



SYDNEY, 30 May 2016

The Manager
Companies Announcement Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

MARKET RELEASE

**Trading and Strategic Update, Equity Raising to Support
Growth and Dividend Guidance**

ClearView Wealth Limited (**ClearView** or the **Company**, ASX: CVW) attaches the abovementioned announcement for immediate release.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Athol Chiert', with a long horizontal stroke extending to the right.

Athol Chiert

Chief Financial Officer and Company Secretary

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ClearView Wealth Limited
ACN 106 248 248
ASX Code CVW

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Companies Announcement Office
Australian Securities Exchange Limited

Trading and Strategic Update, Equity Raising to Support Growth and Dividend Guidance

- ClearView Wealth Limited (ABN 83 106 248 248) (**ClearView or the Company**) unaudited results to 30 April 2016 continue to reflect the emergence of strong earnings growth and the transition of ClearView's underlying businesses from a "build" phase to a "growth" phase.
- Based on the unaudited YTD results to 30 April 2016 and the outlook for the next two months, subject to the performance of investment markets, claims and lapse experience over this period, it is expected that the growth rates in Underlying NPAT¹ for the full year 2016 results (when compared to 30 June 2015), will be broadly consistent with those achieved in the 1H FY16 and in the range of 30%-35%.
- The Directors therefore anticipate declaring a fully franked dividend of up to 2.5 cents per share for the year ended 30 June 2016 in line with ClearView's stated dividend policy.
- The Company is announcing a fully underwritten pro-rata accelerated renounceable 1-for-10.2 Entitlement Offer to eligible shareholders at a price of \$0.85 per share to raise \$50 million to repay the CBA Debt Funding Facility.
- ClearView's published capital reserving position as at 31 December 2015 indicated ClearView had sufficient net assets, above its internal benchmarks, to meet its medium term capital reserving and business funding needs under its current business plan and anticipated medium term growth, on the basis of treating the CBA Debt Funding Facility (drawn down to \$45.5 million) as "capital". The result of the Entitlement Offer, which will repay the existing drawn down CBA Debt Facility, is that ClearView will be fully capitalised to fund its current business plans, anticipated medium term growth and have some additional capital flexibility over the medium term.
- The Board is aware that its major shareholder Crescent Capital Partners and its associates (**Crescent**) would consider selling its shares in ClearView and is likely to entertain future control proposals in recognition of the Company transitioning from its "build" phase to "growth" phase.
- Morgan Stanley has been appointed by the Company to solicit and evaluate strategic options and proposals.

1. Underlying NPAT consists of consolidated net profit after tax adjusted for amortisation (not including capitalised software), the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities.

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Trading Update

ClearView is a growing and profitable integrated life insurance and wealth management business that delivered a strong earnings result in 1H FY16 with Total Operating NPAT¹ of \$13.9m, up 40% on 1H FY15, and an Underlying NPAT² of \$13.4m, up 35% on 1H FY15.

Based on the unaudited results to the end of April 2016 and the outlook for the next two months, subject to the performance of investment markets, claims and lapse experience over this period, it is expected that the growth rates in Underlying NPAT² for the full year result (when compared to 30 June 2015), will be broadly consistent with those achieved in 1H FY16 results and in the range of 30%-35%.

The Directors therefore anticipate declaring a fully franked dividend of up to 2.5 cents per share for the year ended 30 June 2016 in line with its stated dividend policy. The determination of the final dividend will depend on actual results. The Directors do not expect the Dividend Reinvestment Plan to operate in respect of the dividend for the year ended 30 June 2016.

This is reflective of the emergence of strong earnings growth and the transition of ClearView's underlying businesses from a "build" phase to a "growth" phase.

The key operating metrics, as noted below, reflect the continued strong performance across the business in the 10 months to 30 April 2016:

- **Life Insurance:** in-force life insurance premium is up 30% to \$142.3 million³, with new business written up 8% to \$30.1 million for the 10 months ended 30 April 2016.

