	**(24.8)**	(29.9)	(31.0)	20.0%
UNPAT	**(21.9)**	(27.0)	(28.3)	22.6%
Advisers	**1,525**	1,600	1,765	(13.6%)
Practices	**504**	531	583	(13.6%)

Actuals 1H23 v 1H22:

- Net revenue decrease largely due to reshaping of the service offering for the Bridges business following consolidation with MLC Advice and transition of low fee-paying clients off fixed-term services
- Shadforth Financial Services impacted by lower asset based fee income due to decline in market performance
- Operating expenses declined due to the realisation of synergy benefits from Advice 2.0 strategic initiatives including Aligned Licensees break even
- Adviser numbers decreased primarily through the loss of smaller practices in the Self-Employed channel that were not able to transition to the new sustainable model

MLC Advice Target Restated

- *MLC Advice break even target restated to "Advice Segment UNPAT of $10m on a run rate basis by FY 24"*
- *Restated target reflects an integrated Advice business that no longer discretely reports MLC Advice*
- *In FY 22, MLC Advice contributed ($48m) to the Advice segment UNPAT of ($55m)*
- *Balance of the UNPAT improvement relates to remainder of Ex-ANZ AL break-even benefits and other expected Advice overhead improvements*

1H23 Segment Results | Asset Management

Asset Management	1H23 $m	2H22 $m	1H22 $m	1H23 v 1H22
Net Revenue	**114.0**	120.7	123.0	(7.3%)
Operating Expenses	**(62.3)**	(68.1)	(69.1)	9.8%
EBITDA	**51.7**	52.6	53.9	(4.1%)
UNPAT	**34.8**	35.5	38.2	(8.9%)
Net Revenue margin (bps) *(Annualised Net Revenue as a % of FUMA)*	**24.9 bps**	25.1 bps	24.9 bps	0.0 bps
EBITDA margin (bps) *(Annualised EBITDA as a % of FUMA)*	**11.3 bps**	11.0 bps	10.9 bps	0.4 bps
Closing FUM ($b)	**83.8**	92.3	98.8	(15.2%)
Average FUM ($b)	**90.9**	96.8	97.9	(7.1%)
Net flows – excl JANA ($b)	**0.1**	(0.5)	(0.2)	n/m
Net flows ($b)	**(1.5)**	(0.5)	(1.4)	11.6%

Actuals 1H23 v 1H22:

- Net revenue decline a result of lower average FUM from negative market returns, reduction in private equity performance fees and divestment of Presima in June 2022
- Lower operating expenses due to synergy benefits and the divestment of Presima
- Net revenue margin flat reflecting stable Asset Management client base and the fixed bps nature of most fee structures
- Lower closing FUM driven by negative investment returns and transition of JANA's implemented consulting clients to an alternative provider in late 1H23 ($7.6bn FUM); transition was part of commercial relationship reset with JANA investment Advisors (JIA), divestment of remaining 45% equity stake in JIA to JANA management was completed in January 2023
- Excluding JANA, net flows for the quarter were $0.1bn net inflow compared to $0.2bn net outflow in the prior comparative period
- Improvement in net flows was due to retail multi-asset inflows remaining robust and lower outflows in Direct Asset Management as a result of strong flows into Intermede

1H23 Segment Results | Corporate

Corporate	1H23 $m	2H22 $m	1H22[1] $m	1H23 v 1H22
Net Revenue	**0.0**	0.5	0.5	(100.0%)
Operating Expenses	**(31.8)**	(30.7)	(33.8)	5.9%
EBITDA	**(31.8)**	(30.2)	(33.3)	4.5%
UNPAT	**(36.8)**	(30.3)	(37.5)	1.9%

Actuals 1H23 v 1H22:

- Decrease in operating expenses due to synergy benefits offsetting annual remuneration increases and other CPI increases
- Decrease in UNPAT reflects an increase in funding costs partially offset be a lower impairment charge and lower expenses

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Notes: (1) Finalisation of the purchase price allocation (PPA) for the MLC business has resulted in a number of adjustments recognised retrospectively in the comparative reporting period.

NPAT to UNPAT Reconciliation

	1H23 $m	1H22[1] $m
Profit/(Loss) for the year	45.1	27.0
Profit from discontinued operations	(48.4)	(5.0)
Profit/(Loss) from continuing operations	**(3.3)**	**22.0**
UNPAT adjustments:		
Transformation and integration	57.6	47.2
P&I Separation	*15.5*	*9.1*
MLC Separation (Tech)	*24.8*	*21.1*
MLC Separation (Non Tech)	*17.3*	*17.0*
Amortisation of intangible assets	40.8	42.0
Remediation costs	17.9	27.5
Project Evolve21 costs	-	7.5
Project Evolve23 costs	8.7	-
Legal Settlement	-	5.0
Fair value changes on financial instruments	10.2	(4.9)
Income tax attributable	(37.5)	(32.4)
UNPAT from continuing operations	**94.4**	**113.9**
UNPAT from discontinued operations	4.2	5.7
Group UNPAT	**98.6**	**119.6**

