ASX Release – 17 October 2024

Insignia Financial Ltd - 2024 Annual Report

In accordance with the ASX Listing Rules, Insignia Financial Ltd attaches the 2024 Annual Report.

Authorised for release to the ASX by the Board of Insignia Financial Ltd.

About Insignia Financial Ltd

With origins dating back to 1846, today the Insignia Financial Group is a leading Australian wealth manager. Insignia Financial Ltd provides financial advice, superannuation, wrap platforms and asset management services to members, financial advisers and corporate employers.

Further information about Insignia Financial can be found at www.insigniafinancial.com.au

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Insignia Financial

Annual Report 2024

Insignia Financial Ltd

Insignia Financial is a leading Australian wealth manager, with over 175 years of experience. We are an ASX 200 company, with $311 billion in funds under management and administration.

Our scale, expertise and strategic partnerships enable us to offer a broad range of market-leading financial solutions for individuals, advisers and employers.

We use our expertise in financial advice, investment management and development of platform technology to deliver affordable and accessible solutions to advisers, their clients and superannuation members.

Whether it's simply the peace of mind from a day-to-day budget, or the aspiration for a comfortable and dignified retirement, every day we help more Australians secure their future and financial wellbeing.

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Insignia Financial acknowledges the Traditional Custodians of Country of the land on which we live and work, and recognises their continuing connection to lands, waters, and communities.

We pay our respect to Aboriginal and Torres Strait Islander peoples and their cultures, and to Elders past and present.

Together we recognise and value the ongoing contribution of Aboriginal and Torres Strait Islander peoples and communities to Australian life and how this enriches us. We embrace the spirit of reconciliation, working towards equality of outcomes and ensuring an equal voice.

Insignia Financial Ltd ABN 49 100 103 722

Our services

At Insignia Financial, we work every day to deliver what matters for Australians – security, peace of mind and financial confidence. Underpinning our intent is a set of diversified business capabilities, allowing us to leverage insights across advice, platforms, and asset management to deliver more affordable and accessible financial outcomes for clients across a spectrum of needs.

Platforms – superannuation, pension, and investments

As one of the largest super fund and pension payment providers in Australia, we offer a wide range of platform offerings - across both master trust and wrap products - to enable advisers and clients to manage their investments with ease and transparency. Our contemporary and highly rated proprietary wrap platform is designed to support the changing needs of financial advisers and their clients.

Asset management

We offer access to a broad suite of investment capabilities across a range of multi-asset and single asset classes, designed to suit a wide range of investor needs and risk profiles.

Our investment management is driven by a highly skilled team of investment professionals, operating out of Australia, the USA, and the UK.

Financial advice

Our employed advice businesses, Bridges and Shadforth, provide financial advice options along the spectrum – from guidance and coaching to episodic and holistic advice, based on client needs.

2024 results at a glance

$185.3m

Statutory net loss after tax

$217m[1]

Underlying net profit after tax

Up 13.6% on prior year

$311b

Funds under management and administration

Increased by $16.4 billion (+5.5%) over the year

$1.39b[1]

Net revenue

Up 1% on prior year

Divisional underlying net profit/(loss) after tax

(continuing operations)

$230.5m

Platforms

$64.1m

Asset management

($4.1m)

Advice

9.3c

per share

Full-year dividends

$1.01b[1]

Operating expenditure

Down 2% on prior year

1 Continuing operations

Chairman's letter

The 2024 financial year was a year of significant leadership renewal.

Dear Shareholders

The 2024 financial year was a year of significant leadership renewal. Scott Hartley commenced as Chief Executive Officer (CEO) and Executive Director on 1 March 2024, and his appointment was key to providing a fresh perspective to lead the next phase of our strategy to drive sustainable growth, allowing us to move forward with clarity and focus on the opportunities our market position and capabilities provide.

Our Board renewal approach is dynamic and ongoing. We assess the composition of the Board against our strategic plan to ensure we have the right knowledge, skills, and experience to guide the business into the future. In line with company policy and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, Ms Elizabeth Flynn will step down from the Insignia Financial Board at the FY24 Annual General Meeting (AGM), having reached her nine-year anniversary. John Selak will step down from the Board at next year's AGM when he also reaches his nine-year anniversary.

As part of our succession planning, we appointed Ms Gai McGrath and Ms Jodie Hampshire to the Insignia Financial Ltd Board as independent non-executive directors, effective 4 March and 1 May 2024, respectively. Both new directors bring significant wealth management industry sector expertise and governance experience to the Board.

We also recently announced a new operating structure and executive team changes. This new model and executive team, which comprises a mixture of new external appointments and existing executives, will enhance end-to-end accountability and improve risk management and governance, with the intention of driving sustainable growth.

After 20 years of service with Insignia Financial, Renato Mota stepped down as CEO in February 2024. Renato was instrumental in transforming Insignia Financial into one of Australia's leading wealth management organisations, and established a solid foundation for our incoming CEO. I would like to express my gratitude to Renato for his 20 years of service and dedication to the organisation, five of which he served as CEO.

We remain focussed on our goals of simplifying our business, enhancing governance and accountability, and building upon our foundations for long-term sustainable growth.

Financial results

As we look to further strengthen our balance sheet, the Board has decided to pause dividend payments, resulting in full-year dividends of 9.3 cents per share. While we understand that this is disappointing for some shareholders, the Board is confident that protecting the balance sheet was the prudent decision in view of the macro-economic outlook, and will support accelerated cost reduction, finalisation of remediation, and provide for strategic growth opportunities. There is no change to the Company's long-term dividend target of paying 60-90% of underlying net profit after tax.

Against a backdrop of persistent inflation, higher interest rates, and increasing global investment market volatility, we remain focussed on our goals of simplifying our business, enhancing governance and accountability, and building on our foundations for long-term sustainable growth.

For the year ended 30 June 2024, we announced an underlying net profit after tax of $217 million, up 13.6% from last year[1]. Reflected in this result are the benefits of our optimisation program and the successful restructure of the Advice business from a loss to having positive earnings before interest, tax, depreciation, and amortisation, enhanced by the separation of Rhombus Advisory. Disappointingly, our underlying net profit after tax was impacted by remediation and transformation costs, resulting in a statutory net loss after tax of $183.5 million. During the year we recognised what we expect to be our final provision increase related to legacy quality of advice and existing scope of product compliance remediation. While we acknowledge the impact this has on our shareholders, we are committed to fully remediating our clients.

It was pleasing to deliver strong investment performance to our superannuation fund members as recognised by having three default funds in the top 10 in Australia for one-year performance in the SuperRatings SR50 MySuper.

Strategic initiatives

At the beginning of this financial year, we set out with the ambitious targets of achieving $70 million in gross in-year benefits, migrating 94,000 MLC Wrap clients to Expand, and transitioning Rhombus from a self-employed licensee to a partnership model, all while understanding, looking after, and securing the future of our clients, members, and employees. I am pleased to report that we successfully completed the migration of MLC Wrap to Expand in March 2024, our cost optimisation program realised gross in-year benefits of $71 million, and our new Advice Services partnership, Rhombus Advisory, launched on 1 July 2024.

Over the past 12 months we continued to improve our risk governance framework and made good progress on meeting the commitments under the Rectification Action Plan agreed with APRA.

$217m

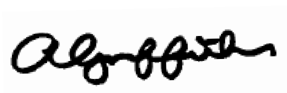
Underlying net profit for the 2024 financial year

In July, APRA accepted a court enforceable undertaking by one of Insignia Financial's Trustees, OnePath Custodians Pty Limited (OPC). OPC has acknowledged APRA's concerns and we remain fully committed to completing the remediation and maintaining ongoing improvements to our risk culture and good governance.

Our people and the community

We adopted the National Work + Family Standards framework, encompassing flexible working arrangements, parental leave, leadership culture, family care, and family wellbeing. The adoption of this framework certified us as a Family Inclusive Workplace employer. In FY24 we continued our commitment towards the community through the Insignia Community Foundation (the Foundation). The Foundation revisited its community investment strategy to provide clarity on its purpose and how it is addressing challenges in society that align with its impact areas: financial wellbeing; basic needs; reconciliation; mental health; and diversity and inclusion. As an organisation, we focussed more of our time on volunteering, with almost 2,000 voluntary engagements filled in FY24.

I would like to extend my thanks to the Insignia Financial Board of Directors, and the boards of our responsible and registrable superannuation entities. On behalf of the Board, I take this opportunity to express appreciation to all our employees, advisers, and customers for their persistent support over the past year. I would also like to acknowledge the departing executives and thank them for their contributions. I also take this opportunity to thank shareholders for their continued patience while we strengthen our balance sheet, deliver on our strategy, and further position ourselves for growth.



Mr Allan Griffiths
Independent Non-Executive Director and Chairman

1 Continuing operations

CEO's letter

I am honoured to be leading Insignia Financial, a company with over 175 years of history and a legacy of excellence in the financial services industry.

Dear Shareholders

I am honoured to be leading Insignia Financial, a company with over 175 years of history and a legacy of excellence in the financial services industry. As Chief Executive Officer since March 2024, I feel a profound responsibility to steward this business into its next phase of growth. I am optimistic about the future of Insignia Financial and confident that we are well-positioned to deliver exceptional outcomes for our stakeholders, particularly our customers and shareholders.

During my first months in this role, I dedicated my time to listening and engaging with our key stakeholders – our boards, team members, shareholders, regulators, and customers. My goal was threefold: to understand what we are doing well, find areas for improvement, and map out opportunities for growth. Through these conversations, I gained a deep appreciation of Insignia Financial's solid foundations and our unique capabilities in the wealth management sector.

Solid foundations and growth opportunities

As Australia's largest diversified wealth management business, Insignia Financial has a powerful combination of capabilities that enable us to serve a broad and diverse range of customers. Our contemporary Wrap technology delivers leading-edge solutions for financial advisers and their clients. The Shadforth and Bridges advisory businesses provide high-quality advice to their clients, and our strong multi-asset investment capabilities generate competitive returns for our super fund members and advised clients. Finally, there is strength and reputation in the MLC brand to lead as our primary consumer brand, complemented by the well-established reputations of both Shadforth and Bridges.

While we have a strong foundation to build upon, there are significant opportunities to streamline operations, enhance efficiency, and create more competitive outcomes for our customers and shareholders. Our current cost base is uncompetitive, and our operating model was complex and inefficient.

Strategic simplification and transformation

Simplifying and optimising our business remains a top priority. Insignia Financial is fully committed to executing the FY24–26 strategic initiatives announced in July 2023. To reduce complexity, we have made key decisions, including the divestment of IOOF Ltd, Millennium3 Financial Services, IOOF Insurance Brokers, and Godfrey Pembroke.

A significant milestone was the successful separation of Rhombus Advisory, our Self-Employed Advice Licensee business, on 1 July 2024. This involved the creation of a new advisory business comprising Consultum, RI Advice, and TenFifty. This business is now majority owned by the financial advisory businesses that it serves. We believe that this is the right model to advance the professionalism of the financial advice profession. Insignia Financial retains a minority equity stake in Rhombus Advisory while focusing on growing our retained advice businesses, Shadforth and Bridges.

Another major achievement in FY24 was the successful completion of the largest single wrap migration in Australia's platform industry. We migrated $38.6 billion from MLC Wrap to Expand, marking a significant step in capability, driving scale and operational efficiency. This migration has already begun to deliver tangible benefits, with further scale expected to enhance efficiency across the business.

Our cost optimisation efforts have also yielded promising results. In FY24, we exceeded our targeted savings, achieving optimisation benefits of $71 million, resulting in a net cost reduction of $24 million. However, there is more to do, and we are accelerating our efforts in FY25, targeting a net cost reduction of $60–65 million after reinvesting in our Wrap technology platform and refreshing the MLC and Expand brands.

Key milestones and positive momentum

It is pleasing to report that Insignia Financial delivered an improved underlying net profit after tax of $217 million for the year ended 30 June 2024, an increase of 13.6% over the prior year[1]. However, after accounting for increased remediation provisions and transformation costs, we reported a statutory net loss of $185.3 million. While this result may be disappointing for some shareholders, we have prioritised strengthening the balance sheet, leading to a temporary pause in dividends.

> Without our talented and passionate people, we would not have been able to achieve all that we have in this past year.

We are also seeing positive momentum in the underlying business, driven by revenue growth and higher average funds under management and administration (FUMA). Our average FUMA of $301 billion, up 3% from FY23[1], reflects the benefits of scale and positive market conditions. Net revenue in our Platforms segment increased by 0.9%[1], supported by strategic repricing and consistent inflows into our Expand Wrap suite. Workplace Super again delivered positive net inflows of $1.4 billion in FY24, thanks to organic growth.

Industry recognition and market leadership

Insignia Financial's innovative offerings continue to gain industry recognition, with Chant West awarding our Expand Essential Pension with a '5 apples' rating for the second consecutive year. Additionally, Heron awarded 5 Quality Stars for several corporate and retail products, further solidifying our leadership in the market.

Our multi-asset net inflows were driven by strong performance in MLC's Managed Account Strategies, while our MySuper Default options achieved top 10 results in the SuperRatings SR50 MySuper rankings. Our MLC MultiActive funds also received the Financial Standard Leadership Awards in multiple categories.

Without our talented and passionate people, we would not have been able to achieve all that we have in this past year, and I am deeply grateful to our entire team for their hard work and commitment. With recent changes to the executive team, Mark Oliver and Chris Weldon have left the Group, and Frank Lombardo will be leaving early 2025. I would like to acknowledge and thank them for their outstanding contributions to our business for more than a decade.

Strengthening leadership and culture, and looking ahead

As we enter FY25, Insignia Financial is well positioned for profitable growth. Building a high-performance culture will be key to executing our strategy and delivering results. This cultural transformation starts with a new operating model and a refreshed executive leadership team, designed to deliver results. Our business is now organised into four dedicated lines – Advice, Master Trust, Wrap, and Asset Management – each led by an executive with end-to-end accountability. This structure empowers our refreshed leadership to focus on competing effectively in their respective markets while driving performance and strong risk management across the business. We are currently undertaking a strategic review to deliver long-term sustainable growth from FY26 onwards, details of which will be shared late calendar year 2024.

I would like to extend my sincere thanks to the executive team and the Board for their continued guidance and support.

Mr Scott Hartley
Chief Executive Officer and Executive Director

1 Continuing operations

Sustainability at Insignia Financial

Insignia Financial seeks to create sustainable, long-term value for our customers, people, and shareholders through the incorporation of environmental, social, and governance (ESG) factors into our decision-making processes across the organisation.

Our commitment to community

Community impact comes to life at Insignia Financial through our Reconciliation Action Plan (RAP), the Insignia Community Foundation (the Foundation), and our people's volunteering, fundraising, donating, and participation in appeals throughout the year.

Our Foundation has distributed more than $18 million to Australian communities since its inception in 2002.

In June 2023, Reconciliation Australia endorsed our RAP, which embeds reconciliation across our business and improves the financial wellbeing of our Aboriginal and Torres Strait Islander members. This year, we delivered a cultural learning program with Indigenous-led organisations. During National Reconciliation Week, we introduced Red Dust Reconciliation Education Essentials online training, which 12% of the workplace completed in the first month.

Our material ESG topics and targets

In June 2023, we performed a formal materiality assessment in line with Global Reporting Initiative (GRI) requirements, which informed our sustainability strategy and identification of targets against ESG factors.

We identified and ranked 12 materiality topics in order of importance to our business stakeholders. This year, we combined these topics into nine focus areas with targets and goals. Our refined strategy focuses our efforts on increasing our impact across these areas.

The material topics and associated FY24 achievements are captured in the table on the adjacent page.

Climate risk reporting

Insignia Financial welcomes the Australian Government's Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 and supports the adoption of the proposed Australian Sustainability Reporting Standards (ASRS), to be released in FY25. Our first year of reporting under the ASRS will be FY26.

We support Task Force on Climate-Related Financial Disclosures (TCFD) recommendations for better climate-related disclosures and the International Sustainability Standards Board's aim to encourage more comprehensive, globally consistent sustainability disclosures. While not fully aligned with the TCFD recommendations, we are developing our climate risk assessment capability across the business and identifying climate risks across a broader range of our investment funds.

To view our full climate-risk report and further detail relating to progress across our material ESG topics in FY24, please refer to the *FY2024 IFL Sustainability report*, which can be found on our corporate website https://www.insigniafinancial.com.au/corporate-responsibility/sustainability/our-priorities

ESG topics and progress

Environmental impact

Insignia Financial has achieved Climate Active certification for the third consecutive year.

We published our second climate risk report, based on the TCFD framework, in October 2023.

Using our 2023 emissions report, we began creating our Emissions Reduction Plan and target setting, which we aim to publish in FY25.

Climate risk

We delivered our third TCFD-aligned climate risk report, covering a range of in-house managed investment funds.

We commenced assessment of climate risks in the domestic listed equity portfolios, engaging with a focused selection of the largest CO2 emitters, including management and Board-level meetings, and meetings with climate risk-related operational subject matter experts from both investee companies and external stakeholders.

Governance and transparency

We established a cross-functional working group to assess our capability and to create an implementation plan to meet new ASRS.

We held quarterly discussions on the ESG risks facing the business with the Group Risk & Compliance Committee, which is a delegate of the IFL Board to review enterprise risks.

Modern slavery

We initiated a project to automate our supply chain assessment capabilities and modern slavery reporting to efficiently identify modern slavery risks (April 2024).

We submitted our fourth Modern Slavery Statement to Border Force, outlining our approach to reducing the risk of modern slavery in our corporate supply chain (December 2023).

Investment manager supplier response rate to questionnaire was 99% in FY24, up from 72% in FY23.

Responsible investment and stewardship

We continued to uplift and align responsible investment (RI) policies across the relevant entities.

We improved operational RI processes that support our RI policies.

We enhanced our due-diligence of prospective and current investment managers' approaches to responsible investment.

We also improved consistency in the consideration of responsible investment attributes in investment manager appointments.

Community impact

We achieved 44% staff participation in workplace volunteering with charitable organisations to fill 1,999 skilled and unskilled volunteer roles.

As at 30 June 2024, 77% of our RAP commitments had been completed, with other items in progress.

We contributed over $1.4 million to community partners through our Workplace Giving Program and IOOF Foundation grants.

Employee engagement and wellbeing

We became a Family Inclusive Workplace 2023/24 certified employer, reflecting our adoption of the National Work + Family Standards framework.

In our May 2024 'Our Voice' survey, 83% of employees felt our flexible working position enables them to manage personal responsibilities, and 78% felt supported to use flexible working arrangements.

General Manager and Executive female representation increased to 44.83%.

Data, cybersecurity and AI

We established a centralised Cyber Security team, led by the General Manager Cyber Security.

We refreshed our Cyber Security Strategy (FY24-FY26), which was endorsed by the Board.

Financial wellbeing

Compared to FY23:

146% increase in adviser-prepared statements of advice

14% increase in member-directed digital statements of advice

21% increase in one-on-one general advice experiences for fund members.

Our Directors

Mr Allan Griffiths

Independent Non-Executive Director and Chairman

B.Bus, DipLI

Director since 14 July 2014

Chairman since 4 April 2019

Mr Scott Hartley

Chief Executive Officer and Executive Director

B.Bus, Advanced Management Program INSEAD

Director since 1 March 2024

Mr Andrew Bloore

Independent Non-Executive Director

Director since 2 September 2019

Ms Elizabeth Flynn

Independent Non-Executive Director

LLB, Grad Dip App Corp Gov, FAICD, FFin, FGIA, FCG

Director since 15 September 2015

Ms Jodie Hampshire

Independent Non-Executive Director

B.Comm, CFA, GAICD

Director since 1 May 2024

Ms Gai McGrath

Independent Non-Executive Director

LLM (Dist), BA LLB (Hons), GAICD

Director since 4 March 2024

Mr John Selak

Independent Non-Executive Director

Dip Acc, FCA, FAICD

Director since 14 October 2016

Ms Michelle Somerville

Independent Non-Executive Director

B.Bus (Accounting), Master Applied Finance, FCA, FAICD

Director since 1 October 2019

Financial report

for the year ended 30 June 2024

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Operating and financial review

About Insignia Financial Ltd

Insignia Financial Ltd is listed on the Australian Securities Exchange (ASX: IFL). The Insignia Financial Ltd consolidated group includes the Company and its controlled entities (the Group or Insignia Financial).

Insignia Financial is a leading provider of quality financial advice, products and services with $311.3 billion in funds under management and administration (FUMA) as at 30 June 2024. Insignia Financial's ambition is to create financial wellbeing for every Australian, which is founded upon its purpose of 'understand me, look after me, secure my future' and its customer-led thinking, principles and ways of working, which place customers at the centre of everything Insignia Financial does.

