

22 February 2019

FY19 First Half

Results Presentation and Strategy Update

Centrepont Alliance Limited



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All numbers are as at 31 December 2018 unless otherwise stated. Numbers may not add up due to rounding.

Summary

- Strong profit turnaround, with Group net profit of \$1.7m before tax for 1H19, resulting from consistent operating earnings and significantly reduced legacy claims
- Financial advice market offers significant opportunities for quality scale providers
 - Structural demand for advice remains strong in the Australian community
 - The industry is dislocating and going through a structural re-set
 - Centrepont uniquely positioned as a quality licence operator and service provider to self-licenced firms
- Strong delivery momentum against Strategic Refresh
 - Well placed to launch new advice and business service offering in the second half, in line with plan
 - Royal Commission recommendations largely anticipated and catered for in new business model and service offer announced in August 2018
- Outlook – industry and Centrepont are going through a transition that will see a vastly re-shaped industry in 3-5 years, with significant opportunities for quality scale providers

Financial Results



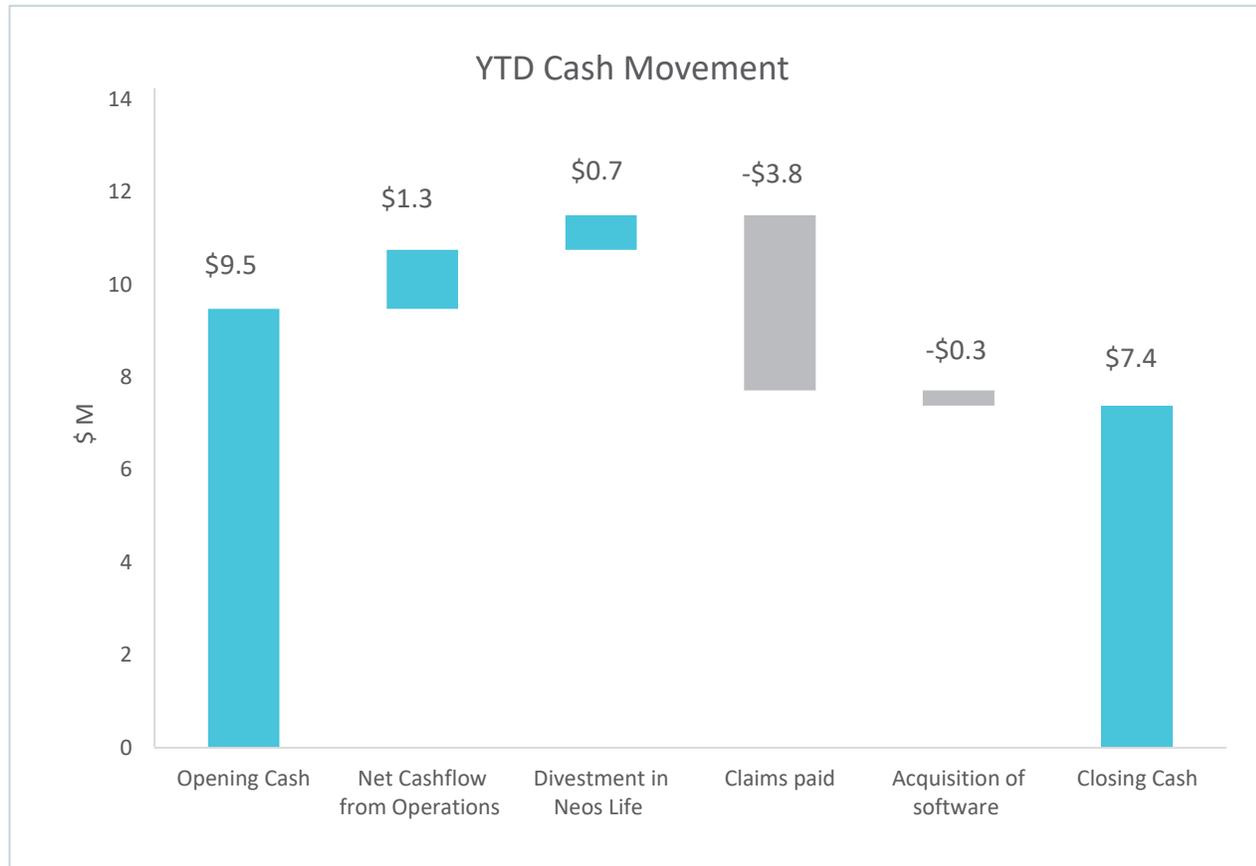
1H19 Financial Results

\$m	Total		
	1H18*	2H18	1H19
Gross Profit	16.0	16.3	16.1
Management Expenses	(13.6)	(13.2)	(14.0)
EBITDA (excluding one-off adjustments)	2.4	3.1	2.1
Cost to income ratio	85%	81%	87%
Royal Commission and Restructuring	(0.1)	(1.7)	-
Legacy claims	(3.7)	(1.7)	0.1
EBITDA	(1.4)	(0.3)	2.2
Depreciation, amortisation, impairment	(0.4)	(1.2)	(0.5)
Profit/(loss) before tax	(1.9)	(1.5)	1.7
Tax	0.6	(4.0)	(1.6)
Net profit/(loss) after tax	(1.3)	(5.5)	0.1

*1H18 prior year comparative restated. Refer slide 34

- Strong turnaround in profitability
- Profit before tax of \$1.7m, due to:
 - Material reduction in further client claims provision
 - EBITDA of \$2.2m, compared to a loss of \$1.4m in the prior comparable period

Cash flow



- Closing cash position of \$7.4m
- \$1.3m Cashflow from operations
- \$3.8m paid in legacy claims, previously fully provisioned
- Divestment in Neos Life \$0.7m
- Strategic Refresh investment in digital and data foundations

Group balance sheet

\$m	30/06/2018	31/12/2018
Cash & Term Deposits	9.5	7.4
Intangible Assets & Goodwill	1.7	1.7
Other Assets	26.9	25.0
Total Assets	38.1	34.1
Total Liabilities	19.1	15.4
Net Assets	19.0	18.8
Net Tangible Assets	12.5	13.8
Net Tangible Assets (cents per share)	8.0	9.3

- Increase in tangible assets following payment of claims over the period and operating earnings accumulated in the half
- Other Assets includes \$3.3m in deferred tax assets (FY18: \$4.9m)
- Neos investment restructuring in December 2018, results in \$6.3m loan to be re-paid in bi-annual instalments
- Neos impact from Royal Commission recommendations expected to be minimal

Claims & Adviser Service Fee Remediation

Legacy Claims

- No significant new legacy claims in the period
- As at 31 December 2018 an overall provision of \$1.8m continued to be held, provisioned for in prior Financial Years