Within this, the key growth driver, the life advice LifeSolutions portfolio, continues to reflect strong growth, with new business up 20% to \$26.4 million for the 10 months ended 30 April 2016. 62% of LifeSolutions new business to 30 April 2016 was generated from third party Independent Financial Advisers (**IFAs**) operating under third party Approved Product Lists (**APLs**). New business generated from IFAs is up 44% on the prior comparable period, with the number of active APLs increasing to 248⁴, up 37% on the prior comparable period. ClearView continues to focus on expanding its distribution reach and embedding growth via the third party IFA market. The continued growth reflects the quality and competitiveness of ClearView's products and services.

ClearView continues to incrementally invest in this core market and product portfolio. It has launched an improved adviser portal in 2H FY16, with the focus now shifting to an upgrade of its online quote system and application process with the aim of driving increased ease of doing business for IFAs; consistent with the objective of being seen as the quality home for leading IFAs and further broadening out of distribution to the wider IFA market.

As previously advised to the market, ClearView intentionally slowed down its new business volumes in the Non-Advice business in 1H FY16. This has resulted in a reduction in new business sales in this segment, down 36% to \$3.7 million for the 10 months to 30 April 2016, and therefore a related drag on the overall life new business growth rates. ClearView's plan to refocus this business to target mid-market consumers has commenced, coupled with reorganising the operations to deliver operational and sales efficiency. This has had some short term impact on sales volumes but not profitability. The overall ambition is to reposition the business to address this preferred market.

- **Wealth Management:** FUM is up 8% to \$2.04 billion at 30 April 2016, with positive net flows reflecting an improvement in the net outflows of the Master Trust product, the successful introduction of WealthFoundations (a competitive mid-market wealth product) in October 2014 and the continued growth of WealthSolutions (superannuation and IDPS⁵ "wrap" platform and related investment models).

The focus in 1H FY16 included the upgrade of WealthSolutions, including the addition of Separately Managed Accounts (**SMAs**). The upgrade improved the position of the platform with a broad cross section of advisers and clients, including better servicing of SMSF accounts. There has also been further incremental investment in the new contemporary platform to improve back office efficiency and automation for the WealthFoundations products and services. The Master Trust business is to be migrated onto the platform in due course, which is likely to realise improved experience for customers and back office efficiencies for ClearView.

1. Total Operating NPAT represents the Underlying NPAT of each of the operating business units before taking into account the interest costs associated with corporate debt.
2. Underlying NPAT consists of consolidated net profit after tax adjusted for amortisation (not including capitalised software), the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities.
3. As at 30 April 2016.
4. Restated from prior market disclosures to reflect active APLs as at 30 April 2016.
5. IDPS is an investor directed portfolio service.

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Notwithstanding that there has been some recent volatility in investment markets, ClearView now has a positive net flow business that is well positioned for growth. ClearView looks to utilise its challenger brand and market positioning, and to gain from the convergence of the superannuation and life insurance markets. Furthermore, the wealth business has the ability to leverage off the distribution network that has been built in the life insurance business since the launch of LifeSolutions, with the number of third party APLs on which the ClearView wealth products are placed now increasing to 8 at 30 April 2016¹.

- **Financial Advice:** The number of financial advisers operating under ClearView's AFSL has increased to 141 as at 30 April 2016, up from 136 at 31 December 2015. Matrix has a total of 89 advisers as at 30 April 2016, raising the total for the Group to 230, up from 221 at 31 December 2015.

There is a continued focus on selectively recruiting high quality advisers who have the right cultural fit for ClearView and Matrix, with a focus on quality over quantity. This is consistent with the overall strategy of building a high quality financial advice business which provides strategic advice for clients.

ClearView is in a strong position to continue growth, given the complementary nature of life insurance and wealth management products over the economic cycle and a focus on:

- Leveraging off the embedded growth in its distribution network in the life insurance markets whilst closely monitoring the developments in relation to the proposed life insurance reforms, in particular the potential opening up of APLs;
- Crystallising benefits from improved product pricing, in particular in the income protection market; and
- Increasing scale over time and progressively reducing its expense overruns which will be absorbed as the business grows to scale over the medium term.