Principal activities

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

- Financial Advice Our employed advice businesses, Bridges and Shadforth, provide financial advice options along the spectrum – from guidance and coaching to episodic and holistic advice, based on client needs;
- Superannuation As one of the largest superannuation and pension providers in Australia, we offer a number of award-winning solutions used by many of Australia's largest employers and independent advisers;
- Wrap Platform We have built a strong and contemporary technology platform and remain committed to investing in technology and our services to support the changing needs of advisers and their clients; and
- Asset Management We offer access to a broad suite of investment capabilities across a range of multi-asset and single asset classes, designed to suit a wide range of investor needs and risk profiles. Our investment management is driven by a highly skilled team of investment professionals, operating out of Australia, the USA and the UK.

Purpose

Insignia Financial's purpose is to:

- understand me;
- look after me; and
- secure my future.

Insignia Financial achieves this through:

- delivering what matters to customers;
- continuing to promote a customer-led culture; and
- building a better tomorrow for the community and shareholders.

A customer-led organisation

Insignia Financial's commitment to improve customer outcomes is underpinned by:

- a strategy to leverage its scale and improve operational efficiency to allow for continued investment in target products and services;
- ownership of multiple customer offerings across the wealth value chain to efficiently and seamlessly meet the needs of customers, from early accumulation through to drawdown in retirement;
- providing advice, in the appropriate form and at the appropriate juncture, to help Australians achieve their financial wellbeing and retirement objectives;
- a contemporary, flexible and competitive suite of product offerings supported by choice to efficiently address customers' evolving needs over their lifetime;
- differentiated service focusing on 'what matters' to customers;
- competitive, consistent and sustainable investment performance;
- creating trust with its stakeholders through effective governance, compliance and risk management frameworks and a commitment to integrating environmental, social and governance factors into strategic and investment decisions and operational processes; and
- an open architecture approach that actively promotes and supports not only the Group's products but also those products offered by competitors. The Group partners with other experts to provide the best solution for customers.

FY24–25 strategy

Our purpose: understand me, look after me, secure my future

Our strategies to deliver sustainable performance & outcomes

Improving our clients' financial wellbeing	Deepening our partnerships with advisers & employers	Simplifying our business	Building a safe & trusted business together
• Connect clients to relevant financial advice & support • Leverage technology to engage at scale • Competitive net returns	• Top 3 Wrap, serving range of adviser needs • Strengthen #1 position in Employer Super • Portfolio construction expertise	• MLC separation • Simplified products, platforms & investments • Digitised ways of working	• Effective board & business governance • Strong risk culture • Proactive compliance by design

Insignia Financial way

be human · deliver what matters · stronger together · keep it simple · do what's right, not what's easy

Our ambition: to create financial wellbeing for every Australian

Insignia Financial's strategy focuses on the following four strategic pillars:

1. Improving our clients' financial wellbeing;
2. Deepening our partnerships with advisers and employers;
3. Simplifying our business; and
4. Building a safe and trusted business together.

Underpinning Insignia Financial's intent is a unique set of diversified business capabilities allowing it to create specific combinations of advice, platform and asset management offerings to deliver more affordable and accessible financial outcomes for customers across a spectrum of needs.

The strategic pillars create focus, clarity and prioritisation for the Group and enables Insignia Financial to harness its unique competitive advantages to create financial wellbeing for every Australian.

FY24–25 strategic initiatives

1. Clients' financial wellbeing

During the year, Insignia Financial created a new division, Client Wellbeing, to support its strategic focus of 'Improving our clients' financial wellbeing'. The Client Wellbeing division is responsible for creating more value for customers through the Group's interactions and, in turn, improving the growth prospects of the Group's products and services, including financial advice.

As one of Australia's leading providers of quality financial advice, products and services, the Group has a strong foundation to create better outcomes to more of its clients through financial help, guidance and advice through all stages of life.

The Client Wellbeing division includes:

- Professional Services Advice teams – Shadforth and Bridges;
- Advice Enablement Services team;
- Consumer and Commercial Marketing teams; and
- Member Engagement and Wellbeing team.

Key achievements for the year include:

- Approximately 10% increase in Shadforth's new clients;
- The recognition of 16 Shadforth advisers in Barron's Top Advisers for 2023;
- The launch of Expand as the brand and identity for Insignia Financial's proprietary Wrap platform; and
- Expand was awarded Gold in the Sydney Design Awards 2023 within the Identity & Branding – Finance category.

In FY25, Insignia Financial intends to continue its focus on improving clients' wellbeing through:

- Initiatives to support increased access to affordable financial advice for Australians approaching and planning for their retirement that need assistance navigating the pension and superannuation systems;
- Initiatives to realise Shadforth's and Bridges' growth opportunities and efficiency improvements; and
- Uplifting data, marketing technology and digital capabilities to enable us to engage our customers at moments that matter with the right offer.

Operating and financial review (cont'd)

2. Adviser and employer partnerships

During the year, the Group continued its focus on deepening its partnerships with advisers and employers through continued investment in Expand, stabilisation and growth in Workplace Super and the strong investment performance of its Asset Management capabilities.

Highlights of the year include:

- Enhancements to the Expand platform suite including expansion of the managed account offering, improved adviser navigation, customisable user permissions including transacting authority and real-time tax estimation, and enhancements to adviser and client reporting;
- MLC Private Equity closed a new US$762 million vehicle to provide global institutional investors with access to private equity investment opportunities;
- Completion of the Wholesale Trust Strategy harmonisation project across the Group's 65 core multi-manager funds and the rollout of changes on Wrap platforms, websites and tools including rebranding to MLC;
- Each of the Group's three MySuper funds included in the SuperRatings SR50 MySuper Index ranking within the top 10 funds for one-year performance for the year ended 30 June 2024. MLC MySuper Growth was also within this index's top quartile for 3-year and 5-year performance. MLC Super Fund won best advice offering for 2023 (Super Ratings);
- IOOF/MLC Asset Management won best multi asset provider for 2023 (Zenith);
- MLC MultiSeries Funds upgraded to Highly Recommended (Zenith); and
- MLC Managed Accounts awarded 4.5 stars (SQM), the highest rating for multi-asset Managed Accounts to date.

In FY25, Insignia Financial intends to continue investing in Expand, optimising the Workplace Super coverage model and undertaking various initiatives to continue Asset Management's strong investment performance.

3. Simplification

Separation of the MLC business

The separation of the MLC Wealth (MLC) business from National Australia Bank Limited (NAB) is expected to be completed on or prior to 31 May 2025. NAB continues to support the MLC business through a Transitional Services Agreement (NAB TSA) until separation.

During the year, Insignia Financial completed the following separation activities:

- Completion of the design for the re-platforming of the MLC Master Trust ecosystem from the NAB environment to the Insignia Financial environment;
- Finalisation of the solutions to replace the enterprise capabilities currently provided by NAB through the NAB TSA;
- Completion of the master implementation schedule which covers all the delivery tasks and phasing needed to support the finance and registry cutovers expected to occur in 1H25;
- Establishment of the new corporate ledger, enterprise data warehouse and certain bank reconciliation processes in the Insignia Financial environment; and
- Transition of MLC employees within a number of divisions from the NAB environment to Insignia Financial's operating environment.

As at 30 June 2024, Insignia Financial had exited approximately 55% of the service schedules underpinning the NAB TSA.

Simplification across products, platforms, investments and entities

During the year, the Group completed the migration of MLC Wrap products and services to the Expand suite of products on Insignia Financial's proprietary Wrap platform, involving approximately $39 billion in funds under administration (FUA) and 94,000 customer accounts. Expand is now the third largest wrap platform in the market by FUA and the largest by number of accounts, serving over 317,000 accounts.

This achievement was a key milestone in simplifying our business and deepening our partnerships with advisers while setting solid foundations to unlock our potential.

The migration delivered tangible benefits for our customers, advisers and people, including:

- A collective ~$13 million saving in administration fees per annum and a 44% reduction in brokerage costs;
- An improved user experience for customers and advisers on our contemporary Expand platform and mobile application; and
- A simpler and more consistent way of working for our people with all Wrap products now on Expand, excluding those arrangements with external providers.

This migration also represents a critical milestone on our path to separating from NAB.

Other simplification activities include:

- Completion of the upgrade of certain P&I legacy products involving approximately $4.6 billion of FUA and leading to approximately 45,000 members benefiting from more contemporary products;
- Completion of the successor fund transfer of Symetry Personal Retirement Fund from an external trustee to the Group;
- Completion of the first phase of simplification of the Responsible Entities within the Group, whereby 15 funds previously issued by Antares Capital Partners Ltd and Navigator Australia Limited were consolidated under MLC Investments Limited as the go-forward Responsible Entity;
- Completion of the sale of the Group's friendly society investment bond business to Australian Unity Limited (AUL) through the divestment of IOOF Ltd;
- Completion of the sale of Millennium3 Financial Services Pty Ltd to WT Financial Group Limited;
- Sale of the Godfrey Pembroke Group Pty Ltd to Godfrey Pembroke advisers;
- Sale of the general insurance business and other select divestments of assets; and
- Completion of the sale of Rhombus Advisory to self-employed adviser practices on 1 July 2024. The advice partnership model ensures continued alignment between the Insignia Financial Group and self-employed advisers, simplifying both Insignia Financial and Rhombus Advisory's businesses, and allowing the Group to have increased focus on the remaining Professional Services Advice business and other emerging opportunities in advice.

In FY25, Insignia Financial intends to continue to simplify its products, platforms, investments and entities.

Cost optimisation program

The cost optimisation program delivered $71m gross in-year benefits in FY24, resulting in a net cost reduction of $24m compared with FY23.

4. Safe and trusted business

Insignia Financial is committed to the highest level of governance. Good corporate governance is the foundation for how Insignia Financial conducts its business activities and manages customers' money in their best interests.

Insignia Financial strives to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity, and respect for others. This approach is cascaded down from the Board to the broader organisation.

Key activities being undertaken over FY24 to FY25 include:

- **Design and implementation of a realignment of three lines of risk accountability:** Insignia Financial is redesigning the existing 3 Lines of Defence (3LoD) model to focus on 3 Lines of Accountability (3LoA). The target state is a clear set of 3LoA principles that is adhered to across Insignia Financial.
- **Operational resilience and contingency planning:** In line with the requirements of a new APRA Prudential Standard CPS 230 Operational Risk Management effective from 1 July 2025, Insignia Financial is undertaking various activities to strengthen the management of operational risk, improve operational resilience and minimise the impact of disruption to members and the financial system.
- **Uplifts of responsibility and accountability frameworks:** Insignia Financial is improving its culture of accountability enabled by a range of initiatives, including 3LoA, implementation of the consequence management framework and implementation of a program of work to deliver on Financial Accountability Regime (FAR) requirements.
- **Uplifts of compliance framework:** Insignia Financial is uplifting its Compliance Management Framework characterised by clear accountabilities, timely reporting and resolution of incidents and breaches, consistent decision-making processes that promote a culture of compliance, ongoing monitoring and embedded compliance practices and controls into business processes.

These activities have also been designed to address aspects of the Rectification Action Plan and the requirements of the court enforceable undertaking (CEU), details of which are set out in Risk Management section of this report.

Operating and financial review (cont'd)

FY26–30 strategy

Operating model and executive team changes

Effective 29 July 2024, Insignia Financial implemented a new operating model to drive increased accountability and enhance the focus on growth opportunities across the business. The new structure is comprised of four operating lines of business: Asset Management, Master Trust, Wrap and Advice. Each business line is led by an executive with end-to-end accountability to drive improved risk governance and management, positive sustainable growth and profitability, and improve customer outcomes.

Further updates to the FY26–30 strategy will be released prior to 31 December 2024.

Environmental, social and governance

Our ambition to secure financial wellbeing for every Australian extends to environmental responsibility, social equity and community wellbeing. Embedding environmental, social and governance (ESG) factors into decision making across our business is critical for us to deliver sustainable long-term growth for the benefit of our customers, shareholders and people.

Environmental sustainability

Insignia Financial has again achieved Climate Active certification for the third year, through the offsetting of operational scope 1, 2 , and 3 emissions.

We have commenced our operational emissions reduction plan and target setting, which we aim to publish in FY25. We have also engaged with a new carbon accounting software provider, which will enable us to measure our emissions in real time and allow us to prepare for reporting carbon emissions aligned to the draft Australian Sustainability Reporting Standards (ASRS).

Community sustainability

We also commenced a project to automate modern slavery reporting in April 2024 for review and verification purposes. The project aims to provide a clear trace of data used and to record compliance activities.

We continue to build on our engagement with First Nations people. As at 30 June 2024, we have completed over 77% of the commitments agreed with Reconciliation Australia as part of our RAP and are on track to deliver on all our commitments by March 2025.

We are pleased to highlight we are a Family Inclusive Workplace 2023/24 certified employer. This means we have adopted the National Work + Family Standards framework, which covers flexible work, parental leave, leadership culture, family care and family wellbeing. We have also commenced work on our Family Friendly Action Plan, which aligns with the framework, making progress towards Insignia Financial being an even more inclusive workplace.

Sustainability reporting standards

The Australian Accounting Standards Board has released Exposure Draft ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* to propose climate-related financial disclosure requirements. The exposure draft proposes three ASRS:

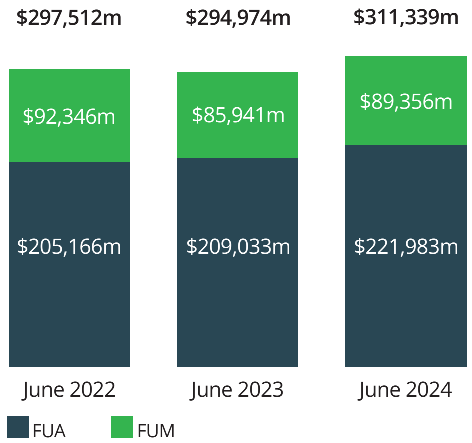
- draft ASRS 1 *General Requirements for Disclosure of Climate-related Financial Information*, developed using IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* as the baseline but with a scope limitation to climate-related financial disclosure;
- draft ASRS 2 *Climate-related Financial Disclosures*, developed using IFRS S2 *Climate-related Disclosures* as the baseline; and
- draft ASRS 101 *References in Australian Sustainability Reporting Standards*, developed as a service standard that would be updated periodically to list the relevant versions of any non-legislative documents published in Australia and foreign documents that are referenced in the ASRS.

The Australian Government introduced a draft bill into Parliament in March 2024 that supports the adoption of the proposed ASRS. The Group has established a cross-functional working group to identify gaps in its current state of capability and to create an implementation plan in readiness to meet these new ASRS. Based on the draft legislation, the Group's first year of reporting under the new ASRS will be for the year ending 30 June 2026.

Financial highlights

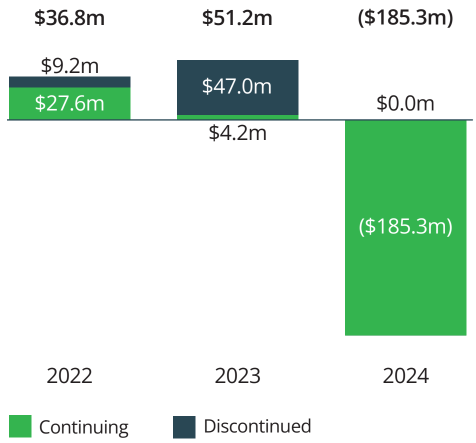
Closing FUMA

Growth in FUMA driven by market performance partially offset by outflows and pension payments



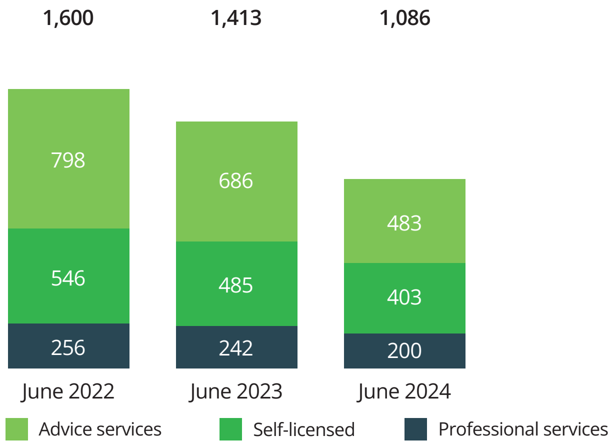
Net profit/loss after tax (NPAT)

Impacted by higher remediation and transformation costs



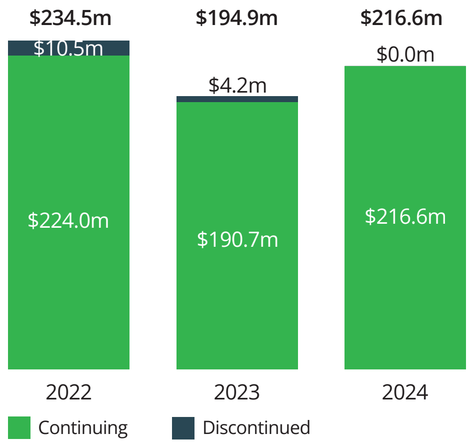
Number of advisers

Adviser numbers declined as part of the right-sizing journey and other strategic initiatives



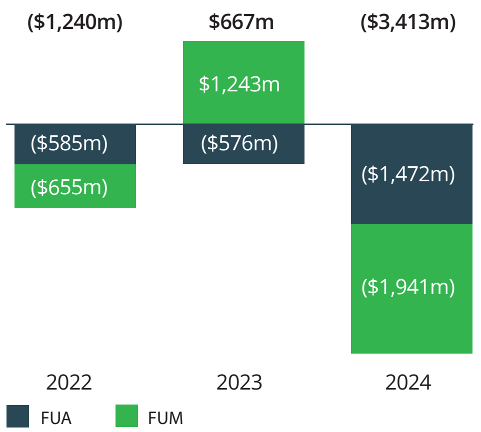
Underlying net profit after tax (UNPAT)

Market-driven revenue growth and the realisation of optimisation benefits



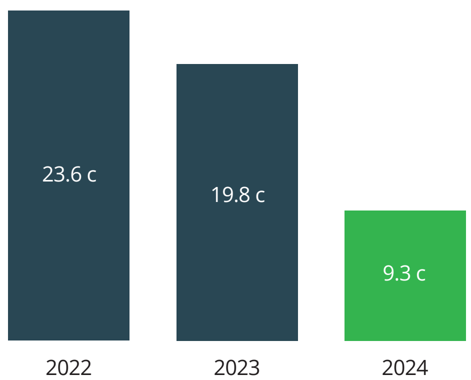
Net flows from continuing operations[1]

Net outflows driven by disruption in the FUA Advised channel pre MLC Wrap transition and institutional rebalancing in Asset Management's direct capabilities



Dividends (cents per share)

2024 final dividend paused to enhance balance sheet and strategic flexibility



1 Net flows related to JANA are excluded in 2022 ($1,154m outflow) and 2023 ($1,602m outflow).

Operating and financial review (cont'd)

Financial performance

Net profit/loss after tax

Net profit/loss after tax (NPAT) for the year ended 30 June 2024 was a $185.3m loss (30 June 2023: $51.2m profit). The $236.5m decrease is mostly attributable to a $222.5m increase in remediation costs and penalties, $95.9m increase in transformation and separation costs and a $47.0m reduction in profit from discontinued operations, partially offset by $73.5m increase in income tax benefits.

Remediation and APRA action

Remediation provision expense in FY24 is $269.6m. The expense has been driven by:

- Increase of $117.3m related to completed assessments for self-employed advisers which exhibited higher failure rates than expected based on past experience. Assessments for these advisers have been completed;
- $58.4m estimate for a small number of advisers where assessments are not yet finalised and will be completed internally. This assessment is based on assumptions updated for the recent Quality of Advice detriment experience;
- $48.2m estimate for provisions relating to the court enforceable undertaking to APRA from OnePath Custodians Pty Limited (OPC) including client remediation and infringement notices of $10.7m; and
- $45.7m estimate for other product remediation provisions including historic product remediation.

Underlying net profit after tax

Underlying net profit after tax (UNPAT) is a non-IFRS metric that is used by management to monitor the financial performance of the Group. In calculating UNPAT, the Group reverses the impact on profit of certain, predominantly non-recurring items, to enable a better understanding of its underlying operational result. It is the UNPAT result that will be analysed in detail in this section of the Directors' Report.

UNPAT for the year ended 30 June 2024 was $216.6m (30 June 2023: $194.9m), an increase of $21.7m mostly driven by higher average FUMA and the realisation of cost optimisation benefits.

Funds under management and administration

As at	30 Jun 2024	30 Jun 2023
	$m	$m
Funds under administration (FUA)	221,983	209,033
Funds under management (FUM)	89,356	85,941
FUMA	311,339	294,974

The growth in FUMA was driven by $23.4b favourable market performance, partially offset by $3.4b net outflows and $3.7b of pension payments.

Advice

At 30 June 2024, there were 1,086 advisers in the Insignia Financial network (30 June 2023: 1,413). The number of advisers decreased by 327 primarily due to the sale of Godfrey Pembroke Pty Ltd to its advisers and the sale of the Millennium3 business.

Reconciliation of UNPAT to NPAT

The following table, which has not been audited by the external auditor, provides a reconciliation between the UNPAT and NPAT of the continuing operations of the Group, excluding the results of the statutory funds.