Adviser Service Fees

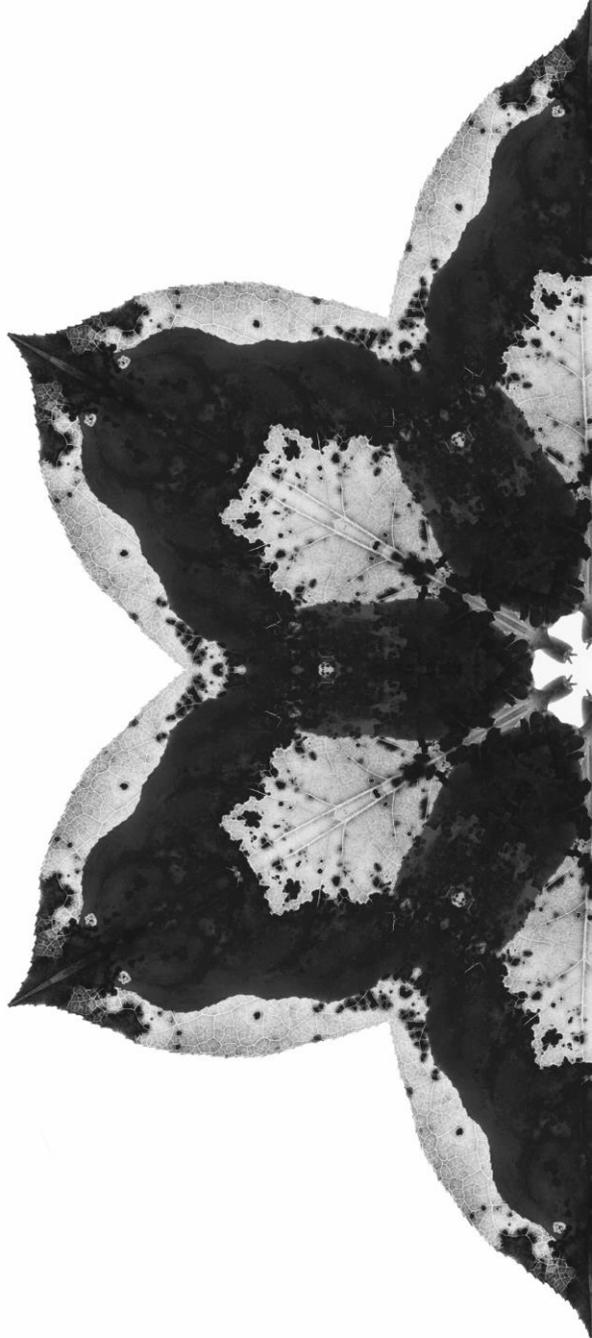
- Proactive assessment process of network advisers commenced at the end of 2018
- Given the early stage of the network assessment, it is not practicable to provide a cost estimate of potential remediation at this point
- Remediation provision was made for xseedwealth (in-house planning business) at the end of FY18. Close to half of this provision has been refunded to clients in the first half of FY19

Grandfathered rebate analysis

Rebates	1H18	2H18	1H19
Total Rebate \$k	6,575	6,554	6,171
Insurance Rebate \$k	2,096	1,712	1,641
Platform Rebate \$k	4,479	4,842	4,530
Number of Advice Firms	491	472	469

- \$6.2m was received in the half from ‘grandfathered’ rebate revenue
- We expect product providers to phase out these rebates over the next 2 years by either
 - replacing old products with new ‘naked price’ products; and/or
 - return the rebate funds directly to investors through price changes
- The Strategic Refresh program is addressing the loss of these fees through restructuring of AR fees to be on the basis of direct service fees (transparent fee for service). This will be phased in over the next 18 months and planning for this transition commenced under Strategic Refresh, announced in August 2018.

Strategy Update



1H FY19

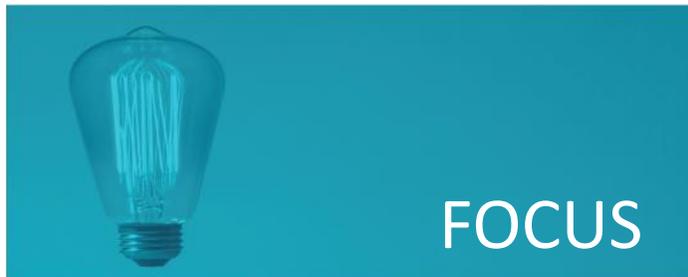
a strategic refresh

CENTREPOINT
ALLIANCE

“Building the future of advice to deliver quality outcomes for advisers and their clients.”

Our strategy will ensure Centrepont is the lead provider of advice and business services to the financial adviser community

STRATEGIC REFRESH



Focus on our community of advisers and the value financial advice brings to the Australian Community



Recreate a new offer that will position Centrepont as a leader in the provision of advice and business services



Grow differently and aggressively to build scale as the industry dislocates

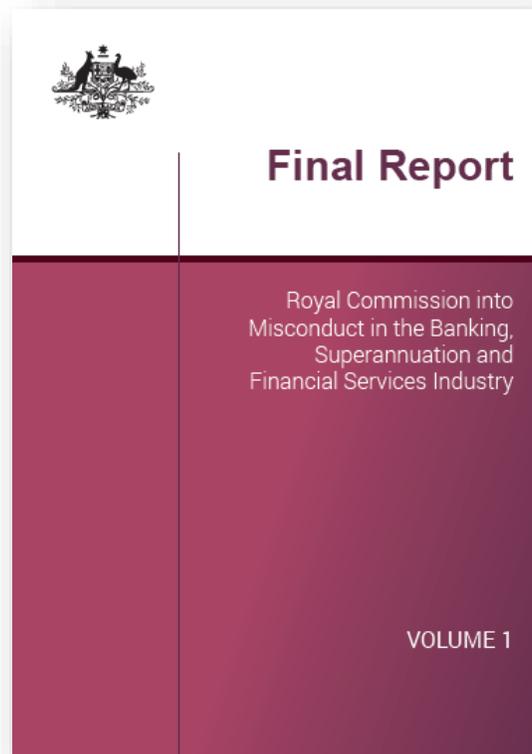
The Strategic Refresh announced last August has set us on the right path to meet the recommendations from the Hayne Royal Commission

Grandfathered
conflicted
remuneration

to cease by 1 Jan 2021

Ongoing Fee
Arrangements

- annual instead of biennial
- authority to deduct



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Absence of
independence

to be explained to
customers

Regulatory
enforcement

Why not litigate ?

The themes we flagged six months ago...