ClearView has now established a robust platform to drive momentum and has continued to convert its strategic positioning into material earnings growth in the period to 30 April 2016. ClearView is implementing a high growth strategy with the goal of attaining 5% of the long term life insurance profit pool, building a material wealth management business and a high quality financial advice business.

Strategic Update

The Board is aware that its major shareholder Crescent would consider selling their shares in ClearView and are likely to entertain future control proposals². The Board has and intends to solicit and evaluate relevant proposals in the best interests of all shareholders.

Morgan Stanley has been appointed to solicit and evaluate strategic options or proposals. There is no certainty however that any such proposal will be forthcoming.

However, as noted above, with the continued growth of the business and the need for a more permanent capital solution to replace the CBA Debt Funding Facility to support the growth of in-force life insurance premiums, the Board believes it is best to raise equity capital now. Crescent is supportive of the capital raising and has agreed to take up its pro-rata entitlement under the Institutional Entitlement Offer.

Equity Raising

ClearView announces the launch of a fully underwritten pro-rata accelerated renounceable Entitlement Offer to eligible shareholders to raise approximately \$50 million to support the growth of the Company, with proceeds to be applied as follows:

- \$45.5 million to repay the CBA Debt Funding Facility; and
- \$4.5 million as capital for growth.

ClearView's published capital reserving position as at 31 December 2015 indicated ClearView had sufficient net assets, above its internal benchmarks, to meet its medium term capital reserving and business funding needs under its current business plan and anticipated medium term growth, on the basis of treating the CBA Debt Funding Facility (drawn down to \$45.5 million) as "capital". The result of the Entitlement Offer, which will repay the existing drawn down CBA Debt Facility, is that ClearView will

1. Includes the ClearView Financial Advice and Matrix APLs.

2. Crescent Capital Partners and its associates hold shares in ClearView through a number of entities including CCP Bidco Pty Limited (ACN 159 362 428) as trustee for CCP Bidco Trust.

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be fully capitalised with “Common Equity Tier 1” capital to fund its current business plans, anticipated medium term growth and have some additional capital flexibility over the medium term.

Nonetheless, future events, including medium to longer term growth materially above that currently anticipated by ClearView, could result in a need for future capital funding (in the form of equity and/or debt). The existing CBA Debt Funding Facility of \$50 million will therefore remain in place.

Equity Raising Details

The Entitlement Offer will be structured as a 1-for-10.2 fully underwritten pro-rata accelerated renounceable Entitlement Offer priced at \$0.85 per share to raise gross proceeds of \$50 million. The Entitlement Offer comprises an accelerated institutional component (**Institutional Entitlement Offer**) of approximately \$35 million and a retail component (**Retail Entitlement Offer**) of approximately \$15 million.

Approximately 59 million new ClearView shares will be issued under the equity raising, representing approximately 9.8% of total issued capital.

The offer price of \$0.85 represents a discount of 10.1% to the closing price of \$0.945 on Friday, 27 May 2016 and a 9.2% discount to the theoretical ex-rights price (TERP)¹.

ClearView's ordinary shares will remain in a trading halt until ASX market open on Wednesday, 1 June 2016. Eligible shareholders will be able to subscribe for 1 new ClearView share (**New Shares**) for every existing 10.2 shares held as at the **Record Date** of 7:00pm (AEST) on Wednesday, 1 June 2016 at the offer price of \$0.85 per New Share (**Entitlement**). Key dates of the Entitlement Offer are provided under the Appendix to this announcement. Entitlements cannot be traded on the ASX.

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from Monday, 30 May 2016 to Tuesday, 31 May 2016. Eligible institutional shareholders can choose to take up all, part or none of their Entitlements.

Entitlements of non-participating and ineligible institutional shareholders will be sold in the institutional shortfall bookbuild on Tuesday, 31 May 2016 and the excess (if any) of the shortfall bookbuild price above the offer price will be remitted proportionally to non-participating and ineligible shareholders less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those shareholders. Settlement of the Institutional Entitlement Offer is expected to occur on Wednesday, 8 June 2016.

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9:00am on Friday, 3 June 2016, and close at 5:00pm on Wednesday, 15 June 2016. Settlement of the Retail Entitlement Offer will occur on Thursday, 23 June 2016.