Shareholders can review the more detailed results presentation by visiting the Company website at www.insigniafinancial.com.au.

	2024	2023
	$m	$m
(Loss)/profit for the year	(185.3)	51.2
Less: profit from discontinued operations	–	(47.0)
(Loss)/profit from continuing operations	(185.3)	4.2
UNPAT adjustments relating to continuing operations		
Transformation and separation costs	257.7	161.8
Remediation costs	232.4	19.1
Penalties	10.7	–
Amortisation of acquired intangibles	76.1	80.2
Net gains on financial instruments	(14.0)	(3.6)
Income tax attributable	(161.0)	(71.2)
UNPAT adjustments relating to continuing operations	401.9	186.3
Non-controlling interests	–	0.2
UNPAT from continuing operations	216.6	190.7
UNPAT from discontinued operations	–	4.2
UNPAT	216.6	194.9

Transformation and separation costs: Expenses associated with platform simplification, separation of the MLC and ANZ P&I businesses, MLC Wrap migration and the transition to the Advice Services partnership model. These expenses include salaries and related employee expenses, information technology costs, professional fees, office support and administration costs directly related to these activities.

Remediation costs: Expenses recognised in the Group's structured remediation provisions including customer compensation and associated costs. It includes any related indemnities and costs recovered.

Penalties: Penalties issued by APRA for alleged breaches of the *Superannuation Industry (Supervision) Act 1993.*

Amortisation of acquired intangibles: Amortisation of acquired intangible assets over their useful lives. This excludes amortisation of internally developed software.

Net gains on financial instruments: Includes (gains)/losses from fair value movements on financial instruments.

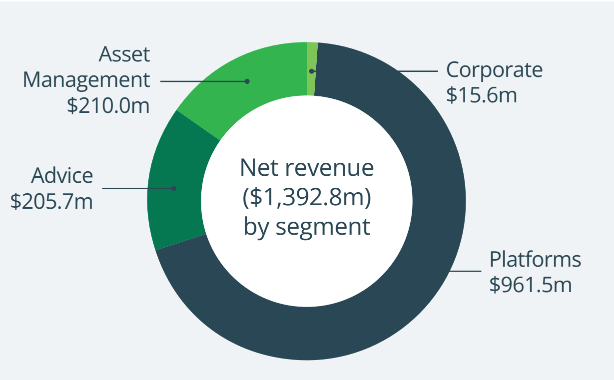
Income tax attributable: Income tax on UNPAT adjusted items.

Discontinued operations: Results of the AET business and the gain recognised on AET divestment.

Key financial results

	2024	2023	Movement favourable /(unfavourable)	
	$m	$m	$m	%
Net revenue	1,392.8	1,379.7	13.1	0.9%
Operating expenses	(1,011.5)	(1,035.7)	24.2	2.3%
Net financing costs	(30.3)	(32.2)	1.9	5.9%
Net non-cash items	(48.3)	(51.3)	3.0	5.8%
Income tax expense	(86.1)	(70.0)	(16.1)	(23.0%)
Non-controlling interests	–	0.2	(0.2)	(100.0%)
UNPAT from continuing operations	216.6	190.7	25.9	13.6%
UNPAT adjustments:				
Transformation and separation costs	(257.7)	(161.8)	(95.9)	(59.3%)
Remediation costs	(232.4)	(19.1)	(213.3)	(large)
Penalties	(10.7)	–	(10.7)	(large)
Amortisation of acquired intangibles	(76.1)	(80.2)	4.1	5.1%
Net gains on financial instruments	14.0	3.6	10.4	large
Income tax attributable	161.0	71.2	89.8	large
Non-controlling interests	–	(0.2)	0.2	100.0%
(Loss)/profit from continuing operations	(185.3)	4.2	(189.5)	(large)

Net revenue



Increase in net revenue was driven by $36.9m reduction in service fees and other direct costs, $10.0m growth in other revenue and $1.3m increase in shares of profits from associates, partially offset by $35.1m reduction in management and service fee revenue.

Operating expenses

Decrease in operating expenses is primarily due to $3.2m reduction in employee costs, $21.3m decrease in administrative expenses and $1.5m decrease in other expenses, partially offset by $1.8m increase in information technology costs.

Net financing costs

Decrease in net financing costs is contributed by the $11.0m increase in finance income from higher interest rates on cash and fixed income investments, partially offset by $9.1m increase in finance costs due to increases in interest rates on the syndicated facility agreement (SFA).

Net non-cash items

Decrease in net non-cash items is largely driven by $3.5m decrease in impairment expenses, partially offset by $0.5m increase in depreciation expense.

Operating and financial review (cont'd)

Shareholder returns

	2024	2023	2022	2021	2020
(Loss)/profit attributable to the shareholders of Insignia Financial Ltd ($m)	(185.3)	51.4	36.8	(142.6)	141.2
(Loss)/profit from continuing operations ($m)	(185.3)	4.2	27.6	(152.8)	52.8
Basic EPS (cents per share)	(27.9)	7.9	5.7	(24.2)	40.3
Diluted EPS (cents per share)	(27.9)	7.9	5.7	(24.2)	40.3
Basic EPS (continuing operations) (cents per share)	(27.9)	0.7	4.3	(25.9)	15.1
UNPAT ($m)	216.6	194.9	234.5	147.8	128.8
UNPAT from continuing operations ($m)	216.6	190.7	224.0	136.1	124.0
UNPAT EPS (cents per share)	32.6	29.7	36.1	25.1	36.8
UNPAT EPS (continuing operations) (cents per share)	32.6	29.0	34.5	23.1	35.4
Dividends declared ($m)(1)	62.0	130.7	153.8	149.3	121.2
Dividends per share (cents per share)(1)	9.3	19.8	23.6	23.0	34.5
Opening share price	$2.82	$2.69	$4.27	$4.92	$5.17
Closing share price at 30 June	$2.29	$2.82	$2.69	$4.27	$4.92
NPAT return on equity (statutory measure)(2)	(8.47%)	2.17%	1.50%	(5.74%)	8.28%
UNPAT return on equity (non-statutory measure)(2)	9.90%	8.24%	9.52%	5.96%	7.59%

(1) Dividends declared and dividends per share are those paid or declared from the relevant financial year's profits.

(2) Return on equity is calculated by dividing profit or loss and UNPAT attributable to the shareholders of Insignia Financial Ltd by average equity during the year.

Financial position

	30 Jun 2024	30 Jun 2023	Favourable/ (Unfavourable)
	$m	$m	%
Assets			
Cash and cash equivalents	421.7	505.6	(16.6%)
Receivables	269.3	268.7	0.2%
Other financial assets	204.5	282.3	(27.6%)
Other assets	125.0	150.8	(17.1%)
Assets classified as held for sale	26.7	1,148.0	(large)
Property and equipment	109.1	146.0	(25.3%)
Intangible assets	2,424.8	2,503.4	(3.1%)
Deferred tax assets	7.6	–	large
Total assets	3,588.7	5,004.8	(28.3%)
Liabilities			
Payables	171.9	195.8	12.2%
Other financial liabilities	12.2	20.1	39.3%
Provisions	427.5	365.2	(17.1%)
Liabilities associated with assets classified as held for sale	15.2	1,105.4	large
Lease liabilities	138.7	161.8	14.3%
Borrowings	778.8	775.6	(0.4%)
Deferred tax liabilities	–	51.1	100.0%
Total liabilities	1,544.3	2,675.0	42.3%
Net assets	2,044.4	2,329.8	(12.2%)
Number of ordinary shares (million)	670.7	662.6	(1.2%)
Net assets per ordinary share ($ per share)	3.05	3.52	(13.4%)

Cash and cash equivalents decreased by $83.9m mostly due to payments for transformation and separation activities, remediation and dividends, partially offset by reduction in other financial assets held for operating risk financial requirement (ORFR) purposes and operating profits.

Receivables increased by $0.6m driven by $1.7m reduction in loss allowances, partially offset by $1.1m timing increase in gross trade and other receivables.

Other financial assets decreased $77.8m due to a reduction in fixed income financial assets held as part of the ORFR on behalf of superannuation funds following the MLC Wrap migration.

Other assets decreased by $25.8m driven by $33.1m decrease in current tax assets, partially offset by $3.9m increase in prepayments, $3.0m increase in the value of the defined benefit plan and $0.4m increase in equity accounted associates.

Assets and liabilities classified as held for sale have decreased by $1,121.3m and $1,090.2m respectively driven by the divestment of IOOF Ltd (including statutory funds).

Property and equipment decreased by $36.9m which was driven by $45.9m depreciation expenses, $3.2m early lease incentive payment, offset by the recognition of $9.6m net right-of-use assets and the purchase of $2.6m other property and equipment assets.

Net deferred taxes have increased $58.7m consistent with the increase in remediation provisions as well as the recognition of deferred tax assets from current year tax losses and carry forward tax offsets.

Intangible assets decreased by $78.6m driven by amortisation expenses.

Payables decreased by $23.9m due to timing and lower investment management fees payable.

Other financial liabilities decreased by $7.9m driven by the fair value movements on derivatives.

Provisions increased by $62.3m driven by a net increase in remediation provisions of $269.6m, a net $4.6m increase in employee entitlement provision, partially offset by remediation payments of $205.8m and $6.1m net decrease in other provisions.

Lease liabilities decreased $23.1m primarily due to lease payments made during the year.

Borrowings have increased by $3.2m due to the $6.5m accrual of interest expenses, partially offset by a $3.3m revaluation gain.

Capital and liquidity management

Capital and liquidity positions are assessed on a monthly basis to ensure license requirements and lending covenants are met at all times. As part of this process any capital or liquidity surplus/needs across the Group are identified and addressed. Existing balance sheet capacity is expected to remain sufficient for the coming years.

Capital management

The Group's capital management principles are to maximise returns to shareholders through enabling the execution of the Group's strategy whilst remaining compliant with the Group's risk appetite statement and regulatory financial requirements.

As part of its capital management strategy, the Group continually assesses whether it is optimising its use of capital and may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or adjust debt levels. The Group monitors capital through the Group's risk appetite framework, managing it as investment, working and regulatory capital.

The Group has maintained its focus on balance sheet strength by extending the maturity dates of the SFA and disciplined expense management.

Operating and financial review (cont'd)

Liquidity management

The Group actively manages liquidity risk by maintaining an appropriate framework of liquidity sources to satisfy current and forecast liquidity needs and continual monitoring of consolidated forecast and actual cash flows.

Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets. In addition, a 3-year forecast of cash flows is prepared on a monthly basis to ensure there is sufficient liquidity within the Group.

During the year, cash decreased by $83.9m mostly due to payments for transformation and separation activities, remediation and dividends, partially offset by reduction in other financial assets held for ORFR purposes and operating profits.

During the year, the Group extended the maturity dates of the SFA by 18 months. At 30 June 2024, the SFA facility had a debt duration profile of approximately 3.2 years (calculated on a facility limited basis) (30 June 2023: 2.7 years).

The SFA has a total facility limit of $955.0m. As at 30 June 2024, the Group had $318.3m undrawn facility available under the SFA (30 June 2023: $325.0m).

The Group also has $200m subordinated loan notes (SLN) issued to the National Australia Bank. The SLN matures 31 May 2026 with multiple early redemption options available to both the issuer and the holder.

The Group is subject to certain financial covenants as part of its SFA, including a maximum ratio of net debt to EBITDA (leverage ratio) and a minimum interest cover (interest cover ratio). The Group complied with all these covenants throughout the year.

Dividends

In order to enhance balance sheet flexibility, accelerate cost reduction and strategic growth opportunities and finalise remediation, the Board has decided to pause dividends. No final 2024 dividend has been declared.

This prudent decision, in view of the macro environment outlook, will strengthen the capital structure of the Company and accelerate deleveraging. There is no change to the Company's long-term dividend target of paying 60–90% of UNPAT.

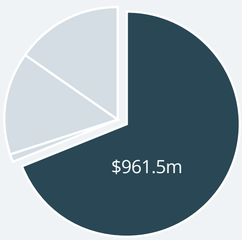
Further details on dividends declared or paid during the year are set out in Note 6 *Dividends* in the financial report.

Platforms (continuing operations)

Closing FUA
$222.0b
(30 Jun 2023: $209.0b)

UNPAT
$230.5m
(2023: $233.3m)

Net revenue
$961.5m
(2023: $952.8m)

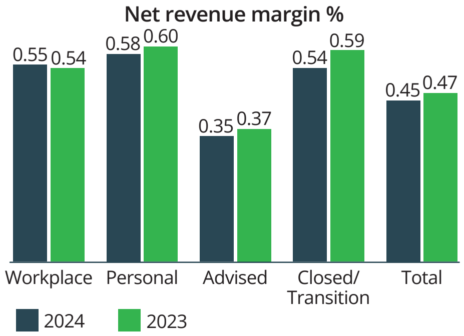


Operating expenses
$622.3m
(2023: $606.2m)

NPAT
$14.8m
(2023: $114.7m)

The Platforms segment provides a range of superannuation and investment solutions to investors, superannuation fund members, employers and advisers across Wrap and Master Trust structures.

Financial performance



Net revenue increased by $8.7m predominantly as a result of positive investment market performance throughout the year, resulting in the growth in average FUA in 2024.

The decline in net revenue margin from 47bps to 45bps is the outcome of strategic initiatives including:

- the repricing of Expand in 2023 and the migration of $39 billion FUA to Expand in April 2024 as part of the MLC Wrap migration;
- the transition of ASA members to Smart Choice Employer in June 2023; and
- the transition of legacy OneAnswer members to OneAnswer Frontier in June 2023.

Operating expenses increased by $16.1m largely driven by increases in cyber security, governance, and licence condition rectification partially offset by optimisation benefits.

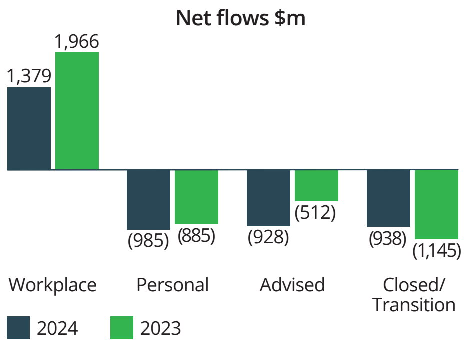
NPAT from continuing operations decreased $99.9m primarily driven by $59.1m higher transformation and separation costs and penalties, and an $83.6m increase in remediation costs, partially offset by related income tax expenses.

Refer to Note 2 *Operating segments* for details.

FUA net flows

The Workplace channel remains in a strong net flow positive position due to positive organic growth. Although the net flows are $587m less than 2023, the 2023 net flows were particularly strong due to new business wins in that year.

In the Advised channel, net flows have declined driven by the increased outflows in advance of the migration from MLC Wrap to Expand in March 2024. This has been partially offset by strong flows post-migration, demonstrating the support for the Advised offer along with the $1.8 billion transition to Insignia Financial's private label Rhythm offering. Managed Accounts continue to show growth with FUA increasing to $9 billion by 30 June 2024.



Strategy and outlook

The successful and highly complex migration of MLC Wrap to Expand in March 2024 saw $39 billion of FUA transition to our contemporary technology. While the benefits of simplification will be delivered over several years, it now enables our main focus to switch to growth within the Wrap segment in the Advised channel. The opportunity to innovate and better serve the needs of advisers and customers becomes a priority with enhancements to the product suite including adviser productivity, insight tools and functionality.

As the separation from the NAB technology environment nears completion, focus will shift towards reducing complexity and the cost to serve in the go-forward Master Trust registry platform.

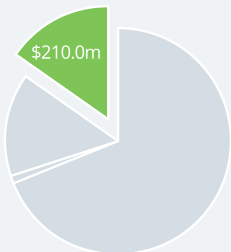
Operating and financial review (cont'd)

Asset Management

Closing FUM
$89.4b
(30 Jun 2023: $85.9b)

UNPAT
$64.1m
(2023: $72.9m)

Net revenue
$210.0m
(2023: $223.7m)

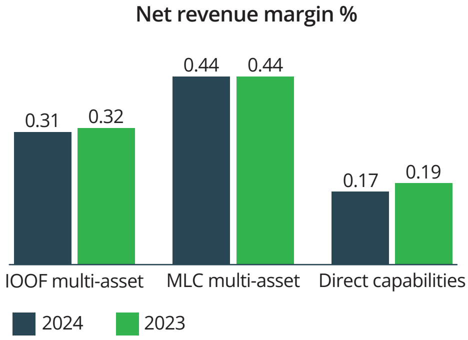


Operating expenses
$118.6m
(2023: $120.9m)

NPAT
$37.7m
(2023: $53.3m)

The Asset Management segment provides investment management services to institutional, retail and direct customers across a diverse range of asset classes and product structures.

Financial performance



Net revenue declined by $13.7m compared to 2023 primarily as result of changes in the commercial relationship with JANA Investment Advisors, the repricing of mandates with cornerstone institutional investors in the private equity and alternative strategies capabilities and the divestment of IOOF Ltd in October 2023.

Excluding the impact of IOOF Ltd, FUM has shown robust growth driven by the strong domestic and international equity markets. This has however been tempered by net outflows of $1.9bn in FY24 as a result of institutional customers rebalancing for a number of reasons including changes in asset allocation profiles.

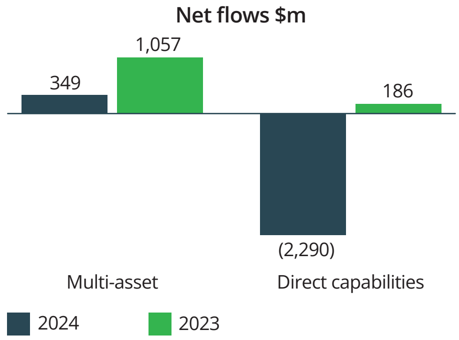
Net revenue margin has declined by 1.4bps to 24bps in FY24 as a result of the repricing of the private equity capability in late 2023. Margins in multi-asset remained relatively stable with only modest declines driven by product mix, reflecting the relatively stable nature of the customer base, the fixed nature of most fee structures and the minimal change in product mix.

Decline in net revenue was partially offset by a $2.3m reduction in operating expenses driven by optimisation benefits.

NPAT decreased by $15.6m driven by $13.7m decrease in net revenue, $9.7m higher transformation and separation costs; partially offset by $2.3m reduction in operating expenses and $5.1m related income tax benefits and $0.4m other income and expenses.

Refer to Note 2 *Operating segments* for details.

FUM net flows[1]



Direct capability flows were negative $2.3bn in 2024 primarily due to institutional customers rebalancing in both Antares Fixed Income and Intermede with outflows mainly confined to the first half of 2024.

Whilst multi-asset flows were positive, they were $0.7bn lower than 2023 driven by outflows in the traditional retail managed funds despite strong growth in MLC's contemporary managed accounts solution.

Strategy and outlook

Asset Management continues to be an integral contributor to the wider transformation and simplification strategy whilst continuing to execute on individual capabilities, with a strong focus on broadening the distribution reach of the MLC managed accounts capability and expanding MLC's leading private equity capability to a broader customer base

1 JANA net flows excluded.

Advice

Number of advisers

1,086

(30 June 2023: 1,413)

UNPAT

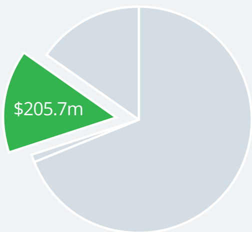
$4.1m loss

(2023: $33.9m loss)

Net revenue

$205.7m

(2023: $204.6m)



Operating expenses

$202.6m

(2023: $240.5m)

NPAT

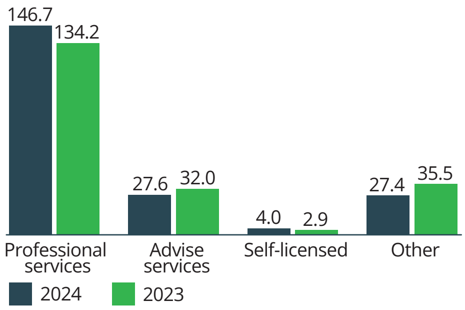
$146.4m loss

(2023: $62.7m loss)

The Advice segment provides quality financial advice that is accessible, affordable and engaging for Australians. The business helps clients navigate their way through a range of financial services and solutions and educates clients to improve their financial wellbeing.

Financial performance

Net revenue margin $m



Net revenue improved marginally by $1.1m due to the following:

- strong new client growth and lower refunds in Bridges Financial Services; and
- record new client growth and higher asset-based fee income in Shadforth Financial Group reflecting favourable market performance;

partially offset by

- a decrease in advice services revenue from the sale of Godfrey Pembroke Group Pty Ltd (GPG) to Godfrey Pembroke advisers and sale of the Millennium3 (M3) licence to WT Financial.

Operating expenses reduced by $37.9m from optimisation benefits realised from Advice strategic initiatives.