1
Boomers and
HENRYs'



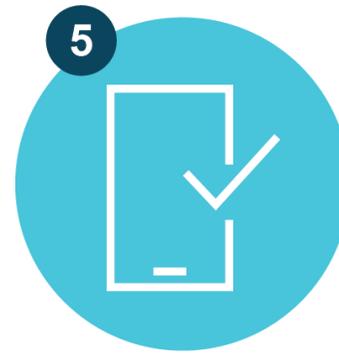
2
Social licence to
operate



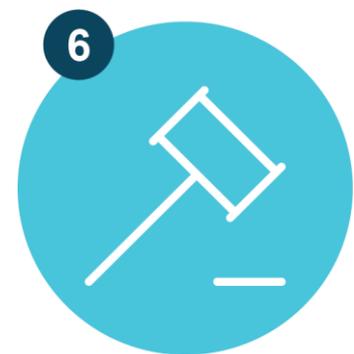
3
Game-
changing
technology



4
Business
models in flux



5
Raising
the bar

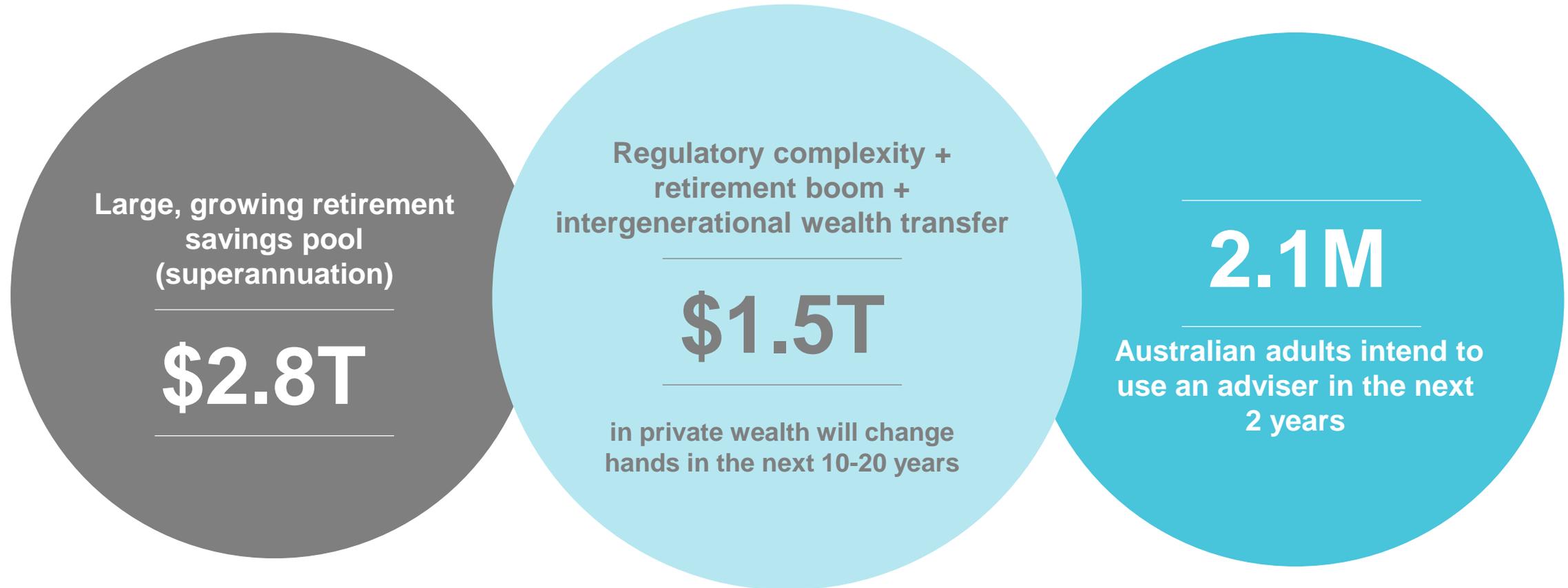


6
Power of the
iron fist

... are more **relevant** than ever.

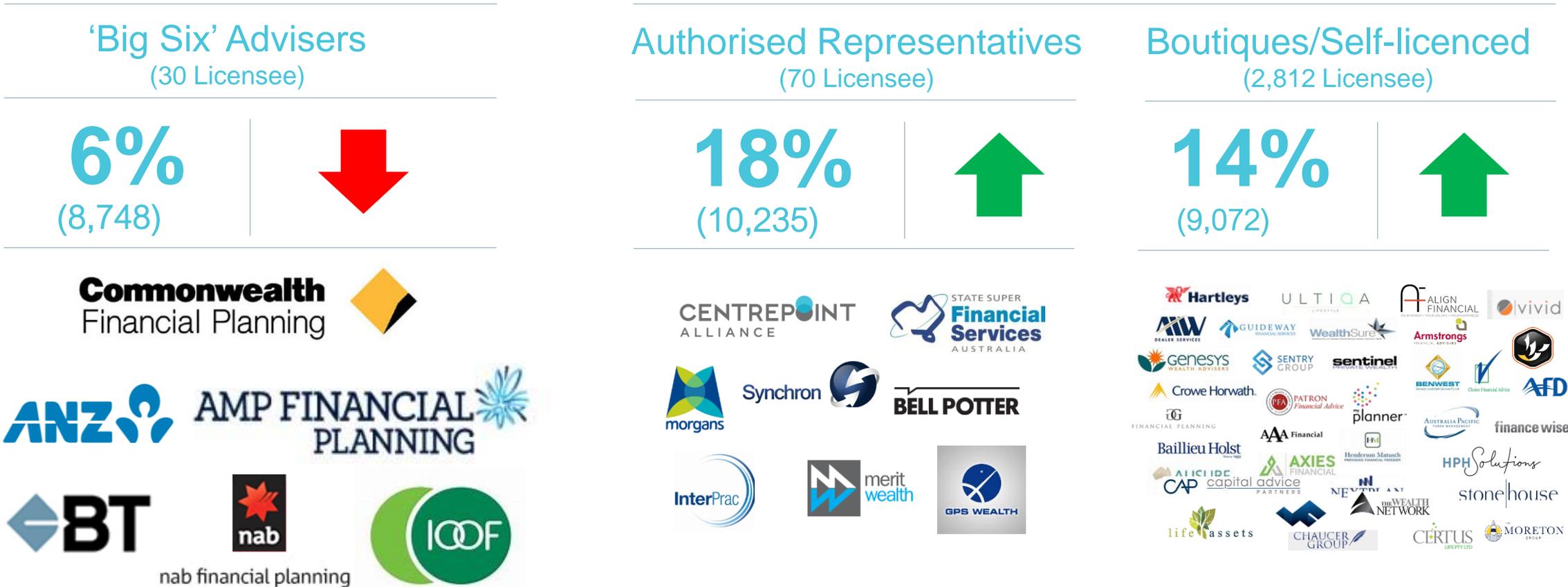
(Baby) Boomers: those born between 1946 and 1965
HENRYs: High Earners Not Rich Yet

Underlying demand for financial advice remains attractive



Sources: Superannuation assets - Superannuation statistics ASFA January 2019; Australian Financial Review 'Largest Intergenerational Wealth Transfer to Come' 6/12/17; Estimation of demand for financial advice – Investment Trends 2018 Financial Advice Report

