

ASX Release – 24 October 2024

## Insignia Financial 1Q25 Quarterly Business Update

### Overview

- Funds Under Management and Administration (FUMA) increased by \$8.3 billion (+2.7%) to \$319.6 billion as at 30 September 2024
- Total net outflows for the quarter were \$1.0 billion, driven largely by institutional outflows within low-margin Direct Asset Management capabilities due to client rebalancing
- Solid momentum continued in MLC Expand post-migration, with \$522 million in underlying net inflows for the quarter
- NAB Separation on track for 1H25: Registries and domains to be transitioned in November 2024

Insignia Financial Ltd (ASX: IFL) is pleased to provide this quarterly update for the three months ended 30 September 2024 (1Q25).

Insignia Financial CEO, Scott Hartley, said, “The strategic initiatives delivered in FY24 and 1Q25 have provided a strong foundation for growth, which we will continue to build on throughout FY25.

“FUMA grew to \$319.6 billion during the quarter supported by strong market growth, and provides the opportunity to drive efficiencies and economies of scale.

“It is pleasing to see stabilisation in Wrap flows following the successful migration of MLC Wrap to Expand earlier this calendar year. We continue to enhance our Expand platform, which is the most contemporary platform technology in the market, and grow the number of advisers engaging with the platform. We celebrated a significant milestone during the quarter, with Expand’s managed accounts capability reaching \$10 billion. Expand’s Separately Managed Accounts (SMAs) menu was also broadened to meet the growing adviser demand for SMAs.

“In Asset Management, we continue to attract strong net inflows into Multi-Asset underpinned by strong investment performance. This quarter we hit two milestones with MLC Managed Accounts: hitting a record \$315 million in inflows for the quarter, and expanding our product reach to 10 platforms.

“Looking forward, we remain on-track to deliver our FY25 initiatives including separation from NAB, accelerated cost optimisation, embedding our new operating structure and announcing our FY26-30 strategy at the upcoming Investor Day.

## Overview

- **Master Trust (Superannuation) FUA:** \$130.8 billion, up \$3.3 billion (+2.6%)
- **Wrap FUA:** \$97.9 billion, up \$3.5 billion (+3.7%)
- **Asset Management FUM:** \$90.8 billion, up \$1.5 billion (+1.6%)

## Funds Under Administration (FUA)

FUA as at 30 September 2024 was \$228.8 billion, an increase of \$6.8 billion (+3.1%) over the previous quarter. The increase was driven by positive market movement of \$8.3 billion (+3.7%), partially offset by pension payments of \$970 million and net outflows of \$537 million.

## Wrap

Wrap FUA as at 30 September 2024 was \$98.0 billion, an increase of \$3.5 billion (+3.7%) over the previous quarter. The increase was driven by positive market movement of \$3.9 billion (+4.2%) and net inflows of \$231 million, partially offset by pension payments of \$630 million.

The solid flows momentum observed post-migration has continued into 1Q25 for the MLC Expand Advised suite of products, with \$522 million in underlying net inflows for the quarter, partly offset by one-off client transitions.

Net Flows included one-off outflows of approximately \$128 million from Expand related to client transitions following corporate activity, and approximately \$1.4 billion of further, related outflows are expected by the end of FY25.

During the quarter, the Expand platform passed a milestone of \$10 billion in funds under administration within its managed accounts capability. The Separately Managed Accounts (SMAs) menu within Expand was broadened significantly during the quarter to meet increasing adviser demand for SMAs.

## Master Trust (Superannuation)

Superannuation FUA as at 30 September 2024 was \$130.8 billion, an increase of \$3.3 billion (+2.6%) during the quarter. The increase was driven by positive market movement of \$4.4 billion (+3.4%), partially offset by net outflows of \$768 million and pension payments of \$340 million.

Workplace continued to attract positive flows, with net inflows of \$49 million during the quarter. A reduction in new hires among employer clients contributed to a slowdown of inflows in comparison to previous quarters. The Direct channel also attracted positive net inflows of \$60 million for the quarter.

The largest contributor to Advised net outflows of \$447 million was the MasterKey Super & Pension Fundamentals products. From 1 October 2024, pricing changes took effect to the MasterKey suite of products, with the majority of clients to receive reductions in administration fees. These changes should improve retention and flows momentum and will have no impact on revenue margin in FY25.

## Funds Under Management (FUM)

FUM as at 30 September 2024 increased by \$1.5 billion to \$90.8 billion (+1.6%), driven by market movement of \$2.0 billion (+2.2%), partially offset by \$504 million in net outflows.

Net inflows of \$460 million into multi-asset offerings for the quarter were driven by continued adviser take-up of MLC's contemporary Managed Accounts offering. Access to MLC Managed Accounts has now expanded to 10 platforms and the product reached another milestone, with \$315 million in inflows for the quarter. Flows across traditional retail multi-asset funds have improved post-Expand migration and were positive for the quarter.

Net outflows of \$964 million from direct capabilities were predominantly driven by institutional clients rebalancing from low-margin cash within the Antares Fixed Income business. In addition, Orchard Street's UK commercial real estate capability is experiencing outflows due to market conditions.