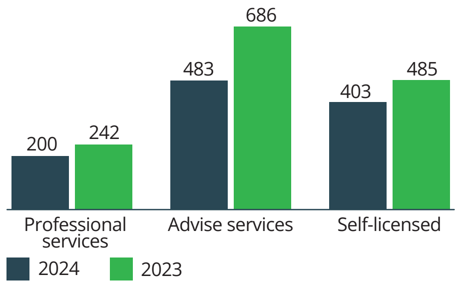
NPAT decreased by $83.7m primarily driven by the $149.5m increase in remediation provisions and the $12.5m increase in transformation and separation costs, partially offset by $37.9m reduction in operating expenses, $1.1m stronger revenue performance and related income tax benefits.

Refer to Note 2 *Operating segments* for details.

Number of advisers

The number of advisers decreased by 327 for the year ended 30 June 2024, primarily through the sale of GPG to advisers and the sale of the M3 licence.

Advice numbers



Departures from professional services were a result of right-sizing of adviser numbers within Bridges.

Departures in advice services were driven by the sale of GPG to advisers and the sale of the M3 licence.

Departures in the self-licensed channel were primarily due to the sale of larger practices and the exit of several smaller businesses.

Strategy and outlook

The Advice strategy announced in late July 2023 was successfully executed by 30 June 2024. This included divesting M3, sale of GPG to advisers and standing up Rhombus Advisory, a new partnership model for the RI Advice and Consultum licensees.

Moving forward, Advice through its retained professional services channel will focus on creating more value for clients, enhancing client engagement, and accelerating business profitability.

Operating and financial review (cont'd)

Corporate

Operating expenses
$68.0m
(2023: $68.1m)

UNPAT
$73.9m loss
(2023: $81.6m loss)

NPAT
$91.4m loss
(2023: $101.1m loss)

The Corporate segment comprises group functions required to support the Group and operating segments.

Activities performed by the segment are of a strategic, shareholder or governance nature and reflect centralised corporate expenses.

The segment also includes the financial results from the Group's divestment program.

Financial performance

Operating expenses remain flat in comparison with prior year.

The reduction in net loss after tax was mostly driven by $12.8m gains on businesses divested during the year.

Refer to Note 2 *Operating segments* for details.

Risk management

The Board is responsible for establishing and overseeing the Group's Risk Management Framework (RMF) and has delegated authority for the oversight and monitoring of the RMF to the Group Risk and Compliance Committee and the Chief Executive Officer (or their delegate). The RMF constitutes a clearly defined framework of proactive risk identification, assessment and targeted management of risk across all Insignia Financial's business operations in managing material risks. The key pillars of the RMF include:

- The Group Risk Management Strategy (RMS) which articulates the Group's approach to the implementation of its strategic objectives and the key elements of the RMF that give effect to the strategy. It also includes a description of each material risk, including key roles and responsibilities for managing the risk, and outlines the risk governance structure;
- The Group Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Group is prepared to accept in pursuit of strategic and business objectives, giving consideration to the interests of customers, shareholders and other stakeholders;
- The Group Risk Management Policy (RMP) which sets out the methodology to identify, assess, manage, analyse, monitor and report on those risks that could impact the achievement of strategic objectives, impact core processes and/or result in non-compliance with obligations;
- A 3LoA model to govern risk management and compliance activities across the Group. The 3LoA model represents the three lines of risk management that facilitate the effective operation of the RMF. The overarching principle is that the management of risk is primarily a business accountability; and
- The Risk Culture principles, which are essential for effective risk management outcomes that support the Group's financial and operational resilience.

In November 2022, APRA imposed additional licence conditions on the Registrable Superannuation Entity Licensees (RSELs). These conditions included:

- Enhancement of the RSELs' governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- Appointment of an independent expert to examine the operational effectiveness of the RSELs' governance, accountability and risk management frameworks and practices; and
- Rectification of areas of concern with input from the independent expert.

Additionally, APRA required:

- I.O.O.F Investment Management Limited to comply with its legal obligation in relation to the transfer of member benefits; and
- OnePath Custodians Pty Limited (OPC) to appoint an independent expert to provide root cause analysis and assurance in relation to the breach of APRA's direction.

A Rectification Action Plan was developed and the Group has made material progress in addressing rectification activities. The plan has considered changes broader than the Independent Expert findings.

On 22 July 2024, APRA agreed to accept a court enforceable undertaking (CEU) from OPC pledging to rectify compliance deficiencies and compensate members. The CEU is publicly available and relates to the conduct for which APRA issued the infringement notices as well as the ongoing remediation of a breach relating to accrued default amounts.

OPC has acknowledged APRA's concerns in the CEU and has committed to:

- identify, rectify, and remediate all members adversely affected by the breaches with input from an independent expert;
- allocate additional resources to replenish the Operational Risk Financial Requirement to 100% of the target balance of 0.25% of funds under management; and
- hold $40m of its existing Operational Risk Financial Requirement assets as an overlay until OPC has satisfied the terms of the CEU.

Operating and financial review (cont'd)

The Group manages a number of risks in conducting its operations and implementing its strategy. Material risks faced by the Group include, but may not be limited to those shown in the following table.

Material risk	Context	Key actions to manage the risk
Strategic change agenda	We aim to achieve financial wellbeing for every Australian. Through strategic transformation, we are simplifying our business operations and services to better meet the needs and outcomes of our clients. We actively manage existing and emerging risks arising from these changes, as well as in our regulatory and competitive landscape.	The Group adopts a business planning process for setting strategic and business initiatives investing in client service, product design, stakeholder relationships, market research, participation in consultation processes and other continuous improvement initiatives. The Group adopts an enterprise delivery framework that sets consistent standards and expectations on how we manage risks in the delivery of key strategic initiatives. The Group Executive Risk Forum supports the oversight of identifying and assessing emerging risks to the Group and assessment of the impacts of current and emerging environmental, social, business and regulatory risks and exposures to the extent they do or may have consequences for the Group.
Environment, Social and Governance (ESG)	We continue to strengthen our commitment to environmental, social and governance (ESG) principles, and are now a certified Climate Active organisation by recognising the offsetting of our operational carbon emissions. The Group's financial performance and reputation can be adversely impacted by not adequately identifying, assessing and managing ESG factors.	The Group manages a range of ESG risks in accordance with the implementation of the IFL ESG strategy and outlined actions and goals. This includes not conducting business or maintaining relationships with suppliers or partners known to be involved in modern slavery, money laundering, terrorism financing, or human rights violators, as well as those operating in industries with unacceptable ESG risks. Climate related risks across four key business pillars (corporate operations, superannuation, asset management and advice) are thoroughly assessed through climate risk reporting using the Task Force for Climate-related Financial Disclosure (TCFD) framework to improve our processes, frameworks and disclosures in managing climate change risks and opportunities. Responsible investment protocols and processes are in place for identifying and managing material ESG impacts, risks and opportunities across investment schemes and products.

Material risk	Context	Key actions to manage the risk
Governance	We have made progress in our governance uplift to assist our Board and management to make decisions in the interests of the Group and the best financial interests of clients in accordance with but not limited to the below to achieve the highest of standards: • ASX Corporate Governance Principles and Recommendations; • Registrable Superannuation Entities' obligations; • Responsible Entities' obligations; and • Discharging of fiduciary duties in good faith and in the best interests of clients.	The Group has a Rectification Action Plan and is in the process of implementing the agreed actions. The plan has considered changes broader than the Independent Expert findings. The Group is committed to working with the RSELs to satisfactorily address these changes in the timeframes set out in the plan. Executive Risk Forums support the oversight of risks and obligations within appetite, relevant emerging risks to the Group and reinforcement of desired organisational behaviours including accountability for risk management. The Group has in place the Conflicts Management Framework to identify, assess, mitigate, manage and monitor conflicts. The Member Office (MO) and Office of the Responsible Entity (ORE) act independently to the Risk Management function to set expected standards of governance and to oversee adherence to those standards by the Group in respect to advocating for member outcomes, members' best financial interests and investors' best interests. Remuneration and consequence management frameworks are in place to address legal and regulatory compliance requirements, promoting fair remuneration outcomes and reward appropriate behaviours.
Financial stability	Effective capital and debt management is imperative to meet the Group's ongoing funding requirements and to manage volatility in economic conditions. The capital requirements of the Group may be affected by earnings, asset growth, regulatory changes and strategic decisions – including acquisitions, divestments and changes in capital – intensive businesses.	The Group has a syndicated facility agreement providing diversity of funding and flexibility to manage working capital needs across the Group. The liquidity and capital requirements of the Group and its licensed entities are regularly reviewed and carefully monitored in accordance with risk appetite, banking covenants, licence requirements and regulatory capital requirements. Market risk is managed by holding diversified short and long- term investment mixes and loans in accordance with the Group Capital Management policy. Where appropriate derivatives are used to manage the exposures. Liquidity risk is managed by maintaining sufficient liquid assets and an ability to access a committed line of credit.

Operating and financial review (cont'd)

Material risk	Context	Key actions to manage the risk
Investment governance	As a leading provider of asset management, advisory and fiduciary investment administrative services in Australia, our ability to effectively manage and advise on the investment risks impacts the level of funds under management or administration and in turn our revenue. If the investment governance framework is not effective to navigate the changing investment market, there is a risk that investment decisions are not in line with investment strategies and objectives, best interest of clients and regulatory requirements.	Investment governance is managed at the subsidiary company level and not at Group level. Each applicable entity will address the following: • Investment risk is managed in accordance with the strategies described in the Product Disclosure Statement (PDS). • Multiple teams are responsible to implement Investment Governance Frameworks that meet the requirements of relevant obligations, investment objectives and strategies at both fund and investment option levels, liquidity management, stress testing, valuation and roles and responsibilities. • The Head of Responsible Investment (RI) is responsible for considering contemporary RI issues as raised by external stakeholders, including regulators and clients to make recommendations on how the organisation can further evolve in RI and therefore developing the approach to RI and making recommendations on how the organisation can evolve in this space.
Customer outcomes	We are committed to delivering sustainable and optimal customer outcomes. We continue to mitigate against instances where our frameworks, product design or practices may fail to prevent inappropriate, unethical or unlawful behaviour by an IFL entity or our employees. Areas of increased risk and focus include: • Fiduciary role of the superannuation business and implications of not meeting APRA performance tests or portability requirements; • Provision of quality, appropriate and adequate financial advice in the best interests of clients; and • Meeting disclosed client expectations in the context of the complexity of the business model and volume of product offerings in a changing operating environment.	Mandatory training on Our Code of Conduct completed by employees annually which sets the expected standards of behaviour for everyone at Insignia Financial. The Member Office has implemented a member outcomes framework which influences and prioritises management decisions impacting member outcomes. Advice risk is managed by having high professional, educational, compliance, assurance and training standards in place for the Group's advisers and authorised representatives. The Group also undertakes a rolling program of compliance reviews of advisers. The strategic change agenda is focused on simplifying the business, reducing complexity and improving sustainable outcomes for clients and shareholders. The complaints framework is in place to handle client complaints in a timely, consistent, fair and reasonable manner and deliver the required outcome for the impacted client.

Material risk	Context	Key actions to manage the risk
People and Culture	We continue to foster our unique culture and invest into the things that help us achieve our ambition to build financial wellbeing for every Australian. We aim to attract and retain the level of talent and skills required to effectively support business operations and growth agenda. We are committed to fostering a culture of diversity, inclusion and safety, and creating a sense of belonging for all employees. The volume of regulatory change impacting the Financial Services Industry is presenting an increase in demand for specialist skills and experience across newly introduced requirements. For example, FAR, CPS 230 and CPS 234. The factors above increase the risk of inadequate human resources or competency to conduct business, including failure to retain talent, employee fatigue, poor organisational design and excessive reliance on key persons.	The Group offers competitive employment conditions and benefits and promotes fair and equitable remuneration. This risk is also managed by: • having established recruitment processes in place to ensure employees meet competency requirements; • monitoring of employee performance; • monitoring of employee turnover; and • providing employees with learning opportunities and wellbeing education and support programs. The performance management process is designed to reinforce behaviours that are aligned to our principles and desired risk culture and conduct. This is achieved by aligning remuneration with performance outcomes (including risk and conduct gateway measures and consequence management). The Group has developed an Insignia Financial Diversity, Equity and Belonging (DEB) strategy, committee and network. The committee is made up of members of the executive team, leaders across the organisation and is supported by volunteer squads made up of our employees. The DEB committee has shaped and leaded the Diversity, Equity and Belonging strategy, priorities and initiatives. Current initiatives in flight to further manage this risk include negotiating a harmonised single set of terms and conditions through a new Enterprise Agreement and improving our culture of accountability with the implementation of the FAR.
Cyber resilience	We are committed to protect our clients and our clients' data against cyber security threats. The cyber threat environment continues to rapidly change with increasing sophistication and targeting and high-profile breaches occurring globally and within Australia. We continue to uplift, simplify and separate our technology operating environment (including supporting information security and cyber security), to protect information held by the Group from internal or external compromise on systems causing business disruption, data and potential privacy breaches, client dissatisfaction, regulatory breaches/fines and/or financial loss.	The Information Security Management Framework outlines the key elements of Information Security Governance and Management including controls to address key capability areas and the supporting policies, standards and procedures. Information Management standards outline the requirements on how information is created, managed, shared, used and disposed in a timely manner. Annual business continuity and disaster recovery testings of critical business applications for Information Technology systems and services are undertaken.
Legal and compliance	The Group is required to comply with large volumes of complex legal and regulatory obligations applicable to its business activities. The increasing volume and complexity of regulatory change, at times within relative short time frames, if not adequately implemented in a timely manner could give rise to non-compliance with regulations, financial penalties and adversely impact the Group's reputation.	The Compliance Obligations Framework includes a consistent set of principles and processes including assessment of applicability to business activities and assignment of accountable owners who periodically review the compliance of business processes and activities. The Group maintains policies and frameworks to address the legislative requirements and the required systems, processes, resources and employee training to ensure compliance, monitoring and reporting of any incidents or breaches. A Regulatory Change Model is in place to monitor and oversee all regulatory change activities.

Operating and financial review (cont'd)

Material risk	Context	Key actions to manage the risk
Operational risk environment	We are one of Australia's largest wealth managers operating in a complex environment. This exposes the Group to operational risks relating to losses resulting from inadequate or failed internal processes, people and systems, or from external events. These include, but are not limited to internal and external fraud, money laundering and terrorism financing, bribery and corruption. The financial statements contain certain provisions and contingent liabilities for these risks in accordance with applicable accounting standards.	Our risk and compliance management policies and procedures support a risk-based approach by the business in the identification, assessment, treatment and monitoring of identified risks, incidents and breaches in a timely manner. The Risk Management team supports the business as well as undertaking assurance reviews (e.g. control testing programs) in order to support the Board and its committees in ensuring that we manage risk appropriately. We have a dedicated Financial Crime team to develop, manage and undertake regular reviews of Insignia Financial's anti-money laundering (AML) and counter-terrorism financing (CTF) programs and financial crime risk and operational frameworks.

Impact of macroeconomic conditions

In preparing the financial report, the Group has considered the impact of geopolitical tensions and other macroeconomic conditions in its adoption of significant assumptions and market inputs used in:

- valuing the Group's financial instruments; and
- preparing disclosures for the fair value of financial assets and liabilities and financial risk management.

The Group's management and services fee revenue is directly driven by the Group's FUMA balance at any given point of time. Market movements along with net flows are a significant contributor to FUMA and are therefore impacted by current and future macroeconomic conditions.

The fair value of the Group's financial instruments may be impacted by a variety of factors arising from changed business conditions as a result of geopolitical tensions and other macroeconomic conditions. The Group has reviewed the appropriateness of inputs to the valuation of financial instruments and the disclosures for the fair value of financial instruments.

Non-financial risks emerging from global inflation hikes, tightening monetary policies, global geopolitical tensions have been identified, assessed, managed and governed through timely application of the Group's risk management policies.

Management continues to monitor the impact of global economic uncertainty to the business environment including ongoing assessment of market risk, credit risk and liquidity risk associated with the business.

Directors' report

For the year ended 30 June 2024

The Directors present their report together with the financial report of Insignia Financial Ltd and of the Group for the financial year ended 30 June 2024 and the auditor's report thereon. The *Operating and financial review* and the *Remuneration report* are parts of the Directors' report.

Current Directors

Name, qualifications and independence status	Experience, special responsibilities, listed and other significant directorships
Mr Allan Griffiths B.Bus, DipLI. Independent Non-Executive Director and Chairman Director since 14 July 2014 Chairman since 4 April 2019	Mr Griffiths has more than 40 years' experience with a deep understanding of the financial services industry. Mr Griffiths has held a number of executive positions within the industry most notably as Chief Executive Officer Aviva Australia and later, Managing Director South Asia, Aviva Asia Pte Ltd based in Singapore. Prior to joining Aviva, Mr Griffiths held executive positions with Colonial Ltd and Norwich Union. Mr Griffiths is Chairman of Metrics Credit Partners and Chairman of St Andrew's Insurance Group Australia. Mr Griffiths has been a non-executive director of Navalo Financial Services Group Limited since January 2023. Mr Griffiths is a member of the Group Audit, Group Risk & Compliance, Group Nominations and Group People & Remuneration Committees.
Mr Scott Hartley B.Bus, Advanced Management Programme INSEAD Chief Executive Officer and Executive Director Director since 1 March 2024	Mr Hartley has over two decades of experience in the wealth management sector and proven experience in turnarounds, transforming, and growing wealth management businesses. Mr Hartley most recently served as CEO of AMP Australia Wealth Management from January 2021 to December 2023, where he was tasked with rebuilding the company's culture, performance, and reputation following the Financial Services Royal Commission. Prior to AMP, Mr Hartley served as the CEO of Sunsuper from January 2014 to September 2019. His leadership played a pivotal role in Sunsuper becoming Australia's fastest-growing top ten superannuation fund. Before joining Sunsuper, Mr Hartley led MLC's corporate and institutional wealth businesses including Plum Financial Services and JANA Investment Advisers.
Ms Elizabeth Flynn LLB, Grad Dip AppCorpGov, FAICD, FFin, FGIA, FCG Independent Non-Executive Director Director since 15 September 2015	Ms Flynn has more than 40 years' experience in the financial services industry, including roles within law and corporate governance as well as executive responsibilities. From 1998 to 2010, Ms Flynn was the Chief Legal Counsel, Group Compliance Manager and Group Company Secretary of financial services group Aviva Australia, and a director of Aviva Australia's superannuation trustee company. Prior to her time at Aviva, Ms Flynn spent 18 years as a commercial lawyer with Minter Ellison, including eight years as a Partner, specialising in managed funds, banking, securitisation and superannuation. Ms Flynn was a non-executive director of Bennelong Funds Management from 2010 to 2015, a non-executive director of the Colonial Mutual Life Assurance Society Limited from November 2019 until April 2021 and a non-executive director of AIA Australia Limited from February 2011 until March 2024. Ms Flynn is Chair of AIA Health Insurance Pty Ltd. Ms Flynn is Chair of the Group Risk and Compliance Committee, and a member of the Group Audit, Group People and Remuneration and Group Nominations Committees.
Mr John Selak Dip Acc, FCA, FAICD Independent Non-Executive Director Director since 14 October 2016	Mr Selak has over 40 years' experience in the financial and advisory services industry. From 2000 to 2016 he was a partner in the Corporate Finance Practice of Ernst & Young, providing valuation services to a broad range of local and international clients and also serving on their Global Corporate Finance Executive. From 2014 to 2017, Mr Selak was an advisory board member of Quest Apartment Hotels. From 2016 to 2020, Mr Selak was a non-executive Director of National Tiles and the Chairman of Corsair Capital until April 2021. Mr Selak was a non-executive Director of Top Shelf International Holding Ltd between 1 June 2024 and 15 August 2024. From November 2021 to December 2023, Mr Selak accepted a part-time role within the Office of the Special Manager for the Melbourne Casino Operator as Deputy Special Manager - Governance, Risk and Assurance. Mr Selak is currently a non-executive director of Turosi Food Solutions and Insignia Community Foundation. Mr Selak is Chair of the Group People & Remuneration Committee and a member of the Group Audit, Group Nominations and Group Risk & Compliance Committees.
Mr Andrew Bloore Independent Non-Executive Director Director since 2 September 2019	Mr Bloore is an experienced Non-Executive Director, entrepreneur and farmer. He has designed, built and sold a number of businesses, focused on the development of key disruptive technologies and distribution services in traditional markets, to create business efficiencies. Mr Bloore has been actively involved in, both as an Executive and/or as a Director and in the capacity of investment funding, development and leadership, businesses including Smartsuper, SuperIQ, and Class Super. Mr Bloore has worked on a range of Senate and Treasury Committees, and with the Australian Taxation Office (ATO) Regulations Committee on regulation for the superannuation industry. In 2016, Mr Bloore sold his superannuation administration business to AMP, stepped down from the Senate and Treasury Committees and is now focused on contributing to organisations as a Non-Executive Director. Mr Bloore has been a non-executive director of Steadfast Group Limited since November 2023 and a non-executive director of Simonds Group Limited since July 2021. Mr Bloore is Chair of the Group Nominations Committee and a Member of the Group Audit, Group People & Remuneration and Group Risk & Compliance Committees.