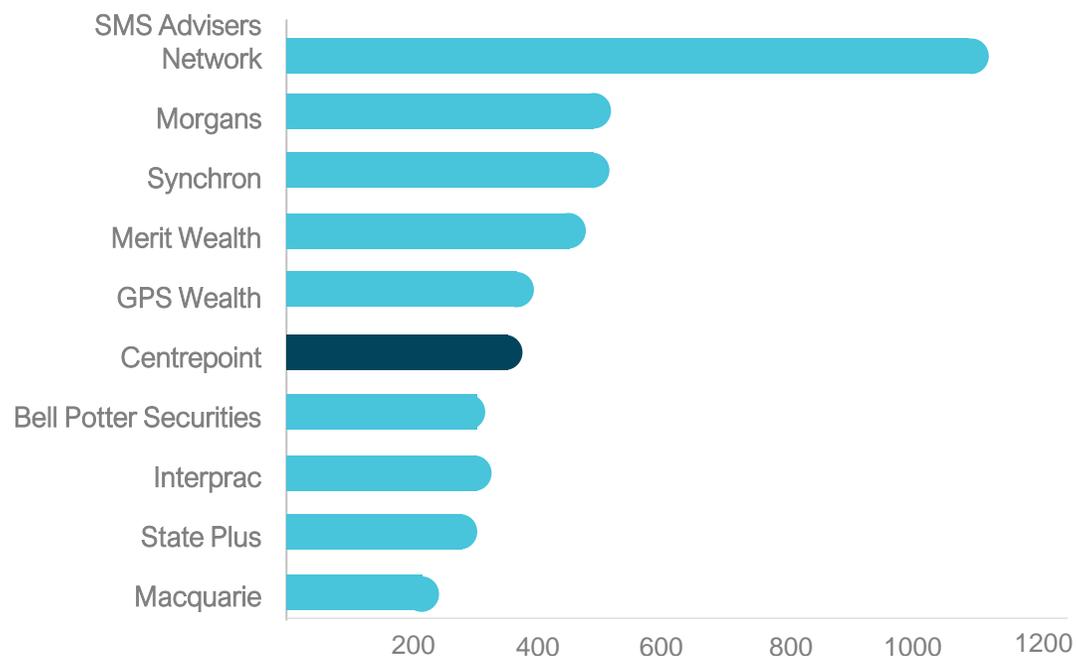
The supply side of the market is undergoing significant disruption



Note: 'Big Six' relates to the four major banks, AMP and IOOF. Authorised Representatives captures number of advisers at licensees with 50 or more advisers; Boutiques/Self-licenced captures number of advisers at licensees with less than 50 advisers; Growth rates shown above are for 18 months (i.e. 1HFY19 vs 2HFY17)
Sources: ASIC Financial Advisers Datasets as of 01/01/2019 and 01/07/2017

Centrepoint is in a unique position - the only quality scale provider servicing both growth segments

Authorised Representatives



No. 6 player

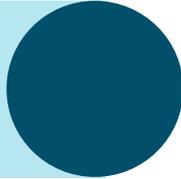
Boutiques/Self-licenced

Advice firm size		Market	Centrepoint	% share
< 5 ARs	Licences	2,296	150	7%
	Advisers	2,628	316	12%
5-19 ARs	Licences	432	61	14%
	Advisers	3,776	517	14%
20-49 ARs	Licences	84	11	13%
	Advisers	2,668	361	14%

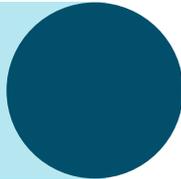
14% reach

Financial advisers **are seeking a quality partner** to help manage their businesses efficiently and confidently in this changing landscape

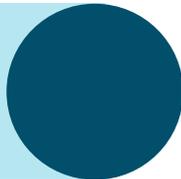
Enhance their status as a trusted adviser



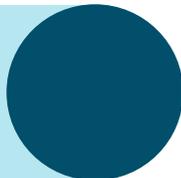
In a highly regulated industry, reassurance that their individual and business obligations are met



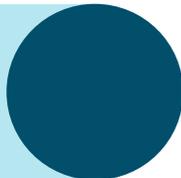
Save advisers time and money to focus on their core



Save their clients money and deepen trust through delivery of quality experiences



Reassurance of being part of an organisation that cares about and is focused on advice



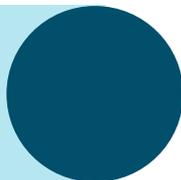
Centrepoint's offer makes us an attractive proposition for advisers

Enhance their status as a trusted adviser



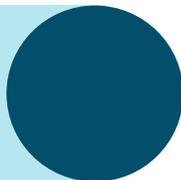
Not owned or controlled by a product manufacturer

In a highly regulated industry, reassurance that their individual and business obligations are met



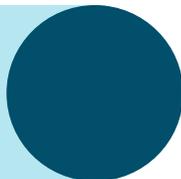
Commitment and ongoing investment in providing industry leading legal, governance & compliance capability

Save advisers time and money to focus on their core



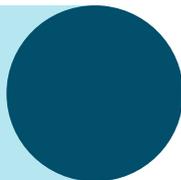
Scalable advice and business services, enabled by technology

Save their clients money and deepen trust



Scale benefits of over 2,000 advisers and 230 licensees leveraged to reduce cost to client

Reassurance of being part of an organisation that cares about and is focused on advice



A non-institutional, ASX listed, capitalised business dedicated to the advice industry

Quality and scale validates that Centrepont will increasingly be attractive in a disrupted and increasingly scrutinised market

The new advice market reality

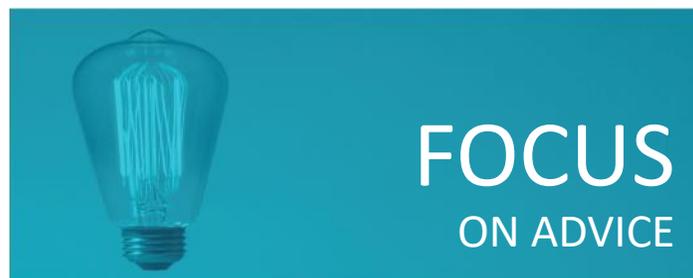
- A financial advice licence has a legal obligation to operate efficiently, honestly, and fairly under section 912A of the Corporations Act
- In the wake of the Hayne Royal Commission, ASIC and APRA have hardened their enforcement philosophy, with a ‘why not litigate?’ approach, as well as legislation being passed that increases individual and corporate penalties
 - As an early indication of change, since 1 February 2018 there has been a 15% increase in the number of ASIC enforcement investigations on foot and a 50% increase in the number of ASIC enforcement investigations of misconduct by large financial institutions (or their employees or subsidiary companies)*.
- The costs, time and personal risk associated with individually operating as a self-licenced financial adviser are significantly greater than operating under a quality licence with scale as an Authorised Representative, due to:
 - Individually having to engage with greater than 15 vendors, despite still being responsible for the risk
 - Working with six regulators
 - Maintaining training, technical and compliance support at a higher bar to fulfil legal obligation to operate efficiently, honestly, and fairly, in addition to normal operating costs and increasing technology investments