- Profit from discontinued operations reflects the gain from sale of AET, completed in November 2022
- Transformation and integration increase mainly due to additional expenses incurred in separation of the P&I business from ANZ, completed in October 2022
- MLC Separation (Tech) comprises workplace IT solutions, business applications and lift & shift
- MLC Separation (Non Tech) comprises transformation resourcing, procurement, Transitional Services Agreement (TSA) exit costs, property, Advice 2.0
- Evolve21 was completed in 1H22
- Evolve23 commenced in 2H22 and is the migration of the MLC branded wrap products to the Evolve technology platform
- Fair value changes on financial instruments reflects the gains / losses from fair value movements on financial instruments held at fair value through the profit and loss

Notes: (1) The purchase price allocation (PPA) for the MLC business acquired on 31 May 2021 was finalised in FY22. This resulted in an increase in identified intangibles acquired, the recognition of amortisation on identified intangibles, the recalculation of goodwill associated with the acquisition and adjustments to related income tax balances. These adjustments have been recognised retrospectively in the comparative reporting period.

FUMA Summary

Reconciliation of FUMA and flows on total and ex.AET and ex.JANA basis

		All Amounts $m	FUMA 30-Jun-22	Net Flow	Internal Transfers	Pensions	Market/ Other	FUMA 31-Dec-22
1H23	Platforms	Funds under Administration (ex.AET)	198,228	(142)	0	(1,453)	4,683	201,314
		AET	6,938	11	0	(6)	(6,942)	0
		Total Funds under Administration	**205,166**	**(131)**	**0**	**(1,459)**	**(2,259)**	**201,314**
	Asset Management	Funds under Management (ex.JANA)	82,653	86	1,483	0	(434)	83,788
		JANA	9,693	(1,602)	0	0	(8,091)	0
		Total Funds under Management	**92,346**	**(1,516)**	**1,483**	**0**	**(8,525)**	**83,788**
	Total	**Total FUMA (ex JANA/AET)**	**280,881**	**(58)**	**1,483**	**(1,453)**	**4,249**	**285,102**
		Total FUMA	**297,512**	**(1,649)**	**1,483**	**(1,459)**	**(10,784)**	**285,102**

		All Amounts $m	FUMA 30-Jun-21	Net Flow	Internal Transfers	Pensions	Market/ Other	FUMA 31-Dec-21
1H22	Platforms	Funds under Administration (ex.AET)	213,671	(993)	1	(1,463)	8,226	219,440
		AET	7,343	51	0	(21)	181	7,554
		Total Funds under Administration	**221,014**	**942**	**1**	**(1,484)**	**8,407**	**226,994**
	Asset Management	Funds under Management (ex.JANA)	85,803	(197)	3	0	2,217	87,825
		JANA	11,888	(1,161)	0	0	293	11,020
		Total Funds under Management	**97,691**	**(1,358)**	**3**	**0**	**2,510**	**98,845**
	Total	**Total FUMA (ex JANA/AET)**	**299,474**	**(1,190)**	**4**	**(1,463)**	**10,443**	**307,265**
		Total FUMA	**318,705**	**(2,300)**	**4**	**(1,484)**	**10,917**	**325,839**

Glossary

Term	Definition	Term	Definition
1H23	Half Year ended 31 December 2022	FY	Financial Year
2H22	Half Year ended 30 June 2022	IOOF	IOOF business pre-acquisition of ANZ P&I and MLC
1H22	Half Year ended 31 December 2021	K	Thousand
ALs	Ex-ANZ Aligned Licensees	M	Million
b	Billion	NPAT	Net Profit after Tax
cps	Cents per share	ORFR	Operational Risk Financial Requirement
CTI	Cost-To-Income	PCP	Prior Comparative Period
DPS	Dividend per share	PF	Pro Forma
DRP	Dividend Reinvestment Plan	P&I	Ex-ANZ Pension & Investments business
EBITDA	Earnings before interest, tax, depreciation & amortisation	RSE	Registrable superannuation entity
EPS	Earnings per share	TSA	Transitional Services Agreement
FUA	Funds under Administration	UNPAT	Underlying Net Profit after Tax
FUM	Funds under Management	YFYS	Your Future Your Super
FUMA	Funds under Management and Administration	YoY	Year on year

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Insignia Financial provides advisers and their clients with the following services:

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- Advice services via our extensive network of financial advisers; and
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Investor Enquiries:

Andrew Ehlich
GM Capital Markets
Insignia Financial
M: +61 407 223 044
E: andrew.ehlich@insigniafinancial.com.au

Media Enquiries:

Kristen Allen
GM Corporate Affairs
Insignia Financial
M: +61 412 759 753
E: kristen.allen@insigniafinancial.com.au