Directors' report (cont'd)

Name, qualifications and independence status	Experience, special responsibilities, listed and other significant directorships
Ms Michelle Somerville B.Bus (Accounting), M-AppFin, FCA, FAICD Independent Non-Executive Director Director since 1 October 2019	Ms Somerville is an experienced Non-Executive Director, bringing deep and relevant finance, risk and governance experience to the Board, having worked in the financial services industry in both her executive and non-executive roles. Previously she was an audit partner with KPMG Australia for nearly 14 years, with a focus on the financial services industry in both Australia and overseas. Ms Somerville has been a non-executive director of Select Harvests Limited since December 2022. Ms Somerville was a non-executive director of the GPT Group from December 2015 to May 2023. Ms Somerville is the Chair of the Group Audit Committee and a member of the Group Nominations, Group People & Remuneration and Group Risk & Compliance Committees.
Ms Gai McGrath LLM (Dist), BA LLB (Hons) GAICD Independent Non-Executive Director Director since 4 March 2024	Ms McGrath has more than 37 years of experience in the financial services and legal industries in Australia, New Zealand and the UK. In addition to having held a number of non-executive directorships across the listed, government and profit-for-member sectors, Ms McGrath is a former Chair of BT Funds Management and Humanitix. Ms McGrath has previously held a series of executive roles with the Westpac Group, centred around retail banking and wealth management. Ms McGrath was also a lawyer in private practice and, prior to her time at Westpac, worked at Perpetual Limited as General Counsel and Company Secretary. Ms McGrath is a non-executive director of Steadfast Group (where she chairs the People, Culture and Governance Committee), Waypoint REIT (where she chairs the Remuneration Committee) and HBF Health (where she chairs the People, Culture and Remuneration Committee). From 2016 to 2024, she was a non-executive director of Helia Group (where she was Chair of the Risk Committee) and Toyota Finance Australia Limited. Ms McGrath is a member of the Group Audit, Group Nominations, Group People & Remuneration and Group Risk & Compliance Committees.
Ms Jodie Hampshire B.Comm, CFA, GAICD Independent Non-Executive Director Director since 1 May 2024	Ms Hampshire is an experienced executive within the financial services industry with over 20 years of experience. From 2013 to 2023, Ms Hampshire held a series of executive positions, including Asia Pacific CEO, within global asset manager, Russell Investments. Prior to her time at Russell Investments, Ms Hampshire worked at Mercer in several senior roles. Ms Hampshire began her financial services career with a graduate cadetship at Commonwealth Bank of Australia. She is a CFA charter holder, a graduate of the AICD and is a director and member of the Audit Committee for Australian Military Bank. Ms Hampshire is a member of the Group Audit, Group Nominations, Group People & Remuneration and Group Risk & Compliance Committees.

All Directors held office during and since the end of the financial year unless otherwise specified. Refer to Section 6 of the *Remuneration report* for Directors' subsidiary company and committee appointments.

The Group People & Remuneration and the Nominations Committees review the balance of skills, experience, independence, knowledge and diversity of Directors. This involves the creation of a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Former Director

Mr Renato Mota resigned as Chief Executive Officer and Managing Director effective 29 February 2024.

Company secretary

Ms Adrianna Bisogni LLB (Hons) BA GAICD
Ms Bisogni is a lawyer with over 25 years' experience in corporate law. Ms Bisogni was appointed to the role of Company Secretary in November 2019.

Mr Joseph Volpe LLB, BA, GIA (Affiliated)
Mr Volpe has previously worked as a lawyer, both in private practice and within several financial services companies. He is a graduate of the Governance Institute of Australia and was appointed to the role of Company Secretary on 20 August 2024.

Mr Bill Linehan LLB, BCom, FGIA
Mr Linehan is a Chartered Accountant, lawyer, and a Fellow of the Governance Institute with over 20 years' experience in corporate law. Mr Linehan was appointed to the role of Company Secretary in May 2021, and resigned as Company Secretary on 6 September 2024.

Directors' meetings

The number of meetings of the Board of Directors and of the Committees of the Board and the individual attendance by Directors at those meetings which they were eligible to attend during the financial year is summarised in the table below:

	Board meetings		Risk & Compliance Committee meetings		Audit Committee meetings		Nominations Committee meetings		People & Remuneration Committee meetings	
Director	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
A Griffiths	13	13	5	5	7	7	5	5	9	9
S Hartley*	3	3	–	–	–	–	–	–	–	–
J Selak	13	13	5	5	7	7	5	5	9	9
A Bloore	13	13	5	5	7	7	5	5	9	9
M Somerville	13	13	5	5	7	7	5	5	9	9
G McGrath**	3	3	1	1	2	2	1	1	2	2
J Hampshire***	1	2	1	1	2	2	1	1	2	2
E Flynn#	13	13	5	5	7	7	5	5	9	9
R Mota##	10	10	–	–	–	–	–	–	–	–

* Mr Hartley was appointed as the Chief Executive Officer and Executive Director 1 March 2024
** Ms McGrath was appointed as a non-executive Director on 4 March 2024
*** Ms Hampshire was appointed as a non-executive Director on 1 May 2024
\# Ms Flynn intends to retire as a non-executive Director in 2024
\## Mr Mota resigned as the Chief Executive Officer and Managing Director effective 29 February 2024

Meetings eligible to attend represents the number of meetings held during the time the Director held office. The Directors meetings are those held for Insignia Financial Ltd. This does not include the meetings held and attended by Directors for the various subsidiary companies.

In addition to the meetings attended during the year, a number of matters were considered and addressed separately via circular resolution.

Indemnification and insurance

Rule 84 of the Insignia Financial Ltd constitution requires the Company to indemnify to the extent permitted by law, each Director and Secretary against liability incurred in, or arising out of the conduct of the business of the Company or the discharge of the duties of the Director or Secretary. The Directors and Secretary named in this Directors' Report have the benefit of this requirement, as do individuals who formerly held one of those positions.

In accordance with this requirement the Company has entered into Deeds of Access, Indemnity and Insurance (Deeds of Indemnity) with each Director and Secretary. During the financial year, the Group paid insurance premiums to insure against amounts that the Group may be liable to pay the Directors and Secretary pursuant to Rule 84. The insurance policy also insures the Directors and Secretary of the Company and its controlled entities, and the general officers of each of the companies in the Group to the extent permitted by law. Details of the amount of the premium paid in respect of the insurance contract have not been disclosed as such disclosure is prohibited under the terms of the contract.

The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage to themselves or someone else or to cause detriment to the Company.

No payment has been made to indemnify KPMG during or since the financial year ended 30 June 2024 against claims by third parties arising out of or relating to the audit or the audit engagement agreement.

Non-audit services

The Directors are satisfied that the provision of non-audit services during the year of $173,634 by the auditor is compliant with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Non-audit services are managed as follows:

- Fees earned from non-audit work undertaken by KPMG are capped at 0.1 times the total audit fee;
- Services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- Services do not undermine the general principles relating to auditor independence as set out in the *Code of Conduct APES 110 Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work,

Directors' report (cont'd)

acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

Further information regarding remuneration of auditors is included in Note 33 *Remuneration of auditor*.

Rounding of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report are rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Lead auditor's independence declaration

The lead auditor's independence declaration is included on page 61 of the annual financial report and forms part of the Directors' Report for the year ended 30 June 2024.

Environmental regulation

The Group is not subject to significant environmental regulation.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Events occurring after balance date

Rhombus Advisory Pty Ltd

On 1 July 2024, the Group divested 63% of its holding in Rhombus Advisory Pty Ltd (Rhombus) and recognised its remaining 37% interest in Rhombus as an equity accounted associate.

Operating model and executive team changes

On 11 July 2024, the Company announced a revised operating model and new executive team, to drive increased accountability and enhance the focus on growth opportunities across the business. The new structure took effect on 29 July 2024.

The new structure comprises four dedicated lines of business: Asset Management, Master Trust, Wrap and Advice. Each business line is led by an executive with end-to-end accountability to drive positive sustainable growth and profitability, improve customer outcomes and the customer experience and is supported by specialist enablement and governance functions.

The new leadership team comprises a mix of existing executives and new external appointments including:

- Renee Howie appointed as Chief Customer Officer, with responsibility for Advice and Marketing;
- Liz McCarthy appointed as CEO MLC Expand, responsible for Wrap Platforms business;
- Dave Woodall appointed as CEO Superannuation, responsible for Master Trust business; and
- Jason Sommer as Chief Operating Officer, responsible for Strategy and Enterprise Services functions.

Renee Howie and Dave Woodall will start 1 November 2024. As a result of the changes, Frank Lombardo, Mark Oliver and Chris Weldon have ceased their key management personnel responsibilities disclosed in the *Remuneration Report* effective 26 July 2024.

Penalty paid to APRA

On 20 July 2024, the Group paid $10.7m to APRA in response to infringement notices issued by APRA for alleged breaches of the *Superannuation Industry (Supervision) Act 1993* for failing to invest members' default superannuation contributions in MySuper products. This amount has been included in other expenses in the current financial year.

Court enforceable undertaking with APRA

On 22 July 2024, APRA agreed to accept a court enforceable undertaking (CEU) from OPC pledging to rectify compliance deficiencies and compensate members. The CEU is publicly available and relates to the conduct for which APRA issued the infringement notices as well as the ongoing remediation of a breach relating to accrued default amounts.

OPC has acknowledged APRA's concerns in the CEU and has committed to:

- identify, rectify, and remediate all members adversely affected by the breaches with input from an independent expert;
- allocate additional resources to replenish the Operational Risk Financial Requirement to 100% of the target balance of 0.25% of funds under management; and
- hold $40m of its existing Operational Risk Financial Requirement assets as an overlay until OPC has satisfied the terms of the CEU.

Authorisation

The Directors' Report is signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

Mr Allan Griffiths – Chairman
Melbourne
22 August 2024

Remuneration report

Letter from the Group People & Remuneration Committee Chair

Dear Shareholders,

On behalf of Insignia Financial, I am pleased to present our 2024 Remuneration report. Through this report, we aim to provide clarity on our remuneration approach and governance around remuneration for Non-Executive Directors (NEDs) and Key Management Personnel (KMP) for Financial Year 2024.

Changes to our remuneration framework, foreshadowed in the 2023 Remuneration report, have been implemented for Financial Year 2024, including our new Executive Incentive Plan (outlined on page 42).

This plan introduces short-term incentives for Executives, with the prior plan being a fully equity-based scheme, under which the first year of performance rights vested in 2024. We believe this change helps to better balance rewarding Executives in the immediate term, whilst also continuing to align with shareholder interests and creating long term sustainable value in the Company.

Through the evolution of our remuneration approach, we aim to ensure that we are driving a positive and high performing culture that rewards aligned behaviours and strong delivery. We have also ensured that our remuneration framework meets regulatory requirements and expectations of our stakeholders.

From a regulatory perspective, we are progressing well in readiness for the 'go live' of FAR (the Financial Accountability Regime) in March 2025. Prudential Standard CPS 511, which commenced 1 July 2023, continues to be positively embedded. We welcome the continued focus on clear accountability and careful linkage of risk and conduct to performance and remuneration outcomes.

Changes to Key Management Personnel

This year saw the departure of Renato Mota as Chief Executive Officer (CEO) at the end of February and the commencement of Scott Hartley into the role on 1 March 2024. In addition, Darren Whereat (Chief Advice Officer) ceased KMP duties and Chris Weldon (Chief Client Officer) was appointed as a KMP in November 2023. With the announcement of a new Executive structure in July and changes to the executive team, there will be changes to our KMP in next year's Remuneration report.

Board renewal

In 2024, we welcomed two new Directors to the Insignia Financial Ltd Board. Gai McGrath joined the Board on 4 March 2024 and Jodie Hampshire commenced on 1 May 2024. Gai and Jodie are valuable additions as part of our Board renewal process. Shareholders will be asked to consider their appointments at the 2024 Annual General Meeting.

Financial year 2024

The 2024 Financial Year has seen significant progress with the successful delivery of the MLC Wrap to Expand migration – one of the largest platform migrations in our industry's history. Pleasingly, we continue to advance towards our separation from NAB which remains on track for 2025. Good progress continues to be made in relation to the Licence Conditions APRA imposed in November 2022, with commitments tracking well for delivery. With regard to investment performance, all three of the group's default funds were placed in the top 10 for FY24 in the SuperRatings SR50 MySuper Survey – a great achievement.

Equally, there have been challenges. In July, one of the Insignia Financial Trustees, OnePath Custodians Pty Ltd (OPC), announced it entered an enforceable undertaking with APRA including infringement notices totalling $10.7 million in relation to ongoing remediation. Disappointingly, this has also contributed to our recent announcement of an increase in remediation provisions to address legacy issues.

Performance and remuneration outcomes for Financial Year 2024

The average short-term variable reward (STVR) outcome for KMP as a percentage of target is 70% as compared with the maximum of 125%.

The first tranche of long-term variable reward (LTVR) under the former Executive Equity Plan (EEP), which was issued at the commencement of the 2021 performance year, reached the end of its performance period on June 30, 2024. On average 60% of these performance rights for KMP vested which is outlined on page 50.

In the 2024 financial year, a 2% average Total Fixed Remuneration (TFR) increase was applied across the Executive KMP, effective 1 July 2024.

Applying Board discretion and modification to STVR outcomes

The Board acknowledge the impact that an increase in provisions for remediation has had on our shareholders and accordingly, has exercised its discretion for 2024, applying a 20% reduction to STVR outcomes for all current KMP.

Separately, downward modification has been applied to two executive KMP under our consequence management framework and specifically, the risk and conduct modifier.

Non-Executive Director fees

Non-Executive Director fees were increased by 3% effective 1 July 2023 to remain aligned to market benchmarks. No increase has been applied for financial year 2025. The total fees remain within the current Director Fee pool of $1,750,000.

On behalf of the People & Remuneration Committee, I would like to thank you for your support as a fellow shareholder and encourage you to vote to adopt the report at our Annual General Meeting in November.

John Selak
Group People & Remuneration Committee Chair
22 August 2024

Remuneration report (cont'd)

Contents

The Remuneration report for Insignia Financial Ltd outlines our remuneration objectives & principles and outcomes for the Key Management Personnel (KMP). This report has been prepared, and audited, as required by the *Corporations Act 2001*. It forms part of the Directors' Report.

1. Remuneration objectives and principles

Insignia Financial believes remuneration plays an important role in supporting a strong culture and delivering business outcomes. The remuneration objectives and principles outlined below serve as the guardrails for the remuneration framework. Designed to support the delivery of strategic objectives, meeting regulatory standards and shareholder expectations by rewarding collective and individual performance in addition to constructive behaviours that drive strong risk outcomes.

Insignia Financial Purpose			
Understand me	Look after me		Secure my future
Remuneration objectives – objectives of Insignia Financial's remuneration framework:			
Attraction and retention of the best talent	Strategy-led and supporting Insignia Financial's purpose	Promote a sound risk culture, meeting regulatory expectations	Shareholder alignment
Attract, motivate, and retain key talent to drive the performance of the Company through individual and collective performance and demonstration of our cultural principles.	Support our approach to delivering customer outcomes as a sustainable competitive advantage. Emphasis on delivering quality advice.	Remuneration practices promote and enhance healthy risk culture. Ensure the Group meets regulatory expectations through the design of the framework.	Align outcomes with the shareholder experience through allocation of equity and delivery of shareholder returns. Facilitate an 'ownership mindset' and long-term focus among participants.
Remuneration principles – these objectives are achieved by:			
Being market competitive and reflecting our broader employee value proposition.	Creating a culture that underpins our principles – recognising what is achieved and the way in which it is achieved.	Supporting risk management framework and culture by encouraging appropriate risk behaviours, setting clear performance and risk accountabilities and enabling consequences through forfeiture of remuneration.	Delivering on shareholder value through short-term performance that builds into long-term performance.

2. Remuneration governance

The Group People & Remuneration Committee

The Group People & Remuneration Committee is the governing body for developing, monitoring, and assessing the remuneration strategy, policies and practices across the Insignia Financial Group and monitoring overall pay equity. The role of the Group People & Remuneration Committee is to review, challenge, assess and as appropriate, endorse the recommendations made by management for Board approval. It oversees the Insignia Financial remuneration framework and assists the Board to ensure that Insignia Financial's remuneration strategy and policy are appropriate and effective. The Committee also has oversight to other People and Culture areas such as talent and succession, culture and engagement, and diversity and inclusion.

The Committee reviews and makes recommendations to the Board on the remuneration structure and policies applicable to the KMP and Non-Executive Directors (NEDs) of the Insignia Financial Group, as well as the wider Insignia Financial employee population.

The Committee is comprised solely of NEDs, all of whom are independent. The members of the Committee for the year ended 30 June 2024 were J Selak – Chair, A Griffiths, E Flynn, A Bloore, M Somerville, G McGrath and J Hampshire.

The Board considers that the members of the Committee provide an appropriate mix of skills to undertake its terms of reference, having regard to their qualifications, knowledge of the financial services industry and experience in business management.

Group People & Remuneration Committee Charter

The responsibilities of the Group People & Remuneration Committee are outlined in its Charter. The Charter is available on the Corporate Governance page of the Company's website at www.insigniafinancial.com.au.

The Group People & Remuneration Committee met formally nine times during the 2024 financial year. This included a joint meeting between the Group People & Remuneration Committee, the Group Audit Committee and the Group Risk & Compliance Committee as outlined below.

Remuneration and conduct governance

Our enhanced remuneration framework and governance has continued to be embedded in 2024 and will continue to 2025. The remuneration governance framework ensures key linkages between risk and performance and remuneration outcomes. Our comprehensive consequence management framework, which provides objective guidance on severity of risk or conduct events as well as consistent oversight of appropriate consequences, commenced on 1 July 2023. It incorporates current adjustment practices, such as malus, clawback, risk and compliance gateways and the Exercise of Discretion in Remuneration Decision Making Policy.

At Insignia Financial, the Group People & Remuneration Committee, Group Risk & Compliance Committee, Insignia Financial Board and Registrable Superannuation Entity Licence (RSEL) Boards (I.O.O.F. Investment Management Ltd, Oasis Fund Management Limited, OnePath Custodians Pty Limited & NULIS Nominees (Australia) Ltd) are actively engaged in goal setting, performance assessment and remuneration review processes.

In 2024, for the fourth year, a joint meeting of the Group People & Remuneration, Group Risk and Compliance and Group Audit Committees was convened as part of our end of year performance and remuneration review process. The joint Committee meeting was extended to include the RSEL Chairs of the Boards, Risk and Compliance and Audit Committees to provide the perspective of the RSELs to the discussion.

The joint meeting reviewed the material risk matters and considered potential consequences to performance and remuneration outcomes for senior leaders. For financial year 2024, two Executive KMP incurred a reduction to their STVR via the Risk & Conduct modifier due to significant risk matters that emerged through the year in areas under their accountability. These impacts are outlined on page 42.

For the first time, these outcomes were informed by remuneration adjustment recommendations from the Risk & Conduct Forum. The Risk & Conduct Forum, a management committee which commenced in February 2024 as part of the refreshed Consequence Management Policy, is accountable for reviewing matters where a material risk event has occurred to determine whether consequences should be applied to individuals because of demonstrated behaviours or accountability.

This is a critical step as part of our end of year process, enabling a focused discussion on risk behaviours and outcomes, and consideration of any consequences to variable remuneration outcomes. This is further highlighted in the next section, 'Insignia Financial's remuneration governance framework'.

Remuneration report (cont'd)

Insignia Financial's remuneration governance framework

Board committees

Concurrent meetings are held to determine CEO Executive KMP and specified roles risk, performance, and remuneration outcomes.

Group People & Remuneration Committee	Group Risk & Compliance Committee	Group Audit Committee
Oversees Insignia Financial's remuneration framework and assists the Board to ensure the Group's remuneration strategy and policy are appropriate and effective. Makes recommendations to the Board about remuneration consequences to be applied.	Assesses and advises the People & Remuneration Committee of material risk matters which may impact collective and/or individual remuneration outcomes.	Assesses and advises the People & Remuneration Committee of any audit matters which may impact collective and/or individual remuneration outcomes.

Risk & Conduct Forum

Management committee that oversees material risk matters to determine whether consequences should be recommended for individuals, including remuneration adjustment recommendations for Executive General Managers and below levels.

Independent Remuneration Consultants

The People & Remuneration Committee may engage external advisors to provide information to assist the Committee in making remuneration decisions. For the FY24 period, no remuneration consultants were engaged for these purposes.

Culture, accountability and remuneration

The Board continues to oversee enhancements to the Group's management of risk and remuneration, reinforcing cultural and behavioural expectations in support of a positive risk culture through the Group's practices and frameworks.