Centrepont has the scale to invest in and deliver high quality advice services at a cost less than an adviser can acquire them for individually, with the added reassurance of being part of a quality adviser community

Strong momentum has been built delivering Centrepoint's Strategic Refresh over the last six months

1H FY19

2H FY19



- ✓ Conduct portfolio review of businesses
- ✓ Implement new organisation structure
- ✓ Build new relationship Service Model
- ✓ Review adviser governance and standards

- Introduce new governance and standards framework
- ✓ Launch education transition support model
- Harness internal data for efficiency gains



- ✓ Design new Centrepoint Service Offering
- ✓ Create new advice life-stage segments
- Introduce new pricing packages and bundles
- ✓ Create long-term data ecosystem strategy

- Launch new Centrepoint Service Offering
- Develop 'transition' package for advisers moving to the new model
- ✓ First stage of data ecosystem built with new Adviser Portal



- ✓ Identify targeted segments for growth
- ✓ Aligned (licenced) adviser community
- ✓ Self-licenced business partnerships

- New package take-up in aligned advice practices
- ✓ Grow packages and unbundled offering in self-licenced advice community

Centrepoint's new offer provides differentiated support to advisers and takes advantage of the unfolding market disruption

BUSINESS MANAGEMENT SERVICES

- BUSINESS COACHING
- ACQUISITION AND SUCCESSION
- PARTNERED SERVICES
- DASHBOARD REPORTING
- HR SUPPORT
- LEGAL SUPPORT
- PEER GROUP FACILITATION
- CASHFLOW TOOLS

- CLIENT MARKETING
- CLIENT FACING ADVICE TOOLS
- WEBSITE DESIGN AND DEVELOPMENT
- CLIENT EDUCATION
- LEAD GENERATION
- CLIENT SEGMENTATION AND PRICING

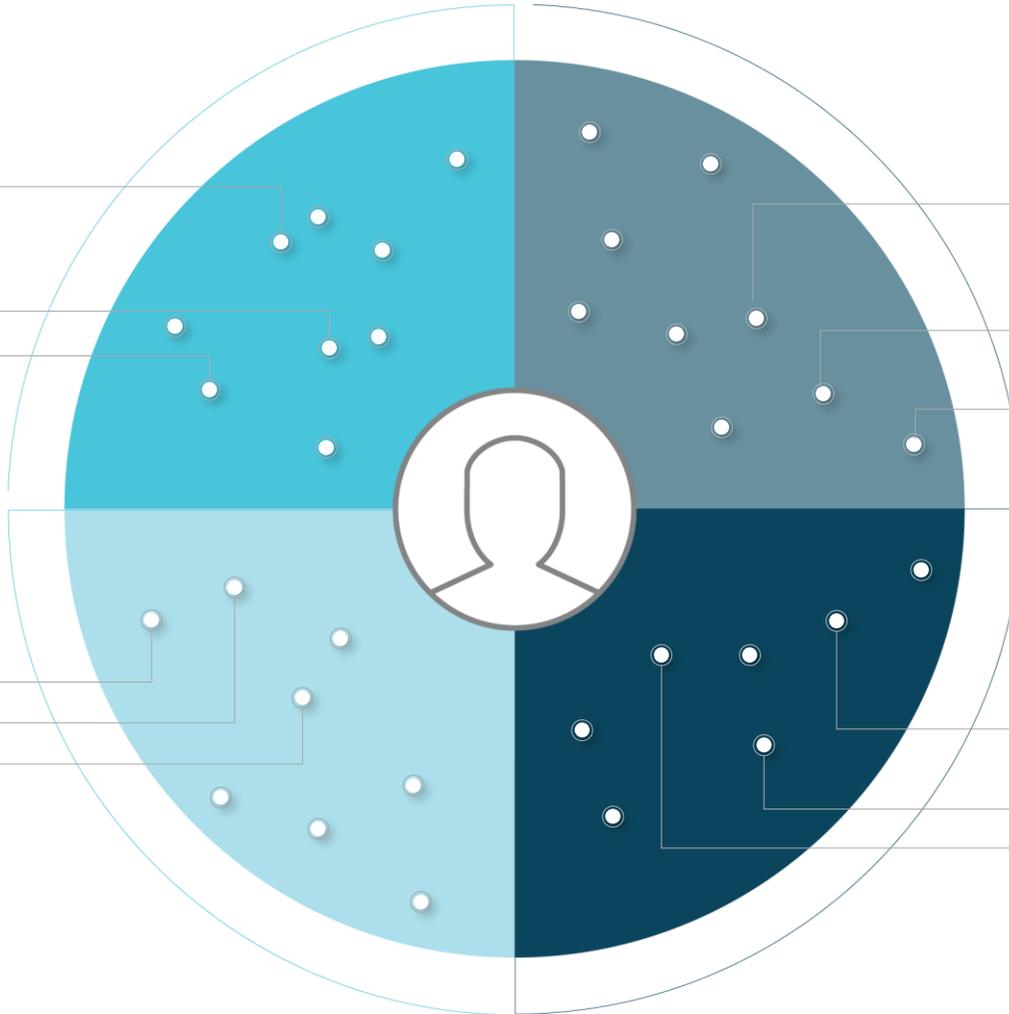
CLIENT GROWTH SERVICES

LICENSEE SERVICES

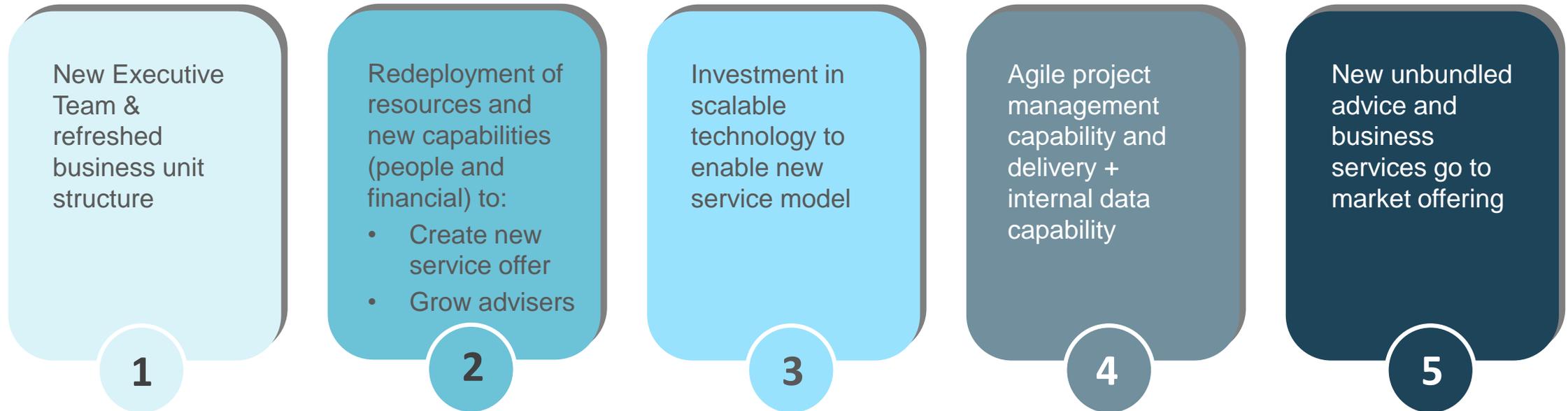
- NEW AFSL SETUP
- GOVERNANCE AND COMPLIANCE
- RESPONSIBLE MANAGER TRAINING
- LICENSEE REVIEWS
- FILE AUDITS
- ADVICE POLICY & PROCEDURE
- AFSL AUDITS