Entitlements of non-participating and ineligible retail shareholders will be sold in the retail shortfall bookbuild on Monday, 20 June 2016, and the excess (if any) of the shortfall bookbuild price above the offer price will be remitted proportionally to non-participating and ineligible shareholders less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those shareholders.

Further details about the Retail Entitlement Offer will be set out in a retail offer booklet (**Retail Offer Booklet**), which ClearView expects to lodge with the ASX on Wednesday, 1 June 2016. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and an accompanying personalised entitlement and acceptance form. Copies of the Retail Offer Booklet will be available on the ASX from Wednesday, 1 June 2016.

New Shares issued under the Entitlement Offer will rank equally with existing ClearView shares in all respects from the date of allotment.

The Entitlement Offer is fully underwritten by Morgan Stanley Australia Securities Limited (the **Underwriter**). ClearView's major shareholder, Crescent and its associates² (holding approximately 53% of total issued capital as at the date of this

1. Theoretical ex-rights price (“TERP”) is the theoretical price at which shares in ClearView should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares in ClearView trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to ClearView's closing price of \$0.945 per share on Friday, 27 May 2016, being the last trading day prior to the announcement of the Entitlement Offer.

2. Crescent and its associates hold shares in ClearView through a number of entities including CCP Bidco Pty Limited (ACN 159 362 428) as trustee for CCP Bidco Trust.

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announcement) are supportive of the equity raising. Crescent has committed to subscribe for its pro-rata entitlement under the Institutional Entitlement Offer at the offer price.

ClearView's Managing Director, Simon Swanson, currently holds shares in ClearView in a personal capacity and through his investment vehicle. Mr. Swanson, and his investment vehicle, will take up their pro-rata entitlements.

ClearView's Chairman, Bruce Edwards, currently holds shares in ClearView in a personal capacity and through his investment vehicle. Mr. Edwards, and his investment vehicle, will take up their pro-rata entitlements.

ClearView's Non Executive Director, Gary Burg, currently holds shares in ClearView in a personal capacity and through his investment vehicles. Mr. Burg, and his investment vehicles, will take up their pro-rata entitlements.

ClearView's Non Executive Director, Andrew Sneddon, currently holds shares in ClearView in personal capacity and through his investment vehicle. Mr Sneddon and his investment vehicle, will take up their pro-rata entitlements.

Commenting on the strategic developments and equity raising, ClearView's Chairman Bruce Edwards said, "We are delighted with the performance of the business and are pleased to present the opportunity for shareholders to continue to support the future growth of ClearView through the equity raising. The additional funding will provide the required capital to support the growth of the company in the medium term.

The Board will evaluate any potential future proposals which may result in an offer for all the shares in the Company and we will work constructively with Crescent to ensure any transaction involving the Company that may arise will be in all shareholders' best interests. There is no certainty that any such proposal will be forthcoming.

The Board believes it is important that we put the capital in place now to ensure that the Company can pursue its growth objectives and create value independent of any proposals that may be received in the future."

ENDS

Shareholder Enquiries

Eligible retail shareholders will be sent further details about the Entitlement Offer via the Retail Offer Booklet to be lodged with ASX on Wednesday, 1 June 2016 and despatched on or around Friday, 3 June 2016.

Retail shareholders who have questions relating to the Entitlement Offer should call the ClearView shareholder information line on 1300 616 143 (toll free within Australia) and +61 3 9415 4100 (from outside Australia) between 8.30am to 5.30pm (Sydney time) Monday to Friday.

Further information in relation to the matters described in this announcement are set out in an investor presentation released today to the ASX by ClearView. The investor presentation contains important information including important notices, key risks and key assumptions in relation to certain forward looking information and statements in this document.

For further information, please contact:

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About ClearView Wealth Limited

ClearView Wealth Limited is a diversified Australian financial services company with businesses that provide integrated life insurance, wealth management and financial advice solutions.