Risk also plays a key role in performance and remuneration outcomes for our broader employee workforce, as well as for Executives, with financial year outcomes and reward being subject to meeting compliance and risk behaviour expectations. In financial year 2024, more than 97% of the total workforce achieved the risk and compliance gateway. No variable reward was awarded to the <3% who failed to meet the gateway.

The Board has the ability to reduce or eliminate unvested retained performance rights in certain circumstances (malus). In FY24, the population subject to malus was expanded to include all staff (previously malus only applied to senior management employees). For certain employees identified under CPS 511, the Board also has the ability to recover (in whole or in part) variable remuneration in certain circumstances (clawback). For more details on Insignia's remuneration adjustment mechanisms, see table below.

In-year adjustments	Applies to all employees
• Are determined as part of assessing an individual's performance each year. • The annual assessment includes consideration of compliance with gateway requirements and with the principle (behavioural) expectations outlined in the Code of Conduct; adherence to company policies and risk expectations; mandatory learning and meeting hybrid expectations; and any outcomes from the consequence management process.	
Forfeiture	**Applies to all employees with STVR and/or LTVR allocation**
• Where an individual's employment is terminated (or they resigned) due to a compliance or conduct concern, incentive payments due to be paid and unvested remuneration are forfeited.	
Malus events	**Applies to Key Management Personnel and Senior Management and employees**
• The malus provisions provide the ability to reduce or eliminate in full the retained performance rights offered for key management personnel, senior management and all employees. • The Group People & Remuneration Committee may also reduce/eliminate in full retained performance rights where it is determined appropriate.	
Clawback	**Applies to Key Management Personnel and senior management**
• Clawback provisions provide the Board with the ability to recover in exceptional circumstances (in part or whole) variable remuneration that has already been paid or vested for up to two years from the point of payment or vesting, if it is determined appropriate.	

Embedding risk in our Performance and Reward framework

Risk culture

The Insignia Financial risk culture is a key business driver and seeks to create an environment where employees have a clear understanding of their responsibilities and accountabilities for managing risk. Employees are empowered to ask questions, report concerns, seek relevant information, challenge assumptions and take action when issues are identified as part of everyday work activities.

Risk culture is underpinned by the cultural principles, which are embedded in our business processes, including the performance framework.

Alignment of risk to remuneration outcomes

The Insignia Financial Group Remuneration Policy is designed to encourage and incentivise employees to act responsibly and with integrity in a manner consistent with the Policy.

The Risk & Conduct Forum provides consistent oversight of material risk events to ensure appropriate consequences are applied.

Reporting is provided to the Board and relevant committees to support oversight of remuneration and risk consequences to assist in informing performance and remuneration reviews.

Risk in the performance review process

Risk assessments are a key consideration for the annual performance assessment process of the CEO and Executives. The joint meeting of the People & Remuneration, Risk & Compliance and Audit Committees, informed by recommendations of the Risk & Conduct Forum ensure a clear link between risk, performance and remuneration outcomes. This formal approach is supported by reporting and governance structures to ensure a holistic view of risk.

Remuneration adjustment

As outlined above, the Board has a number of methods that can be used to adjust remuneration for in period risk events or for those that emerge following the conclusion of the performance period. This includes the ability to reduce (including to zero) a variable remuneration award/or lapse or postpone vesting of variable remuneration awards granted, but not vested.

Remuneration report (cont'd)

3. Key components of remuneration for Executive Key Management Personnel

Total Fixed Remuneration

Feature	Approach
Purpose	Total fixed remuneration (TFR) comprises base remuneration (i.e. cash salary) and superannuation. TFR is delivered in accordance with contractual terms and conditions of employment and is reviewed annually against relevant comparator group remuneration benchmarks.

Executive Incentive Plan

FY24 was the first year of the Executive Incentive Plan (EIP) being in place for the executive team as their variable reward scheme. The EIP replaced the previous variable reward scheme, the Executive Equity Plan (EEP), which was a fully equity-based plan.

Feature	Approach
EIP	The EIP is the incentive plan covering the CEO and Executive KMP. It is divided into short-term variable reward (STVR) which is delivered in cash, and long-term variable reward (LTVR) which is delivered in equity. The total EIP opportunity is 170% of fixed remuneration for the CEO and 60%-90% for Executive KMP.

The STVR and LTVR elements of the plan are outlined in detail below.

Short-term variable remuneration

The table below outlines key features of the 2024 financial year STVR award for the CEO and other Executive KMP. Refer to page 51 for treatment of STVR on cessation of employment.

<table>
<tr><th>Feature</th><th>Approach</th></tr>
<tr><td>Purpose</td><td>Varies remuneration outcomes in line with annual performance achievement, with material weighting to financial and non-financial outcomes across customer, leadership, strategy execution and shareholder measures, incorporating both risk scorecard and values assessments. Recognises both the "what" and the "how" of performance.</td></tr>
<tr><td>Participants</td><td>CEO and Executive KMP</td></tr>
<tr><td>Opportunity</td><td>The table below represents the total STVR opportunity of each role's total variable reward
<table>
<tr><th></th><th>% STVR of EIP Target</th><th>Maximum STVR (125%)</th></tr>
<tr><td>CEO</td><td>35%</td><td>43.75%</td></tr>
<tr><td>Executive KMP</td><td>50%</td><td>62.5%</td></tr>
</table></td></tr>
<tr><td>Performance measures and weightings</td><td>Individual STVR outcomes are determined with reference to Group performance and individual performance through a balanced scorecard. The performance measures comprise a mix of financial and non-financial metrics linked to Group and business unit targets, aligned to the Group's strategy with the weightings varied by role. For the CEO, Executive KMP and other Executives, the financial weighting was 30% for financial year 2024. STVR outcomes are subject to Board Discretion. More information on the CEO's STVR scorecard can be found on page 46.
<table>
<tr><th></th><th>Financial</th><th>Non-financial</th></tr>
<tr><td>CEO</td><td>30%</td><td>70%</td></tr>
<tr><td>Executive KMP</td><td>30%</td><td>70%</td></tr>
</table></td></tr>
<tr><td>Risk and Conduct and Principles</td><td>Performance outcomes are subject to the following gateways and modifiers:
• Compliance gateways: all KMP must meet core compliance expectations to be eligible for a STVR, including adherence to the Code of Conduct and completion of mandatory training requirements.
• Principles: the Board has the discretion to adjust the CEO, Executive KMP and other Executives' STVR outcomes on the basis of an assessment of behaviours aligned with our Group principles, where appropriate.
• Risk and Conduct: the Board has discretion, where appropriate, to adjust the CEO, Executive KMP and/or other Executives STVR outcomes, including where informed by recommendations from the Risk & Conduct Forum in relation to risk and conduct matters. The Risk and Conduct modifier also includes consideration of the senior risk matter outcomes that may warrant an adjustment to the Risk and Conduct assessment.</td></tr>
<tr><td>Calculation of Awards</td><td>STVR awards for all Executive KMP are calculated as follows:
TFR X Target STVR opportunity % X Performance result % X Risk & conduct modifier (if applicable) = Value of adjusted STVR award</td></tr>
<tr><td>Deferral</td><td>The STVR award will be assessed and awarded at the end of the performance period, with 50% paid at end of the performance period and 50% deferred as cash for further 12 months.</td></tr>
</table>

Long-term variable remuneration

The table below outlines key features of the 2024 financial year LTVR for the CEO and KMP Executives. Refer to page 51 for treatment of LTVR on cessation of employment.

Features	Approach
Purpose	Varies remuneration outcomes in line with longer term performance achievement, with a focus on relative shareholder returns to support sustainable shareholder value over time.
Participants	CEO, and Executive KMP and other Executives
Opportunity	The maximum face value of LTVR that can be granted for the CEO is 62.5% of EIP target, Executive KMP and other Executives is 50% of EIP target. The minimum potential outcome value is zero.
Performance Period	Subject to rTSR performance and Reputation performance over four years from 1 July 2023 to 30 June 2027.
Vesting	Final vesting occurs when performance rights that are subject to hurdle testing is completed. Vesting of performance rights will occur at the end of the performance period and are exercised on Board discretion.
Restricted Period	CEO: performance rights that remain vesting after performance testing will be subject to a further two-year restricted period (to 30 June 2029). After the restricted period, the vested performance rights will be exercised and converted to Insignia Financial shares. Executive KMP and other Executives: performance rights that remain vesting after performance testing will be subject to a further one-year restricted period (to 30 June 2028). After the restricted period, the vested performance rights will be exercised and converted to Insignia Financial shares.
Performance measures and weightings	70% of target measured against rTSR and 30% Reputational.
Instrument	Performance rights – each right entitles the participant to receive one IFL share (or cash equivalent at the Board's discretion), subject to vesting conditions.
Maximum face value allocation approach	The number of performance rights granted to Executive KMP is calculated as follows: TFR X LTVR opportunity % X Hurdle Testing % X Risk & conduct modifier (if applicable) = Value of adjusted LTVR award
Dividend equivalents	A dividend equivalent entitlement will apply to any vested performance rights to the amount of dividends would have been payable from when vested performance rights enter the restricted period until they are converted into IFL Share (or cash equivalent at the Board's discretion). A dividend payment will be payable after this point.
Board discretion and adjustments	The Board has discretion to determine that some or all of the award will lapse in certain circumstances (malus), including where, in the opinion of the Board: Malus • The Board may, at any time and at its absolute discretion, subject to compliance with the law, determine to cancel, reduce, suspend, forfeit or clawback some or all incentives; • The Board has absolute discretion to extend the deferral period of deferred incentive amounts, at any time. The Board may do so if the Board has reason to believe the participant is likely to fail to meet threshold measures of conduct or any other analogous or similar legislation or regulations applicable in the participant's jurisdiction; • Adjustment of variable reward amounts may be for any reason, including a Malus Event or for consequence management in circumstances contemplated by the Group People and Remuneration Policy or to reflect adjustment for performance outcomes; and • Adjustments of incentive amounts may also occur because of the Board's ongoing monitoring and review of a participant's performance and the performance of Insignia Financial, considering various factors such as the participant's or Insignia Financial's under-performance or failing in matters relating to risk, conduct and adherence to our principles. Board discretion may apply to any participants across Insignia Financial, by business unit/enabling unit, by role or by individual participant. Clawback • The Board has absolute discretion to claw back any variable remuneration provided under the Plan taking in to account factors such as the participants' performance or Insignia Financial's under-performance or failings in matters relating to risk, conduct, principles or sustainability measures or factors in the Group People and Remuneration Policy. This includes for a period of at least two years from the date of payment or vesting of variable remuneration and whether or not the employment of the relevant person has ceased, provided they are deemed a Senior Manager, Executive Director or Highly-Paid Material Risk-Taker for the purposes of CPS 511; and • If the Board exercises that discretion, the participant will be required to repay Insignia Financial an amount determined by the Board; forfeit some or all of the incentive or equity provided to the participant under the Plan.
Deferrals	The EIP is designed to meet CPS511 and FAR deferral requirements with at least 40% of Executive total reward deferred for 5 years and 60% of the CEO's total reward deferred for 6 years. This is achieved through the LTVR. 50% of the STVR is deferred each year for 12 months. These deferrals enable the board to have effective forfeiture powers for a period of time if malus or other equivalent events subsequently come to light post grant/vesting.

Remuneration report (cont'd)

Performance measure	Approach

rTSR (70% of target)

- rTSR provides a robust and easily quantifiable performance measure with strong alignment to shareholder value.
- TSR measures share price movement, dividends paid and any return of capital over a specific period.
- rTSR compares the ranking of IFL's TSR over the performance period with the TSR of other companies in a peer group.

Under the LTVR, performance rights are tested after four years but subject to a holding restriction and vest after the holding period has expired subject to vesting conditions.

Peer group ranking	Percent retained subject to restricted period
At the 75th percentile or higher 100%	100%
Between the median and 75th percentile	Pro-rata vesting from 50% to 100%
At the median	50%
Below the median	0%

Calculation of results

Each company in the peer group will be given a percentile ranking based on the growth in its TSR over the four-year performance period.

TSR outcomes are calculated by an external provider. TSR is relative to a general ASX peer group.

The peer group is made up of the 144 ASX200 (excluding mining) companies on the ASX by market capitalisation at the beginning of the performance period, excluding resources companies and IFL. This cross-industry peer group has been chosen as it represents the typical portfolio of companies in which IFL's shareholders invest, and so provides relevant benchmarks for measuring IFL's TSR. More information on the ASX companies used for this assessment can be made available upon request.

Reputational (30% of LTVR target)

The Board considers Reputation to be an appropriate measure as it provides a robust measure of IFL's management's financial performance and returns for shareholders in comparison to other companies.

The Reputational component of the LTVR sits as the non-financial element of the Plan. Insignia Financial is using RepTrak to track its reputation from a 2024 baseline score of 73.4%. The outcome is derived at the end of the four-year performance period, using the average of the quarterly scores of the last 12 months of the performance period.

Reputational score	% of performance rights (1)
Reputational score of 75.4% (Maximum)	100%
Reputational score of 73.4%	75%
Reputational score of 71.4% (Threshold)	50%
Reputational score below the 71.3%	0%

(1) Straight-line vesting is applied to the vesting of the reputational outcomes between Threshold and Maximum.

4. Executive remuneration outcomes for the 2024 financial year

The 2024 remuneration framework

STVR

The STVR component of the EIP is for a 12-month period, which is based on a balanced scorecard of Shared Goals (70%) and Individual Goals (30%). Any STVR component that is awarded to an Executive will be paid 50% up front and 50% deferred for 12 months.

The shared goals that were set at the beginning of the financial year are:

- Net Funds Flow (10%);
- OPEX (10%);
- UNPAT (10%);
- Rectification Action Plan (15%);
- MasterTrust Separation Critical Pathways (10%);
- MLC Wrap transition to Expand (10%); and
- Cultural alignment (5%).

The remaining 30% related to individual goals are aligned to specific deliverables related to the respective roles and are set with the CEO and Board.

The annual performance measures set for the 2024 financial year for the CEO and Executive KMP were assessed at the end of the financial year (as outlined in the table on the following page). This year, each measure was assessed on a sliding scale from threshold (75%), to achieved (100%) and maximum (125%) against the Board approved targets.

A part of the goal setting framework, aligned to CPS 511 requirements, is that no more than 50% of an individual's scorecard can be based on financial measures, to ensure we are promoting effective management of both financial and non-financial measures to encourage sustainable performance and the Group's long-term soundness.

LTVR

The LTVR component of the EIP is across a four-year performance period across financial (70%) and non-financial (30%) components to align with long term sustainable decision making in the interests of shareholders.

- Financial LTVR Measure
  - Insignia Financial has selected Relative Total Shareholder Return (rTSR) as its LTVR financial measure which equates to 70% of the total LTVR scorecard.
- Non-Financial LTVR Measure
  - Insignia Financial has selected Reputation as its LTVR non-financial measure which equates to 30% of the total LTVR scorecard

Snapshot of FY24 remuneration outcomes

CEO and Executive KMP

Gateway compliance	• CEO and Executive KMP have all met the behavioural and compliance gateway requirements.
Total Fixed Remuneration (TFR)	• Average fixed remuneration increases for Executive KMP was 2%, effective 1 July 2024
Short-term variable reward (STVR)	• The key financial and non-financial goals that determine STVR outcomes are outlined on page 46. • Against a possible STVR range of 0% – 125%, the average Executive KMP STVR target outcome was 70%. • Discretion was exercised by the Board in relation to the 2024 STI outcome for current Executive KMP, with a 20% reduction applied in relation to an increase in provisions related to remediation. • A reduction of 30% under the risk and conduct modifier was also applied to two executives serving as KMP, totalling a 50% reduction overall for those individuals. • 50% of Executive KMP STVR is deferred for 12 months.
Long-term variable reward (LTVR)	• The first tranche of the prior equity-based Executive incentive scheme (the Executive Equity Plan) reached the end of its four-year performance period on 30 June 2024. • The 40% of rights tested against a relative Total Shareholder Return hurdle, failed and will lapse. • The 60% that was tested against annualised business performance vested at the maximum opportunity of 100%. • LTVR is now issued under the EIP with a 4-year vesting period, released after 5 or 6 years in line with relevant regulatory requirements.

Non-Executive Director (NED)

NED fees	• NED fees were increased by 3% effective 1 July 2023 • No increase has been applied for financial year 2025. • Total fees remain within the current Director Fee pool of $1,750,000.

Remuneration report (cont'd)

2024 performance outcomes

The following table provides the 2024 financial year STVR outcomes for the current CEO and Executive KMP. The weighting of shared goals for the CEO of 50% is due to his tenure of 4 months and balance with other priorities for this time.

	Performance measure	Rationale	CEO weighting	Exec KMP weighting	Scorecard result	CEO outcome	Exec KMP outcome
Financial	Net funds flow	Aggregate funds flow from platforms and asset management. Assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	Not Achieved	0%	0.0%
Financial	OPEX	Operating expenditure across the enterprise. Assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	Achieved	7.5%	10.0%
Financial	UNPAT	Underlying net profit after tax. Assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	Exceeds	9.4%	12.5%
Non-Financial	Rectification Action Plan	Embedding sustainable enterprise governance to meet APRA licence conditions. Assessed against delivery of program milestones	10.0%	15.0%	Achieved	10%	15.0%
Non-Financial	MasterTrust Separation critical pathway	Separation of legacy MasterTrust products – Plum and MasterKey from NAB and P&I from ANZ. Assessed against delivery of program milestones	7.5%	10.0%	Exceeds	9.4%	12.5%
Non-Financial	MLC Wraps transition to Expand	Transition of MLC wrap members to Expand platform. Assessed against delivery of program milestones	7.5%	10.0%	Exceeds	9.4%	12.5%
Non-Financial	Cultural alignment	Assessment of engagement factors measured through CultureAmp, externally benchmarked across organisations. Assessed against targets set at the commencement of the financial year	2.5%	5.0%	Not Achieved	0.0%	0.0%
Total Outcome	Total Shared Goals Outcome		50.0%	70.0%	Partially Achieved	45.6%	62.5%
Total Outcome	Total Individual Goals Outcome		50.0%	30.0%	Varied	50.0%	Range between 27.5% – 35.0%
Total Outcome	Total Scorecard Outcome[(1)]		100.0%	100.0%	Varied	95.6%	Range between 90.0%-121.9%

(1) The total scorecard outcome includes any individuals who may have role modelled behavioural principles where the total scorecard outcome is multiplied by 125%.

5. Key Management Personnel

CEO transition

During the 2024 financial year, the role of CEO was held by Mr Mota from 1 July 2023 to 29 February 2024, and by Mr Hartley from 1 March 2024. Mr Mota continued to be employed following this to support with a smooth transition. His employment will be terminated on 31 August 2024 and his termination payment, equivalent to 12 months' notice, will be paid out at this time. The full amount of the payment is reflected in this report on page 55.

Mr Mota served as an employee for the full 12 months of the performance year and so remains eligible for consideration for an incentive under the terms of the EIP. As previously announced, the Board decided not to seek approval from shareholders for his 2024 LTVR grant, worth approximately $1,519,972, effectively forfeiting the full component of this part of the EIP reward. However, they determined that he will be considered for the STVR component of his EIP reward given his continued employment for the year and having served as CEO for eight months of the year. Given the change in his role during the year, the shared goals outlined on the previous page were adjusted to take account of the transitional role he played for part of the year. The Board has also decided not to apply the 20% reduction imposed upon STVR outcome for other Executive KMP due to the non-granting of his LTVR.

Mr Hartley served four months of the 2024 financial year and so will be eligible for a short-term variable reward on a pro-rated basis. Mr Hartley's goals reflect those outlined on the prior page, with a slightly different weighting – 50% on the shared measures and 50% on individual measures focused on expectations as an incoming CEO. The Board has determined that Mr Hartley will be subject to the 20% reduction to STVR being applied to other Executive KMP. Mr Hartley will also be offered an LTVR grant aligned in relation to the 2024 financial year under the 2024 EIP, which will be subject to shareholder approval in the November AGM. The offer will be based on 110.5% of his total fixed remuneration for 2024, however pro-rated for his service during the 2024 financial year.

Group Key Management Personnel

KMP are persons having authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly, including any Directors (Executive or otherwise) of an entity.

The table below outlines the Group's KMP for the year ended 30 June 2024.

Name	Role	Term as KMP
Chairperson		
A Griffiths	Independent Non-Executive Director & Chairman	Full year
Non-Executive Directors		
A Bloore	Independent Non-Executive Director	Full year
E Flynn	Independent Non-Executive Director	Full year
J Hampshire	Independent Non-Executive Director	Appointed 1 May 2024
G McGrath	Independent Non-Executive Director	Appointed 4 March 2024
J Selak	Independent Non-Executive Director	Full year
M Somerville	Independent Non-Executive Director	Full year
CEO and Executive Director		
S Hartley	CEO and Executive Director	Appointed 1 March 2024
Other current Executive KMP		
D Chalmers	Chief Financial Officer	Full year
F Lombardo	Chief Operating and Technology Officer	Full year. Ceased KMP duties effective 26 July 2024.
G Mulcahy	Chief Asset Management Officer	Full year
M Oliver	Chief Distribution Officer	Full year. Ceased KMP duties effective 26 July 2024.
A Saxena	Chief Risk Officer	Full year
C Weldon	Chief Client Officer	Appointed 13 November 2023. Ceased KMP duties effective 26 July 2024.
Former Executive KMP		
R Mota	CEO and Managing Director	Ceased KMP duties effective 29 February 2024.
D Whereat	Chief Advice Officer	Ceased KMP duties effective 12 November 2023.