- ADVISER EDUCATION
- CLIENT COMMUNICATION
- TECHNICAL SUPPORT
- RESEARCH SERVICES
- INVESTMENT SOLUTIONS
- TRAINING/WEBINARS
- ADVICE TECHNOLOGY
- ADVICE HELPDESK

ADVICE SERVICES



All aspects of Centrepont's business are changing to deliver value to advisers and respond rapidly to opportunities



Executive team – track record and experience to deliver



Angus Benbow
Chief Executive Officer

- 20 years in wealth management and strategic leadership



Soula Cargakis
Group Executive Advice

- 20 years in financial services
- 15 years at Centrepoint
- Founded AAP



Paul Cullen
Group Executive Advice Services

- 27 years in financial services
- Seasoned Advice Industry Executive



Natalie Ellisdon
Chief Technology & Marketing Officer

- 15 years in digital innovation & marketing
- Australian Unity, iSelect, GE Capital



Marty Carne
Chief Legal Officer

- 25 years in financial services
- Formerly a Director of Enforcement & Surveillance at ASIC



Peter Loosmore
Chief Financial Officer (interim)

- 30 years in financial services
- Seasoned CFO across Wealth and Advice Industry



Anthony Collins
Group Executive People & Transformation

- 20 years in financial services
- Sales, data, marketing and strategic change

150 years combined experience in strategic transformation, digital enablement and advice industry

Summary

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 - Well placed to launch new advice and business service offering in the second half, in line with plan
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- Outlook – industry and Centrepont are going through a transition that will see a vastly re-shaped industry in 3-5 years, with significant opportunities for quality scale providers

Appendices



Centrepont's advice network

143 (WA)	
Self Licenced	98
Corp – Licenced	39
Salaried	0
Mortgage Brokers	6

213 (SA)	
Self Licenced	169
Corp – Licenced	32
Salaried	0
Mortgage Brokers	12

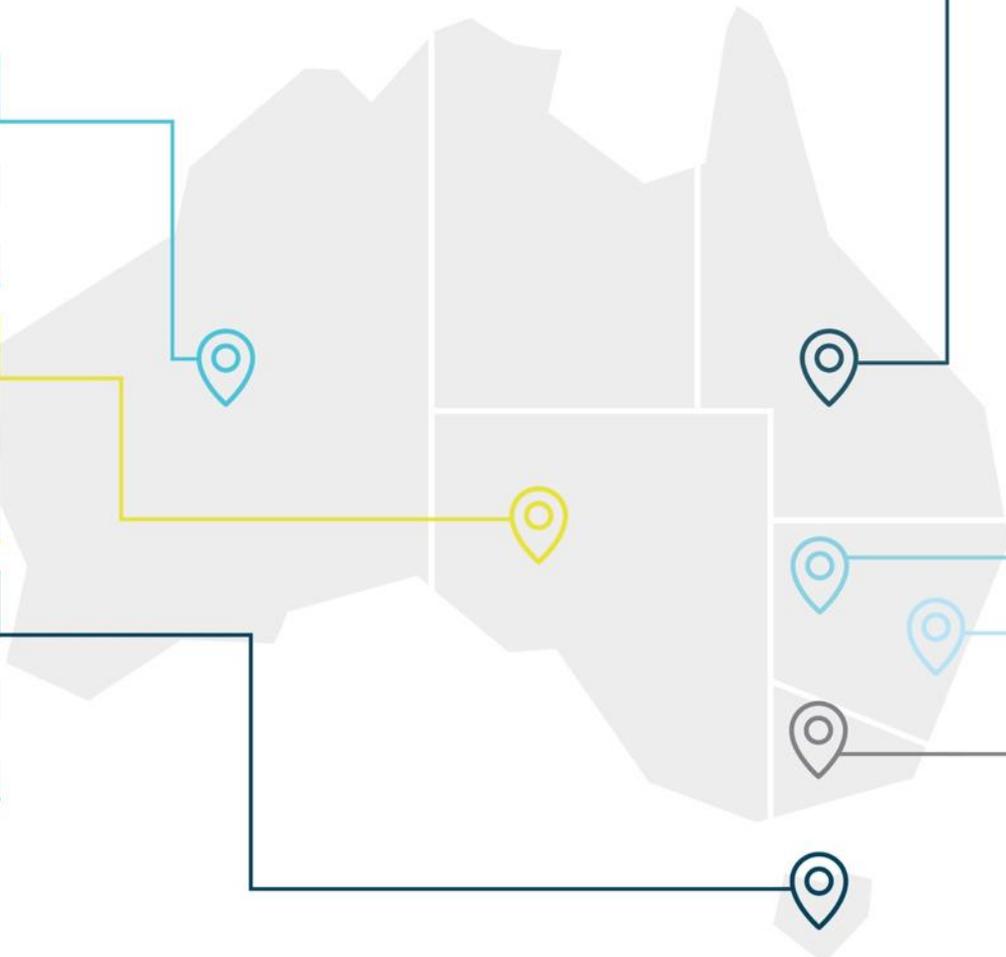
23 (TAS)	
Self Licenced	7
Corp – Licenced	16
Salaried	0
Mortgage Brokers	0

868 (QLD)	
Self Licenced	672
Corp – Licenced	128
Salaried	2
Mortgage Brokers	66

603 (NSW)	
Self Licenced	498
Corp – Licenced	65
Salaried	3
Mortgage Brokers	37

17 (ACT)	
Self Licenced	8
Corp – Licenced	0
Salaried	0
Mortgage Brokers	9

735 (VIC)	
Self Licenced	644
Corp – Licenced	66
Salaried	0
Mortgage Brokers	25



1H19 Operating segment results

\$m	Funds Management and Administration			Licensee and Advice Services			Corporate			Total		
	1H18	1H19	1H19 v 1H18	1H18	1H19	1H19 v 1H18	1H18	1H19	1H19 v 1H18	1H18*	1H19	1H19 v 1H18
Statutory Revenue	6.5	6.8	5%	55.5	53.3	-4%	0.1	0.1	0%	62.1	60.2	-3%
Gross Profit	4.2	4.6	10%	11.7	11.4	-3%	0.1	0.1	0%	16.0	16.1	1%
Operating Expenses	2.1	1.8	14%	9.6	9.4	2%	1.9	2.8	-47%	13.6	14.0	-3%
EBITDA (excluding one off adjustments**)	2.1	2.8	33%	2.1	2.0	-5%	(1.8)	(2.7)	-55%	2.4	2.1	-14%