Additional information is available at www.clearview.com.au

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Appendix – Key Dates for the Entitlement Offer

Event	Date
Announcement of Entitlement Offer and trading halt	Monday, 30 May 2016
Institutional Entitlement Offer opens	Monday, 30 May 2016
Institutional Entitlement Offer closes	Tuesday, 31 May 2016
Institutional Shortfall Bookbuild (opens and closes)	Tuesday, 31 May 2016
Trading halt lifted	Wednesday, 1 June 2016
Record date for eligibility under the Entitlement Offer (7.00pm, Sydney time)	Wednesday, 1 June 2016
Retail Entitlement Offer opens	Friday, 3 June 2016
Despatch of Retail Offer Booklet and Entitlement and Acceptance Form	Friday, 3 June 2016
Settlement of Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Wednesday, 8 June 2016
Allotment of New Shares issued under the Institutional Entitlement Offer and Institutional Shortfall Bookbuild and New Shares commence trading on ASX	Thursday, 9 June 2016
Retail Entitlement Offer closes	Wednesday, 15 June 2016
Despatch of holding statements in respect of New Shares issued under the Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Wednesday, 15 June 2016
Despatch of payments (if any) in respect of Entitlements not taken up under the Institutional Entitlement Offer	Wednesday, 15 June 2016
Retail Shortfall Bookbuild (opens and closes)	Monday, 20 June 2016
Settlement of Retail Entitlement Offer and Settlement of Retail Shortfall Bookbuild	Thursday, 23 June 2016
Allotment of New Shares issued under the Retail Entitlement Offer and Retail Shortfall Bookbuild	Friday, 24 June 2016
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer and Retail Shortfall Bookbuild and New Shares commence trading on ASX	Monday, 27 June 2016
Despatch of payments (if any) in respect of Entitlements not taken up under the Retail Entitlement Offer	Friday, 1 July 2016

The above timetable is indicative only and subject to change. ClearView reserves the right to amend any or all of these events or dates subject to the *Corporations Act 2001 (Cth)*, the ASX Listing Rules and other applicable laws. In particular, ClearView reserves the right to extend the closing date, to accept late applications either generally or in particular cases, and to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

All dates and times represent Sydney time.

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Important information and disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

This announcement has been prepared by ClearView Wealth Limited (ABN 83 106 248 248) (**ClearView**). No party other than ClearView has authorised or caused the issue, lodgement, submission, despatch or provision of this announcement, or takes responsibility for, or makes or purports to make any statement, representations or undertakings in this announcement.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement nor any other documents relating to the offer of Entitlements or New Shares may not be released or distributed in the United States.

This announcement does not constitute an offer to sell, or solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares to be offered or sold in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or under the securities law of any state or other jurisdiction of the United States.

Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

NOTICE FOR NOMINEES

Due to legal restrictions, you must not send copies of this announcement or any materials relating to the Entitlement Offer to any of your clients (or any other person) in the United States, and on whose behalf you are the registered owners of shares. Failure to comply with these restrictions may result in violations of applicable securities laws.

Forward looking statements

This announcement contains forward looking statements and comments about future matters. Forward looking statements can generally be identified by the use of words such as “may”, “will”, “should”, “could”, “expect”, “intend”, “predict”, “plan”, “propose”, “forecast”, “estimate”, “target”, “anticipate”, “likely”, “believe”, “continue”, “objectives”, “outlook”, “guidance”, “potential” or words or other expressions of similar effect.

Forecasts on, indications of, and guidance or outlook on, future earnings, financial ratios, financial position or performance are also considered forward looking statements. The forward looking statements are not guarantees of predications of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of ClearView, its directors and management, and may involve significant elements of subjective judgement and assumptions as to the future events, which may or may not be correct. Refer to “Key Risks” in the Investor Presentation released to the ASX on Monday, 31 May 2016 for a summary of certain general and specific risks that may affect ClearView.

There can be no assurance that the actual outcomes will not differ materially from these forward looking statements.

A number of important factors could cause actual results or performance to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward looking statements.

These forward looking statements are based on information available to ClearView as of the date of this announcement.

None of ClearView or its officers, employees, advisers or agents makes any representation, assurance, guarantee or warranty as to the accuracy or likelihood or fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Except as required by law or regulations (including the ASX Listing Rules) ClearView undertake no obligation to update the financial forecasts or any other forward looking statements.