Remuneration report (cont'd)

Executive KMP STVR performance outcomes

The following table provides the 2024 financial year STVR outcomes for other Executive KMP for the period they were KMP. The minimum potential outcome is zero:

	STVR Target	STVR Maximum	STVR Outcome (2,3,4)	STVR Cash (5)	STVR Deferred (6)	STVR actual as a % of STVR target	STVR actual as a % of STVR maximum
Name	**2024 $**	**2024 $**	**2024 $**	**2024 $**	**2024 $**	**2024 %**	**2024 %**
CEO and Executive Director							
S Hartley(1)	252,875	316,094	193,449	77,380	116,070	76	61
Other current Executive KMP							
D Chalmers	386,640	483,300	297,713	148,856	148,856	77	62
F Lombardo	354,634	443,293	178,736	89,368	89,368	50	40
G Mulcahy	366,750	458,438	282,398	141,199	141,199	77	62
M Oliver	322,267	402,834	162,422	81,211	81,211	50	40
A Saxena	248,132	310,165	241,929	120,964	120,964	98	78
C Weldon(9)	170,410	213,012	129,511	64,756	64,756	76	61
Former Executive KMP							
R Mota(7)	545,658	682,073	682,073	341,036	341,036	125	100
D Whereat(8)	81,803	102,253	94,584	94,584	–	116	92

(1) S Hartley commenced KMP duties 1 March 2024. STVR amounts are pro-rated for the period they were KMP.

(2) Includes 20% discretionary Board reduction.

(3) Includes 30% risk and conduct modifier reduction for F Lombardo and M Oliver.

(4) Approval date of STVR for S Hartley is 21 August 2024 and 20 August 2024 for other Executive KMP.

(5) STVR Cash will be paid in September 2024.

(6) STVR Deferred will be paid September 2025 (excluding S Hartley), subject to malus and clawback provisions. S Hartley will have 60% of their STVR outcome deferred as follows: 50% payment due September 2025, 10% payment in November 2024, subject to shareholder approval of LTVR offer at 2024 AGM.

(7) R Mota ceased KMP duties 29 February 2024 and STVR amounts are pro-rated for the period they were KMP, 50% of STVR outcome is paid upfront and remaining 50% STVR deferred will be paid September 2025.

(8) D Whereat ceased KMP duties 12 November 2023 and STVR amounts are pro-rated for the period they were KMP. 100% of STVR outcome is paid upfront.

(9) C Weldon commenced KMP duties 13 November 2023 and ceased 26 July 2024. STVR amounts are pro-rated for the period they were KMP.

Remuneration received by Executive KMP

The remuneration outcomes table below provides a summary of the remuneration that was received by the Executives in their KMP roles. We believe that presenting this information provides shareholders with greater clarity and transparency of Executive remuneration. This voluntary non-statutory disclosure differs from the statutory remuneration table in section 8.

	Total fixed remuneration(1)		STVR(2)		LTI(3)		EEP/EIP(4,6)		Total value of remuneration	
Name	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
CEO and Executive Director										
S Hartley(12)	426,171	–	193,449	–	–	–	469,625	–	1,089,245	–
Other current Executive KMP										
D Chalmers	862,182	849,150	297,713	–	–		230,340	644,958	1,390,235	1,494,108
F Lombardo(8)	791,131	774,932	178,736	–	–	70,180	91,118	600,124	1,060,985	1,445,236
G Mulcahy	791,277	739,831	282,398	342,000	–		258,450	377,265	1,332,125	1,459,096
M Oliver(7)	721,162	662,602	162,422	–	–	15,950	268,090	465,395	1,151,674	1,143,947
A Saxena(5)	830,840	206,309	516,929	–	–	–	248,132	–	1,595,901	206,309
C Weldon(11)	382,192	–	129,511	–	–	–	108,328	–	620,031	–
Former Executive KMP										
R Mota(9)	926,869	1,353,129	682,073	–	–	119,625	(221,082)	1,172,461	1,387,860	2,645,215
D Whereat(10)	217,915	591,686	94,584	–	–	15,950	(41,679)	449,194	270,820	1,056,830
Total	5,949,739	5,177,639	2,537,815	342,000	–	221,705	1,411,322	3,709,397	9,898,876	9,450,741

(1) Includes base salary, non-monetary and superannuation.

(2) Refer to table on prior page 'Executive KMP STVR performance outcomes' for specific STVR arrangements'.

(3) LTI amounts refer to the previous incentive plan for the relevant KMP. No LTI under this plan was provided for KMP in 2024.

(4) EEP/EIP value is the total amount of LTVR that the KMP was granted at the commencement of the plan subject to a 4-year performance period and the Board's evaluation of performance conditions.

(5) A Saxena total STVR represents a commencement incentive and performance based STVR for the FY24 period.

(6) On review of the 2023 EEP annual assessment of the Financial and Non-Financial hurdles, a portion of the Performance Rights granted were forfeited/cancelled. The impact of this cancellation has been reflected in 2024. Those with negative figures are due to not being part of the 2024 EIP offer, however did have cancellation of rights that were in relation to 2023 EEP.

(7) EIP/EEP values for M Oliver include an additional grant of performance rights for the 2023 EEP plan granted in October 2023 due to a remuneration increase associated with a role expansion.

(8) F Lombardo 2024 EEP/EIP amount includes an additional 40% reduction to his 2023 EEP annualised outcome via a Risk & Conduct modifier which was determined in 2024.

(9) R Mota ceased KMP duties 29 February 2024 and STVR amounts are pro-rated for the period they were KMP for FY24, as per prior table 'Group Key Management Personnel'.

(10) D Whereat ceased KMP duties 12 November 2023 and STVR amounts are pro-rated for the period they were KMP for FY24, as per prior table 'Group Key Management Personnel'.

(11) C Weldon commenced KMP duties 13 November 2023 and ceased 26 July 2024, as per prior table 'Group Key Management Personnel'.

(12) S Hartley has been offered an LTVR for 2024. Approval of this grant will be sought at the 2024 AGM.

Remuneration report (cont'd)

Deferred performance rights

For performance rights under the current EIP LTVR component, the vesting of performance rights is subject to two hurdles over a four-year vesting period where the performance rights are equity-settled plans as per below:

- 70% of the grant is subject to a Total Shareholder Return (TSR) progressive vesting scale over four years which is known as the financial measure. TSR was chosen as the most appropriate comparative measure as it focuses on the delivery of shareholder value. TSR represents the change in the value of a share plus the value of dividends paid.
- The remaining 30% of the grant is subject to Reputation which will be determined based on Insignia Financial's Reputation score by using the average of the quarterly RepTrak scores of the last 12 months of the performance period and vesting as per the vesting schedule. FY24 was the first year that Insignia Financial will use Reputation as a performance measure and it has been included in recognition of its critical importance in enhancing long-term financial performance.

Year	Performance period	Grant date	IFL TSR for the period %	Ranking relative to ASX200	Vesting status at 30 June 2024	Performance period end date
2024 EIP	2024-2027	13-Dec-23	(12.98%)	125th	0% vested	30 Jun 27

For performance rights plans pre-dating the EIP, the vesting of 60% of performance rights under the EEP is subject to annualised assessment for the grant date performance period and subject to a four-year vesting period. 70% of the grant is subject to a TSR progressive vesting scale over four years. TSR was chosen as the most appropriate comparative measure as it focuses on the delivery of shareholder value. TSR represents the change in the value of a share plus the value of dividends paid.

Year	Performance period	Grant date	IFL TSR for the period %	Ranking relative to ASX200	Vesting status at 30 June 2024	Performance period end date
2023 EEP	2023-2026	14-Dec-22	(8.44%)	116th	0% vested	30 Jun 26
2022 EEP	2022-2025	04-Mar-22	(34.02%)	128th	0% vested	30 Jun 25
2021 EEP	2021-2024	18-Dec-20	(37.08%)	122nd	0% vested	30 Jun 24

Accordingly, the following shares vested or were forfeited for KMP under the 2021 EEP performance rights plans:

Name	Performance period end	Type of instrument	TSR (40%)	Financial (10%)(1)	Non-Financial (50%)(1)	% vested	% forfeited
Current KMP				Number of shares vested			
D Chalmers	30-Jun-24	EEP 2021	–	11,979	59,900	60%	40%
F Lombardo	30-Jun-24	EEP 2021	–	8,226	41,131	60%	40%
M Oliver	30-Jun-24	EEP 2021	–	4,992	24,958	60%	40%
C Weldon	30-Jun-24	EEP 2021	–	3,494	17,471	60%	40%
Former KMP				Number of shares vested			
R Mota	30-Jun-24	EEP 2021	–	23,959	119,799	60%	40%
D Whereat	30-Jun-24	EEP 2021	–	5,491	27,454	60%	40%

(1) The financial and non-financial hurdles were annualised hurdles that were assessed on a 1 year performance period between 1 July 2020 and 30 June 2021.

(2) The TSR Hurdle had a four-year performance period (1 July 2020 – 30 June 2024) and performance tested on 30 June 2024. Note that the vesting date was 30 June 2024, subject to Board approval.

Executive employment arrangements

The table below provides the employment arrangements for CEO and other Executive KMP.

Contract term	CEO	Executive KMP
Contract type[(1)]	Permanent	Permanent
Notice period	6 months	6 months
Severance	n/a	n/a
STVR treatment on termination	In general, unless otherwise determined by the Board and subject to law: • In the case of resignation or termination for cause before the end of the performance period, will not be eligible to be considered for an STVR award for that year. • Where a KMP's exit is related to any other reason (i.e. retrenchment, retirement, ill health separation, mutual agreement or death), the KMP remains eligible (unless the Board determines otherwise) to be considered for an STVR award with regard to actual performance against performance measures (as determined by the Board in the ordinary course following the end of the performance period). This is subject to pro-rating for the period they served as a KMP.	
LTVR treatment on termination	In general, unless otherwise determined by the Board: • In the case of resignation or termination for cause before the vesting date for the 2024 financial year LTVR awards and the end of the performance period for awards granted from the 2021 financial year, any performance rights will lapse. • Where a KMP's exit is related to any other reason (i.e. retrenchment, retirement, illhealth separation, mutual agreement, or death), any unvested LTVR awards will be subject to a cessation calculation with performance measured at the end of the performance period related to each award (and with the award otherwise remaining subject to all terms and conditions other than those relating to continuity of employment). For LTVR awards granted from the 2024 financial year, KMP who are dismissed during the restricted period will forfeit all performance rights subject to the restricted period (as determined by the Board in the ordinary course following the end of the performance period). • Where a KMP ceases for any other reason during the restricted period, outstanding performance rights will continue to remain on foot for the original restricted period(s).	

(1) Contracts for permanent employment continue until notice is given by either party.

Remuneration report (cont'd)

6. Non-Executive Director remuneration

In setting appropriate NED remuneration, the Board considers general industry practice, best principles of corporate governance, the responsibilities and risks attached to the NED role, the time commitment expected of NEDs on Group and Company matters and fees paid to NEDs of comparable companies.

In order to ensure NED independence and impartiality, fees are not linked to Company performance and NEDs are not eligible to participate in any of the Group's incentive arrangements.

NED Board, Committee and subsidiary fee structure

Elements	2023/24 fees per annum	$	$
NED Board, Committee and subsidiary board fee structure	Group Board fee	Chair fee	Board member fee
	Insignia Financial Ltd board	390,000	165,000
	Committees fee	Chair fee	Committee fee
	Audit	31,050	15,550
	Risk & Compliance	31,050	15,550
	Remuneration	20,700	10,350
	Nominations	15,530	5,175
	Subsidiary Boards		
	RE Board member fee (1 or more RE Boards)	-	36,230
Post-employment benefits	Superannuation contributions are made at a rate of 11.0% (up to the government's prescribed maximum contributions limit) and are included in the NED fee.		

The current aggregate fee pool for NEDs of $1.75 million was approved by shareholders at the 2021 Annual General Meeting. The annual total of NEDs' fees, including superannuation contributions, is within this agreed limit.

NED	Subsidiary Board appointments
A Bloore	Mr Bloore was previously a director of I.O.O.F. Investment Management Limited, NULIS Nominees (Australia) Limited, Oasis Fund Management Limited and OnePath Custodians Pty Limited. Mr Bloore resigned from these positions effective 9 December 2022.
E Flynn	Ms Flynn is a director of Australian Wealth Management Limited, IOOF Group Pty Ltd, MLC Wealth Limited and IOOF Life Pty Ltd.
A Griffiths	Mr Griffiths is Chair of Australian Wealth Management Limited and MLC Wealth Limited, and a director of IOOF Life Pty Ltd and IOOF Group Pty Ltd.
J Hampshire	No subsidiary Board appointments.
G McGrath	No subsidiary Board appointments.
J Selak	Mr Selak is a director of OnePath Funds Management Limited, IOOF Investment Services Ltd, IOOF Group Pty Ltd, MLC Investments Limited, Navigator Australia Limited and MLC Asset Management Services Limited.
M Somerville	Ms Somerville is a director of OnePath Investment Holdings Pty Limited and OnePath Funds Management Limited.

2024 statutory remuneration – NEDs

NED		Short-term benefits[1]		Post-employment	Total
		Directors' fees[2]	Non-monetary[3]	Superannuation	
		$	$	$	$
A Griffiths	2024	362,445	7,090	27,448	396,983
	2023	364,565	9,505	12,160	386,230
A Bloore	2024	199,963	943	21,911	222,817
	2023	224,354	–	24,806	249,160
E Flynn	2024	264,531	–	727	265,258
	2023	255,000	–	1,030	256,030
J Hampshire[4]	2024	31,515	–	3,485	35,000
	2023	–	–	–	–
G McGrath[5]	2024	62,313	–	6,873	69,186
	2023	–	–	–	–
J Selak	2024	232,546	–	25,569	258,115
	2023	227,476	–	23,660	251,136
M Somerville	2024	237,257	–	25,607	262,864
	2023	232,071	–	24,111	256,182
Total	2024	1,390,570	8,033	111,620	1,510,223
	2023	1,303,466	9,505	85,767	1,398,738

(1) Short-term benefits include mandated superannuation guarantee contributions in line with the superannuation opt out rules.
(2) Director fees include Board and committee fees received in cash.
(3) Non-monetary benefits include Company funded benefits and fringe benefits tax payable on those benefits, typically car parking.
(4) J Hampshire commenced their NED duties 1 May 2024.
(5) G McGrath commenced their NED duties 4 March 2024.

Equity holdings of NEDs

Name	Opening balance	Changes during the year	Closing balance at 30 June 2024	Balance as at report sign-off date
Chairperson				
A Griffiths	100,000	–	100,000	100,000
NEDs				
A Bloore[1]	17,190	20,040	37,230	37,230
E Flynn	49,021	–	49,021	49,021
J Hampshire[2]	–	–	–	–
G McGrath[2]	–	–	–	–
J Selak	155,314	–	155,314	155,314
M Somerville	10,840	–	10,840	10,840

(1) A Bloore purchased shares during the year.
(2) G McGrath and J Hampshire have no shareholdings as at 30 June 2024.

Terms of appointment

All NEDs have letters of appointment detailing the terms under which they are engaged. The term of appointment for each is open-ended, subject to the provisions of the *Corporations Act 2001* and the Company's Constitution.

Under the Constitution, one-third of Directors must retire from office each year and may seek re-election by shareholders at the Annual General Meeting of the Company.

Remuneration report (cont'd)

7. Company performance and remuneration impacts

In considering the Group's financial performance and impacts on shareholder wealth for the residual LTVR (EEP and EIP) and STVR determination, the Committee has regard to the following financial metrics in respect of the current financial year and the previous four financial years.

5-year Group performance

	2024	2023	2022	2021	2020
Profitability measures					
(Loss)/profit attributable to the shareholders of Insignia Financial Ltd ($m)	(185.3)	51.4	36.8	(142.6)	141.2
Basic EPS (cents per share)	(27.9)	7.9	5.7	(24.2)	40.3
UNPAT ($m)(1)	216.6	194.9	234.5	147.8	128.8
UNPAT EPS (cents per share)	32.6	29.7	36.1	25.1	36.8
Share information					
Share price at start of year	$2.82	$2.69	$4.27	$4.92	$5.17
Share price at end of year	$2.29	$2.82	$2.69	$4.27	$4.92
Change in share price	($0.53)	$0.13	($1.58)	($0.65)	($0.25)
Dividends per share (cents per share)	9.3	19.8	23.6	23.0	34.5
Ratios					
Return on equity (statutory measure)(2)	(8.47%)	2.17%	1.50%	(5.74%)	8.28%
Return on equity (non-statutory measure)(2)	9.90%	8.24%	9.52%	5.96%	7.59%
Total shareholder return	(15.50%)	12.19%	(31.50%)	(8.50%)	1.80%
STVRs paid to KMP					
Total STVR paid to KMP ($000s)(3)	2,263	342	426	434	173

(1) UNPAT is reconciled to loss for the year in the *Operating and Financial Review* section of the *Directors' Report*.

(2) Return on equity is calculated by dividing profit or loss and UNPAT attributable to the shareholders of Insignia Financial Ltd by average equity attributable to the shareholders during the year.

(3) STVR amounts exclude the fixed component of STVR which refers to a commencement incentive.

8. Key Management Personnel remuneration – additional statutory disclosure

The following table sets out the remuneration received by KMP for the year ended 30 June 2024. The share-based payments shown below are not amounts actually received by KMP during the year, as in accordance with accounting standards, they include accounting values for unvested share awards.

Element of Remuneration		Short-term benefits				Post employ ment	Long-term benefits [2]	Termin-ation benefits [7]	Total	Component as a % of total remuneration	
		Salary	Bonus – cash [3]		Non-monetary [1]	Super-annu-ation	Share based payments				
Component of remuneration [6]		Fixed	Fixed [4]	Variable	Fixed	Fixed	Variable	Fixed		Fixed	Vari-able [3]
		$	$	$	$	$	$	$	$	%	%
CEO & Managing Director											
S Hartley	2024	412,739	–	193,449	–	13,432	16,306	–	635,926	67	33
	2023	–	–	–	–	–	–	–	–	–	–
Current executive KMP											
D Chalmers	2024	831,802	–	297,713	2,981	27,399	280,801	–	1,440,696	60	40
	2023	815,112	–	–	8,746	25,292	306,018	–	1,155,168	74	26
F Lombardo	2024	760,702	–	178,736	2,981	27,448	173,518	–	1,143,385	69	31
	2023	745,908	–	–	3,732	25,292	253,931	–	1,028,863	75	25
G Mulcahy [5]	2024	787,621	–	282,398	3,657	–	132,470	–	1,206,146	66	34
	2023	733,572	–	342,000	6,259	–	140,809	–	1,222,640	61	39
M Oliver	2024	688,767	–	162,422	4,947	27,448	196,635	–	1,080,219	67	33
	2023	624,276	–	–	13,034	25,292	192,249	–	854,851	78	22
A Saxena	2024	799,736	275,000	241,929	3,657	27,448	21,539	–	1,369,309	81	19
	2023	199,927	–	–	59	6,323	–	–	206,309	100	–
C Weldon [10]	2024	363,333	–	129,511	896	17,963	23,437	–	535,140	71	29
	2023	–	–	–	–	–	–	–	–	–	–
Former executive KMP											
R Mota [8]	2024	902,218	–	682,073	6,842	17,809	320,613	3,053,172	4,982,727	80	20
	2023	1,315,062	–	–	12,775	25,292	570,484	–	1,923,613	70	30
D Whereat [9]	2024	206,079	–	94,584	1,825	10,011	56,325	–	368,824	59	41
	2023	552,517	–	–	13,877	25,292	196,671	–	788,357	75	25
Total	2024	5,752,997	275,000	2,262,815	27,786	168,958	1,221,644	3,053,172	12,762,372		
	2023	4,986,374	–	342,000	58,482	132,783	1,660,162	–	7,179,801		

(1) Non-monetary benefits include Company funded benefits and fringe benefits tax payable on those benefits, typically car parking.

(2) Share-based payments include accruals in relation to the Executive Performance Share Plans (LTI & EEP) and accruals in relation to other grants of performance rights over shares in the Company. The value of the number of shares and options expected to vest has been apportioned over the term from grant date to vesting date, in accordance with the accounting standards. STIs awarded in deferred shares are also shown here.