## Financial Advice

There were 200 Professional Services advisers across Shadforth and Bridges, unchanged over the quarter.

The successful separation of Rhombus Advisory on 1 July 2024, in which Insignia Financial has retained a 37% equity stake, allows increased focus on the growth, improved efficiency and profitability of Insignia Financial's remaining, wholly-owned Shadforth and Bridges Advice businesses.

Due to the stability in adviser numbers in these businesses, Advice metrics will no longer be reported on a quarterly basis.

## Separation

Separation from NAB remains on track to occur by the end of 1H25. Project milestones achieved during the quarter included the successful transition of general ledgers and unit pricing platforms to Insignia Financial. In November 2024 the program's pivotal milestone will be reached, with the MasterKey and Plum registries – containing over 700,000 member accounts – to be transitioned from NAB into the Insignia Financial environment. The associated MLC digital ecosystem, including public and secure websites, mobile apps and email domains will cutover at the same time.

## FUMA Reporting Changes

FUMA reporting has been revised to align with the new operating model and changes to segment reporting announced in July 2024. The new reporting structure is aligned to the respective markets for our Superannuation and Wrap offerings and better reflects the underlying economics of each offering. Given the integration and simplification of our offerings, we will no longer report across the legacy entities (IOOF, ANZ and MLC)

### Superannuation (Master Trust)

- Workplace - Superannuation provided through employer partnerships
- Advised - Superannuation and pension products distributed through advisers
- Direct - Direct member acquisition channel and engagement model
- Personal - Previously employer-sponsored members
- Investments (non-super) - Non-superannuation investment master trusts

### Wrap

- Workplace - Wrap superannuation offering provided through employer partnerships
- Advised - Adviser investment, administration, reporting and workflow technology platform
- Platform Connect - White labelled platform offering

Asset Management reporting remains unchanged.

This announcement was approved for release by the Board of Directors of Insignia Financial Ltd.

## Appendix 1

### Insignia Financial funds movement for the three months ended 30 September 2024:

All Amounts \$m	FUMA 30-Jun-24	Net Flow	Internal Transfers	Pensions	Market/ Other	FUMA 30-Sep-24
<b>Master Trust (Superannuation)</b>						
Workplace	55,428	49	-637	-38	1,837	56,639
Advised	35,644	-447	48	-278	1,374	36,341
Direct	5,309	60	7	-4	179	5,551
Personal	25,217	-335	583	-14	854	26,305
Investments (non-super)	5,960	-95	0	-6	143	6,002
<b>Super</b>	<b>127,558</b>	<b>-768</b>	<b>0</b>	<b>-340</b>	<b>4,387</b>	<b>130,838</b>
<b>Wrap</b>						
Advised	74,884	394	40	-574	3,159	77,903
Workplace	9,830	30	-40	-10	394	10,204
Platform Connect	9,711	-193	0	-46	372	9,844
<b>Wrap</b>	<b>94,425</b>	<b>231</b>	<b>0</b>	<b>-630</b>	<b>3,925</b>	<b>97,951</b>
<b>Funds under Administration</b>	<b>221,983</b>	<b>-537</b>	<b>0</b>	<b>-970</b>	<b>8,312</b>	<b>228,789</b>
<b>Asset Management</b>						
Retail	33,121	448	0	0	953	34,522
Institutional	4,365	12	0	0	183	4,560
<b>Multi-Asset</b>	<b>37,486</b>	<b>460</b>	<b>0</b>	<b>0</b>	<b>1,136</b>	<b>39,082</b>
Retail	2,653	-17	0	0	17	2,653
Institutional	49,216	-947	0	0	803	49,072
<b>Direct Capabilities</b>	<b>51,869</b>	<b>-964</b>	<b>0</b>	<b>0</b>	<b>820</b>	<b>51,725</b>
<b>Funds under Management</b>	<b>89,356</b>	<b>-504</b>	<b>0</b>	<b>0</b>	<b>1,956</b>	<b>90,808</b>
<b>Total FUMA</b>	<b>311,339</b>	<b>-1,041</b>	<b>0</b>	<b>-970</b>	<b>10,268</b>	<b>319,597</b>

1. Internal Transfers represent the transfer of funds between products within the same superannuation fund and/or IDPS Operator. Platform transfers may not net to zero due to timing differences. Asset Management transfers represent monies transferred to/from products included in/excluded from Asset Management FUM.
2. Personal includes funds under administration (FUA) transferred from a corporate plan where the employee ceases employment with the corporate.
3. Certain products within Direct Capabilities Asset Management FUM are reported one month in arrears.
4. Totals are subject to rounding.

## About Insignia Financial Ltd

Tracing our origins back to 1846, today the Insignia Financial Group is a leading Australian wealth manager. Our services cover a wide range of financial needs, including:

- **Superannuation, pension and investment platforms** – as one of the largest superannuation and pension providers in Australia, we offer a number of award-winning investment solutions, used by many of Australia's largest employers and financial advisers.
- **Asset management** – we provide access to a broad suite of investment capabilities across a range of multi-asset and single asset classes.
- **Financial advice** – our advisers offer coaching, guidance and advice based on clients' needs.

Further information can be found at [www.insigniafinancial.com.au](http://www.insigniafinancial.com.au).

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