*1H18 prior year comparative restated. Refer slide 34

** Excludes legacy claims costs, Restructure costs and Royal Commission costs

- Funds Management and Administration EBITDA is \$2.8m (33% increase from 1H18) attributed to higher settlement and management fees together with lower expense (Presidium cost present in FY18)
- Licensee and Advice Services:
 - Licensee & Advice Services gross profit is impacted by grandfathered rebate revenue run off
 - Expense reduction in Licensee & Advice Services is driven by headcount vacancy savings, and minimal Royal Commission expense in 1H19
- Corporate expense increased as a result of strategy refresh program

Supporting professional advisers

Key Performance Indicator	FY17	FY18	1H19
Number of New High Quality Firms (Gross)	39	37	16
Number of Advice Firms	483	476	469
- Corporate Firms	251	240	237
- AAP Firms	232	236	232
Advice Revenue per Corporate Firm (\$k)	22.6	23.1	23.9
Revenue per Self Licenced Firm (\$k)	28.7	30.7	32.6
Services Revenue (\$k)	1,788	2,058	1,306

- Ongoing recruitment success with 16 high potential firms recruited
- Reduction in the number of Advice Firms reflects the strategy of targeting and retaining only High Quality firms
- Increasing average revenue per firm
- Increasing services revenue through additional services to advisers

Firm segment analysis

Key Performance Indicator	Firms FY18	AR's FY18	Firms Ceased	Firms New	Firms Dec 18 CLOSE	AR's Dec 18 CLOSE	Firms Variance	AR's Variance
Corporate Licence	240	338	(14)	11	237	351	(3)	13
High Quality Firms	141	234	(7)	11	145	253	4	19
Value	99	104	(7)	0	92	98	(7)	(6)
Self Licence (Normal)	230	986	(8)	5	227	1,194	(3)	208
High Quality Firms (Normal)	71	460	(3)	5	73	505	2	45
Value (Normal)	159	526	(5)	0	154	689	(5)	163
Self Licence (XL)	6	773	(1)	0	5	902	(1)	129
High Quality Firms (XL)	4	643	(1)	0	3	734	(1)	91
Value (XL)	2	130	0	0	2	168	0	38

Self Licence (Normal) firm movement includes 2 firms moved from Corporate Licenced

- 16 High Quality Firms recruited (Corp Licence 11 and Self Licence 5)
- Overall increase in adviser numbers with decline in Value segment reflecting increasing standards
- 2,447 adviser in Group (Corp Licence 351*, Self Licence 2,096)
- Self licence advisers growing strongly

Funds under management and administration

Key Performance Indicator	1H17	2H17	1H18	2H18	1H19
Gross Funds Inflows (\$m)	161	161	155	156	123
Net Funds Flow (\$m)	66	59	65	57	5
Funds Under Management (\$m)	881	970	1,065	1,114	1,067
Gross Platform Inflows (\$m)	363	419	369	376	351
Net Platform Flows (\$m)	115	106	49	120	45
Platform Funds (\$m)	2,512	2,694	2,815	2,951	2,850
Total Funds under Management and Administration	3,393	3,664	3,879	4,065	3,917
Net Margin (bps)	23.7	22.7	22.3	21.4	23.3

- FUMA increased by 1% (vs 1H18) and decreased by 4% (vs 2H18), impacted by market movements and outflows
- Managed Account FUMA growing at 23% to \$538m in 1H19 (vs 1H18)
- Net Flows impacted by runoff in legacy platforms.
- Net margin increased from prior period due to higher managed accounts income and run-off of low margin funds.

Claims Overview

	1H 19							
	Specific Adviser		Legacy claims		Non-legacy		Total	
	Number	\$m	Number	\$m	Number	\$m	Number	\$m
Opening claims	20	0.9	11	2.9	9	0.3	40	4.2
New claims	14	0.7	3	0	13	0.0	30	0.7
Resolved claims	23	1.1	5	2.3	9	0.3	37	3.7
Closing Claims	11	0.5	9	0.7	13	0.0	33	1.2
IBNR		0.0		0.6				0.6
Claims Provision		0.5		0.7		0.0		1.2
Total Provision								1.8

- Claims Provision balance as at 31 December 2018 is \$1.8m comprising \$1.2m of Legacy claims* and fees incurred and an Incurred But Not Reported (IBNR) of \$0.6m.
- Impact on profit, of legacy claims movements in the period was a gain of \$0.1m. Cash settlements during the period (excluding non-legacy) were \$3.3m.

*Legacy claims relate to claims incurred prior to 1 July 2010

Accounting partnerships and insurance business investments

Accounting partnerships RFE GROUP

- RFE continues to establish new joint ventures and clients
- Centrepont has provided funding of \$1.2m (12%) in a convertible note and \$1.5m (15%) equity stake in RFE
- In FY18 RFE generated \$1.2m in revenue and it has adjusted its business model to reduce the growth strain
- Centrepont has further reduced the value of its investment in RFE from \$0.6m to nil with a reassessment of current and projected levels of profitability

Life insurance partnerships



- Neos Life is a new Australian life insurance business focused solely on the advised life insurance market
- Centrepont's current investment in Neos Life is \$6.3m, and declined to take up an additional option in the period
- Convertible note of \$5m was replaced with a new loan agreement repayable in five repayments on or by 30 June 2021
- The 5% interest Centrepont held in Neos has been sold to a related party of Neos at book value, with 0.75m settled in the half and the balance due by 31 December 2021
- The impact of the Royal Commission findings on the business is expected to be limited

Prior period comparative adjustments

\$m	Half year to 31 Dec 2017 previously reported	Adjustment	Half year to 31 Dec 2017 restated
Condensed consolidated statement of profit or loss			
Interest income	1.1	(0.8)	0.3
Total revenue	16.8	(0.8)	16.0
Total expenses	(17.9)	0.0	(17.9)
Net loss before tax	(1.1)	(0.8)	(1.9)
Income tax benefit	0.3	0.2	0.6
Net loss after tax	(0.8)	(0.6)	(1.3)

- During the period, it was identified that a receivable under the Centrepnt Alliance Employee Share Plan in the 31 December 2017 and the 30 June 2018 financial reports was incorrectly recognised.
- Associated prior period adjustments are reflected in the table.

Authorised representatives: a new business model is critical

Authorised representatives (ARs)

Characteristics

- Group of advisers not owned/controlled by a product-owned financial institution
- Fragmented market – top 5 players hold less than 30% of market share
- High concentration of ARs across Top 5 groups are mix of accountants and financial advisers
- Revenue model remains largely driven by grandfathered volume rebates and vertically integrated products

Disruption

- ARs expected to decline as education standards become an onerous and costly hurdle to address
- Revenue models significantly impacted; especially those with a heavy reliance on conflicted remuneration
- Increased scrutiny from Regulators due to widespread prevalence of inadequate systems and frameworks
- Increased investment and operational improvement



Advice core offering



Governance & compliance reassurance



Scale benefits for advice businesses



Focus on client best interests



Corporate strength, but not an institution

Opportunity for CAF

to be the leading player offering scale and facilitating adoption of a sustainable business model

Sources: ASIC Financial Advisers Dataset as of 1/01/2019; Centrepoint analysis

Boutiques/Self-licenced: seek scale and expertise from a partner

Boutique/ Self-licenced

Characteristics

- Advisers with own licence
- Has seen strong growth in recent years
- Highly fragmented – over 70% of firms have fewer than 20 advisers
- Lack corporate structure to efficiently manage licence risk or operations
- Typically assume role of licensee as well as being adviser and business owner

Disruption

- Increased scrutiny from Regulators to ensure compliance with licence requirements
- Cost of compliance to increase significantly as more stringent licence requirements are required to be fulfilled
- Segment decline likely as higher costs place pressure on business viability
- The licences responsibility in new world requires additional resources and expertise with more severe consequences for failure to comply



Advice core offering



Governance & compliance reassurance



Scale benefits for advice businesses



Focus on client best interests



Corporate strength, but not an institution

Opportunity for CAF

to be leading player offering scale and expertise to ensure compliance with licence requirements

Sources: ASIC Financial Advisers Dataset as of 1/01/2019; Centrepoint analysis

Regulatory and market forces that Centrepont is actively managing

	Legislative impact	Market impact
 Royal Commission into Financial Services	<ul style="list-style-type: none"> Royal Commission issued its Final Report on 1 February 2019. 	<ul style="list-style-type: none"> The Royal Commission highlighted Fees For No service as an industry wide problem. The Company has commenced a project to ascertain any cases of Fees For No Service and remediate. The financial impact of this is not yet known The changes regarding Fees for No Service will improve service levels provided by advisers and ensure clients receive value for their ongoing fees It is anticipated rebates will progressively cease over the coming 12-24 months This will enhance the industry's reputation by removing conflicts and improving transparency
 Professionalising Advice (FASEA)	<ul style="list-style-type: none"> National examination required to be passed by all current advisers by 1 January 2021 and studies completed by 1 January 2024 New advisers must meet requirements sooner 	<ul style="list-style-type: none"> FASEA will improve the industry's image It will improve the quality of advice to consumers Mature advisers are anticipated to leave the industry Centrepont will provide assistance to advisers to prepare for the FASEA exam Centrepont is analysing advisers' current education levels to determine the extent of study each adviser will be required to meet
 Australian Financial Complaints Authority (AFCA)	<ul style="list-style-type: none"> Australian Financial Complaints Authority has commenced operations 	<ul style="list-style-type: none"> AFCA can consider claims of up to \$1m (up from \$500k) and award compensation of up to \$500k (up from \$337k) Centrepont has a diminishing number and value of legacy complaints Non-legacy complaints are not significant and usually relate to lower values
 ASIC	<ul style="list-style-type: none"> Annual levy applies. Billing will commence in 2019 	<ul style="list-style-type: none"> Centrepont will recover annual ASIC levy via adviser fees Increased surveillance and greater effectiveness from the regulator is expected following the Royal Commission Centrepont will focus on developing risk management and a culture in line with regulator expectations
 Business models changing	<ul style="list-style-type: none"> Advisers trending away from institutions to mid-tier licences and self-licenced models 	<ul style="list-style-type: none"> Institutions ceasing advice offers. Opportunity for recruitment There is a trend of increasing numbers of advisers becoming self-licenced Increase in regulatory requirements and action for licensees, including self-licensees

Definitions

 Term	 Definition
Basic EPS	Basic Earnings per Share is NPAT divided by average number of ordinary shares
Contemporary Business Model	Includes assets and revenue in respect of self-licenced firms, Salaried Advice, Licenced Practices (flat fee model), Open Administration Platforms, Managed Accounts and Open Ventura Funds
Diluted EPS	Diluted Earnings per Share is NPAT divided by average number of adjusted for the effect of dilution
Direct Costs	Advice and financial product fees
EBITDA (excl. one off adjustments)	Earnings before interest, tax, depreciation and amortisation excluding legacy claims (claims related to advice pre 1/7/10), Restructure costs including CEO replacement costs, strategy and restructure costs, Royal Commission advice, review and actions arising
ETFs	An exchange-traded fund is an investment fund traded on stock exchanges
FASEA	Financial Adviser Standards and Ethics Authority
Firms	Accumulated total of corporate licenced Firms and self-licenced Firms in the Centrepoint Group
FoFA	Future of Financial Advice legislation
Funds under Advice ('FUA')	Funds upon which advisers associated with the Centrepoint group provide advice to clients
Funds under Distribution Agreements ('FUDA')	Funds under Distribution Agreements for which the business receives revenue
Funds under Administration ('FUAD')	Funds where advisers invest clients' monies on Centrepoint Administration Platform and Centrepoint derives fees as the responsible entity or as the promoter of badged investment administration solutions
Funds under Management ('FUM')	Funds where advisers invest clients' monies in Centrepoint Investment solutions including Managed Accounts and Centrepoint derives fees as the responsible entity or as the promoter of a badged funds management product
Funds under Management and Administration ('FUMA')	Funds under Advice, Funds under Administration and Funds under Management

Definitions

 Term	 Definition
Gross Profit	Revenue received less Direct Costs
LICs	Listed Investment Companies are a type of investment, incorporated as companies and listed on a stock exchange
Managed Accounts	Funds invested in Ventura Managed Account Portfolio Solutions (VMAPS), which is included in FUM and FUAD
MDAs	Managed discretionary account (MDA) is a service where a portfolio of investments is maintained discretion is provided to an investment manager to make decisions on that portfolio
Net Margin bps	FUMA Revenue divided by Average FUMA basis points
Net Tangible Assets	Total assets of a company, minus any intangible assets such as goodwill, patents and trademarks, less all liabilities and the par value of preferred stock
NPAT	Net Profit After Tax
Operating Expenses	Expenses excluding cost of sales, interest, depreciation and amortisation
PBT	Profit Before Tax
PCP	Prior corresponding period
PP	Prior period
Pre FoFA	Includes assets and revenue in respect of Licenced Practices (excluding flat fee model), closed Administration Platforms (Mentor, Blueprint & DPM), Closed Ventura Funds and Allstar Funds
Statutory Revenue	Revenue comprises financial advice and product margin revenue, service revenue and dividend and distribution income
ROCE	Return on Capital Employed is Profit after tax divided by Average equity
Royal Commission	The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, established 14 Dec. 2017
SMAs	Separately managed account is a customised share portfolio where the assets are owned by individual investors
Wealth	Funds management & administration, Licensee and advice solutions adjusted for legacy claims