(3) Incentive amounts represent cash accruals in current and prior year. As payment of the variable component is at the discretion of the Board, the minimum value is nil and the maximum is the total amount paid.

(4) Amounts represent retention and commencement incentives, which are non-performance based.

(5) No superannuation was paid in respect of G Mulcahy as they are a member of a defined benefit plan which is in a payment holiday.

(6) Fixed amounts are non-performance based, and variable amounts are performance based.

(7) Termination Benefits for R Mota are the full amounts provided.

(8) R Mota ceased KMP duties 29 February 2024 and STVR amounts are pro-rated for the period they were KMP.

(9) D Whereat ceased KMP duties 12 November 2023 and STVR amounts are pro-rated for the period they were KMP.

(10) C Weldon commenced KMP duties 13 November 2023 and ceased 26 July 2024. STVR amounts are pro-rated for the period they were KMP.

Remuneration report (cont'd)

9. Other information

Equity holdings

The table below sets out details of deferred shares and rights that were granted to KMP during 2024 or in prior years and that then vested, were exercised/sold or which lapsed/were forfeited during 2024.

Name	Type of instrument	Grant date	Fair value per right at grant date	Number granted[1]	Opening balance
CEO and Executive Director					
S Hartley[6]	2024 EIP	–	$0.99	164,706	–
Total S Hartley					–
Other current Executive KMP					
D Chalmers	2024 EIP	13-Dec-23	$0.99	135,601	–
	2023 EEP	14-Dec-22	$2.45	248,507	248,507
	2022 EEP	4-Mar-22	$2.72	165,504	146,478
	2021 EEP	18-Dec-20	$2.29	119,799	119,799
Total D Chalmers					514,784
F Lombardo	2024 EIP	13-Dec-23	$0.99	124,376	–
	2023 EEP	14-Dec-22	$2.45	227,406	227,406
	2022 EEP	4-Mar-22	$2.72	131,232	116,146
	2021 EEP	18-Dec-20	$2.29	82,262	82,262
Total F Lombardo					425,814
G Mulcahy	2024 EIP	13-Dec-23	$0.99	128,626	–
	2023 EEP	14-Dec-22	$2.45	149,535	149,535
	2022 EEP	4-Mar-22	$2.72	102,293	88,310
Total G Mulcahy					237,845
M Oliver[5]	2024 EIP	13-Dec-23	$0.99	113,024	–
	2023 EEP	14-Dec-22	$2.45	206,594	171,687
	2022 EEP	4-Mar-22	$2.72	103,528	95,021
	2021 EEP	18-Dec-20	$2.29	49,916	49,916
Total M Oliver					316,624
A Saxena	2024 EIP	13-Dec-23	$0.99	87,024	–
Total A Saxena					–
C Weldon	2024 EIP	13-Dec-23	$0.99	94,694	–
	2023 EEP	14-Dec-22	$2.45	148,877	148,877
	2022 EEP	4-Mar-22	$2.72	81,127	71,801
	2021 EEP	18-Dec-20	$2.29	34,941	34,941
Total C Weldon					255,619
Former Executive KMP					
R Mota	2023 EEP	14-Dec-22	$2.45	527,261	527,261
	2022 EEP	4-Mar-22	$2.72	351,426	265,189
	2021 EEP	18-Dec-20	$2.29	239,597	239,597
Total R Mota					1,032,047
D Whereat	2023 EEP	14-Dec-22	$2.45	171,021	171,021
	2022 EEP	4-Mar-22	$2.72	113,790	101,946
	2021 EEP	18-Dec-20	$2.29	54,908	54,908
Total D Whereat					327,875
Total KMP					3,110,608

(1) Exercise price at grant date is $nil.
(2) Vested rights were approved and vested 30 June 2024 for EEP 2021, subject to exercise post 22 August 2024.
(3) Forfeited/lapsed performance rights for EEP 2023 refer to annualised assessment at the end of financial year.
(4) Forfeited/lapsed performance rights for EEP 2021 refer to the non-achievement of the TSR hurdle assessed at the end of the performance period.
(5) Additional rights were granted to M Oliver in 2024 in respect of the 2023 EEP plan based on a review of his remuneration in December 2022.
(6) S Hartley equity holdings relate to the offer provided for 2024. Official grant is subject to shareholder approval.

	Granted as compensation	Exercised/Vested[2]	Forfeited/Lapsed[3,4]	Closing balance	Financial year of performance period end
	164,706	–	–	164,706	2027
	164,706	–	–	164,706	
	135,601	–	–	135,601	2027
	–	–	(53,483)	195,024	2026
	–	–	–	146,478	2025
	–	(71,879)	(47,920)	–	2024
	135,601	(71,879)	(101,403)	477,103	
	124,376	–	–	124,376	2027
	–	–	(90,171)	137,235	2026
	–	–	–	116,146	2025
	–	(49,357)	(32,905)	–	2024
	124,376	(49,357)	(123,076)	377,757	
	128,626	–	–	128,626	2027
	–	–	(37,059)	112,476	2026
	–	–	–	88,310	2025
	128,626	–	(37,059)	329,412	
	113,024	–	–	113,024	2027
	34,907	–	(53,445)	153,149	2026
	–	–	–	95,021	2025
	–	(29,950)	(19,966)	–	2024
	147,931	(29,950)	(73,411)	361,194	
	87,024	–	–	87,024	2027
	87,024	–	–	87,024	
	94,694	–	–	94,694	2027
	–	–	(33,659)	115,218	2026
	–	–	–	71,801	2025
	–	(20,965)	(13,976)	–	2024
	94,694	(20,965)	(47,635)	281,713	
	–	–	(113,476)	413,785	2026
	–	–	–	265,189	2025
	–	(143,758)	(95,839)	–	2024
	–	(143,758)	(209,315)	678,974	
	–	–	(38,666)	132,355	2026
	–	–	–	101,946	2025
	–	(32,945)	(21,963)	–	2024
	–	(32,945)	(60,629)	234,301	
	882,958	(348,854)	(652,528)	2,992,184	

Remuneration report (cont'd)

The relevant interest of KMP and related parties in the shares issued by the Company, is as follows:

Ordinary shares[1][4]		Opening balance No.	Received on vesting of performance rights[2] No.	Net other change No.	Closing balance No.
Current Executive KMP					
D Chalmers	2024	–	71,879	–	71,879
	2023	–	–	–	–
F Lombardo[3]	2024	144,576	49,357	–	193,933
	2023	122,576	22,000	–	144,576
M Oliver[6]	2024	10,373	29,950	–	40,323
	2023	5,000	5,000	373	10,373
C Weldon[3,5]	2024	21,779	20,965	–	42,744
	2023	–	–	–	–
Former Executive KMP					
R Mota[3,6]	2024	409,828	–		409,828
	2023	372,328	37,500	–	409,828
D Whereat[6]	2024	20,000	–		20,000
	2023	15,000	5,000	–	20,000

(1) The equity holding for the above individuals is inclusive of both direct and indirect shareholdings.
(2) Rights that vested in 2024 include the recent vesting of the EEP 2021, subject to exercise post 22 August 2024.
(3) R Mota, C Weldon and F Lombardo shareholdings includes holdings in the name of related parties.
(4) S Hartley, G Mulcahy and A Saxena all have nil shareholdings (2024: nil).
(5) Opening Balance for C Weldon is reflective of the date they commenced as KMP. Interests relating to 2023 is not reported as C Weldon was not a KMP.
(6) Closing Balance for R Mota and D Whereat is reflective of the date they ceased as KMP.

Executive minimum shareholding requirements

The relevant amount of IFL equity required to be held by Executives under the IFL Security Holding Policy and the time to comply is as follows:

Category	% of total fixed remuneration	Timeframe	Securities included to meet requirements
CEO	100%	CEO, Executive KMP and other Executives are expected to achieve the minimum-security holding (MSR) requirement within a four-year period from 1 July 2020 or commencement in their role as an Executive or CEO.	Insignia Financial Ltd shares: Ordinary shares registered in the CEO, Executive KMP or Other Executives name or a related party. Performance rights: • Includes vested performance rights and performance rights for which the performance conditions have been satisfied, but the formal notice of vesting has not yet been provided. • Unvested performance rights still subject to testing are not included in the minimum security holding calculation.
Executive KMP and other Executives	50%		

The following table shows the number of shares and performance rights held by CEO, other Executive KMP and/or their related parties. A related party is typically a family member of the Executive and/or is an entity in which the Executive has direct or indirect control.

Name	Type	Holdings balance at 30 June 2024	Granted	Total share-holdings	Total value of share-holdings [2]	MSR require-ment as % of TFR	Due date	Progress against MSR[3]
		No.	No.	No.	$	%		%
CEO & Executive Director								
Scott Hartley[5]	IFL Shares	–	–	–	–	100	01-Mar-28	–
	Vesting performance rights (Tested)[4]	–	–					
Other current Executive KMP								
D Chalmers	IFL Shares	71,879		269,377	1,057,135	50	30-Jun-24	132
	Vesting performance rights (Tested)[4]	–	197,498					
F Lombardo[6]	IFL Shares	193,933		322,570	1,080,034	50	30-Jun-24	196
	Vesting performance rights (Tested)[4]		128,637					
G Mulcahy	IFL Shares	–		113,194	401,964	50	30-Jun-26	53
	Vesting performance rights (Tested)[4]		113,194					
M Oliver	IFL Shares	40,323		180,624	671,248	50	30-Jun-24	134
	Vesting performance rights (Tested)[4]		140,301					
A Saxena[5]	IFL Shares	–		–	–	50	27-Mar-27	–
	Vesting performance rights (Tested)[4]		–					
C Weldon[6]	IFL Shares	42,744		149,761	573,598	50	30-Sep-24	175
	Vesting performance rights (Tested)[4]		107,017					
Former Executive KMP								
R Mota[1,6]	IFL Shares	553,586		926,930	4,259,588	n/a	n/a	n/a
	Vesting performance rights (Tested)[4]		373,344					
D Whereat[1]	IFL Shares	52,945		188,181	706,525	n/a	n/a	n/a
	Vesting performance rights (Tested)[4]		135,236					

(1) R Mota and D Whereat ceased KMP duties during the year.

(2) The total value of shareholding is calculated based on the higher of the price at date of purchase/vesting/grant and the current price as at 30 June 2024. The MSR applies to executives only.

(3) The progress against MSR is based on the fixed remuneration at the time of calculation as per the Security Holdings Policy, which is either 1 July 2020 or the start date as an Executive.

(4) The vesting performance rights (tested) relates to the rights under the FY22 and FY23 EEP that have been performance tested however still vesting.

(5) S Hartley and A Saxena currently have nil relevant holdings or performance tested performance rights, however, are on track to meet their MSR requirement by the due date.

(6) R Mota, C Weldon and F Lombardo holdings include shares held in a related party.

Remuneration report (cont'd)

Payments to persons before taking office

No Director or member of senior management appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

This report is signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

The Remuneration Report is prepared, and audited, in accordance with the requirements of the *Corporations Act 2001*. It forms part of the Directors' Report.

John Selak
Group People & Remuneration
Committee Chair

22 August 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Insignia Financial Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Insignia Financial Ltd for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Dean Waters

Partner

Melbourne

22 August 2024

Consolidated statement of comprehensive income

For the year ended 30 June 2024

	Note	2024 $m	2023 $m
Continuing operations			
Revenue	3	1,941.5	1,948.4
Expenses	4	(2,152.5)	(1,897.4)
Impairment expenses		–	(3.5)
Share of profit of associates	26	10.7	9.4
Finance costs		(60.0)	(54.2)
(Loss)/Profit before tax and statutory funds from continuing operations		(260.3)	2.7
Income tax benefit	5	75.0	1.5
(Loss)/Profit after tax before statutory funds from continuing operations		(185.3)	4.2
Statutory funds revenue*	30	(1.6)	55.5
Statutory funds expenses*	30	(8.3)	(27.1)
Statutory funds income tax benefit/(expense)*	30	9.9	(28.4)
Statutory funds contribution to profit/(loss), net of tax		–	–
(Loss)/Profit for the year from continuing operations		**(185.3)**	**4.2**
Discontinued operations			
Profit from discontinued operations, net of tax	29	–	47.0
(Loss)/Profit for the year		**(185.3)**	**51.2**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in fair value of financial assets through other comprehensive income		(0.3)	(0.7)
Remeasurements of defined benefit asset		3.1	1.5
Income tax related		(0.8)	(0.2)
		2.0	0.6
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		(0.2)	1.3
Income tax related		0.1	(0.4)
		(0.1)	0.9
Other comprehensive income for the year, net of income tax		1.9	1.5
Total comprehensive income for the year		**(183.4)**	**52.7**
(Loss)/Profit attributable to the shareholders of Insignia Financial Ltd		(185.3)	51.4
(Loss)/Profit attributable to non-controlling interests		–	(0.2)
(Loss)/Profit for the year		**(185.3)**	**51.2**
Total comprehensive income attributable to the shareholders of Insignia Financial Ltd		(183.4)	52.9
Total comprehensive income attributable to non-controlling interests		–	(0.2)
Total comprehensive income for the year		**(183.4)**	**52.7**
Earnings per share			
Basic earnings per share (cents)	7	(27.9)	7.9
Diluted earnings per share (cents)	7	(27.9)	7.9
Earnings per share – continuing operations			
Basic earnings per share (cents)	7	(27.9)	0.7
Diluted earnings per share (cents)	7	(27.9)	0.7

Notes to the consolidated financial statements are included on pages 67–108.

* A subsidiary of the Company, IOOF Ltd, is a friendly society in accordance with the *Life Insurance Act 1995*. The funds operated by IOOF Ltd, and any trusts controlled by those funds, are treated as statutory funds in accordance with the *Life Insurance Act 1995*. These statutory funds are required to be consolidated in accordance with accounting standards. IOOF Ltd was divested on 31 October 2023.

Consolidated statement of financial position

As at 30 June 2024

		2024	2023
	Note	$m	$m
Assets			
Cash and cash equivalents	8	421.7	505.6
Receivables	9	269.3	268.7
Other financial assets	10	204.5	282.3
Current tax assets		0.7	33.8
Prepayments		40.5	36.6
Assets classified as held for sale	28	26.7	1,148.0
Property and equipment	11	109.1	146.0
Net defined benefit asset	31	24.3	21.3
Associates	26	59.5	59.1
Intangible assets	12	2,424.8	2,503.4
Deferred tax assets	5	7.6	–
Total assets		3,588.7	5,004.8
Liabilities			
Payables	13	171.9	195.8
Other financial liabilities	14	12.2	20.1
Provisions	16	427.5	365.2
Liabilities associated with assets classified as held for sale	28	15.2	1,105.4
Lease liabilities	15	138.7	161.8
Borrowings	18	778.8	775.6
Deferred tax liabilities	5	–	51.1
Total liabilities		1,544.3	2,675.0
Net assets		2,044.4	2,329.8
Equity			
Share capital	19	3,054.0	3,036.1
Reserves	20	6.3	4.6
Accumulated losses		(1,015.4)	(710.4)
Total equity attributable to the shareholders of Insignia Financial Ltd		2,044.9	2,330.3
Non-controlling interest		(0.5)	(0.5)
Total equity		2,044.4	2,329.8

Notes to the consolidated financial statements are included on pages 67–108.

Consolidated statement of changes in equity

For the year ended 30 June 2024

For the year ended 30 June 2023	Ordinary shares	Treasury shares	Reserves	Accum-ulated losses	Total	Non-controlling interest	Total equity
	$m	$m	$m	$m	$m	$m	$m
Balance at 1 July 2022	3,017.2	(3.6)	5.0	(617.5)	2,401.1	(0.2)	2,400.9
Total comprehensive income							
Profit for the year	–	–	–	51.4	51.4	(0.2)	51.2
Other comprehensive income, net of income tax	–	–	0.4	1.1	1.5	–	1.5
Total comprehensive income	–	–	0.4	52.5	52.9	(0.2)	52.7
Transactions with owners, recorded directly in equity							
Issue of shares under dividend reinvestment plan	26.2	–	–	–	26.2	–	26.2
Purchase of treasury shares	–	(4.9)	–	–	(4.9)	–	(4.9)
Capital return	–	–	–	–	–	(0.1)	(0.1)
Dividends paid	–	–	–	(146.2)	(146.2)	–	(146.2)
Release on disposal of subsidiaries	–	–	(2.7)	–	(2.7)	–	(2.7)
Share-based payments expense	–	–	3.9	–	3.9	–	3.9
Share-based payments reserve transfer	1.2	–	(1.2)	–	–	–	–
Treasury shares transferred to recipients	(1.3)	1.3	–	–	–	–	–
Lapsed performance rights transfer	–	–	(0.8)	0.8	–	–	–
Total transactions with owners	26.1	(3.6)	(0.8)	(145.4)	(123.7)	(0.1)	(123.8)
Balance at 30 June 2023	3,043.3	(7.2)	4.6	(710.4)	2,330.3	(0.5)	2,329.8

Notes to the consolidated financial statements are included on pages 67–108.

Consolidated statement of changes in equity (cont'd)

For the year ended 30 June 2024

For the year ended 30 June 2024	Ordinary shares	Treasury shares	Reserves	Accum-ulated losses	Total	Non-controlling interest	Total equity
	$m	$m	$m	$m	$m	$m	$m
Balance at 1 July 2023	3,043.3	(7.2)	4.6	(710.4)	2,330.3	(0.5)	2,329.8
Total comprehensive income							
Loss for the year	–	–	–	(185.3)	(185.3)	–	(185.3)
Other comprehensive income, net of income tax	–	–	(0.3)	2.2	1.9	–	1.9
Total comprehensive income	–	–	(0.3)	(183.1)	(183.4)	–	(183.4)
Transactions with owners, recorded directly in equity							
Issue of shares under dividend reinvestment plan	19.6	–	–	–	19.6	–	19.6
Purchase of treasury shares	–	(2.3)	–	–	(2.3)	–	(2.3)
Dividends paid	–	–	–	(123.2)	(123.2)	–	(123.2)
Share-based payments expense	–	–	3.9	–	3.9	–	3.9
Share-based payments reserve transfer	0.6	–	(0.6)	–	–	–	–
Treasury shares transferred to recipients	(1.2)	1.2	–	–	–	–	–
Lapsed performance rights transfer	–	–	(0.2)	0.2	–	–	–
Equity investment revaluation reserve transfer	–	–	(1.4)	1.4	–	–	–
Business combination reserve transfer	–	–	0.3	(0.3)	–	–	–
Total transactions with owners	19.0	(1.1)	2.0	(121.9)	(102.0)	–	(102.0)
Balance at 30 June 2024	3,062.3	(8.3)	6.3	(1,015.4)	2,044.9	(0.5)	2,044.4

Notes to the consolidated financial statements are included on pages 67–108.

Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	2024 $m	2023 $m
Cash flows from operating activities			
Receipts from customers		1,871.0	1,930.2
Payments to suppliers and employees		(1,523.5)	(1,603.6)
Dividends from associates		9.8	11.3
Remediation costs		(193.4)	(160.3)
Transformation and separation costs		(253.5)	(161.8)
Legal settlements paid		(5.6)	(2.9)
Income taxes refunded		41.5	20.8
Net cash (used in)/provided by operating activities from the corporate group		(53.7)	33.7
Receipts from customers		0.8	2.3
Payments to suppliers and employees		(2.8)	(8.1)
Contributions received from policyholders		21.3	77.2
Withdrawal payments to policyholders		(46.3)	(137.2)
Dividends and distributions received		1.5	2.3
Net proceeds from financial instruments		20.2	67.8
Loans advanced to policyholders		5.7	14.2
Income taxes paid		–	(15.9)
Net cash provided by operating activities from the statutory funds		0.4	2.6
Net cash (used in)/provided by operating activities	8	(53.3)	36.3
Cash flows from investing activities			
Dividends and distributions received		0.3	0.4
Interest received		33.0	21.9
Net proceeds from divestment of subsidiaries		42.8	132.6
Net proceeds from divestment of associates		0.1	30.1
Net proceeds on divestment of financial assets		5.9	–
Net proceeds/(payments) for financial instruments		84.0	(14.9)
Net payments for property and equipment		(1.2)	(5.4)
Net proceeds/(payments) for intangible assets		10.7	(14.1)
Net cash provided by investing activities		175.6	150.6
Cash flows from financing activities			
Drawdown of borrowings (net of borrowing costs)		161.0	782.4
Repayment of borrowings (principal)		(161.0)	(791.3)
Interest and other costs of finance paid		(50.9)	(34.9)
Repayment of lease liabilities		(38.5)	(41.0)
Early lease incentive received		3.2	25.0
Acquisition of treasury shares		(2.3)	(4.9)
Dividends paid to owners of the Company		(103.6)	(120.0)
Net cash used in financing activities		(192.1)	(184.7)
Net (decrease)/increase in cash and cash equivalents		(69.8)	2.2
Cash and cash equivalents at the beginning of year		505.6	518.0
Reclassified to assets held for sale during the year		(14.1)	(14.6)
Cash and cash equivalents at the end of year	8	**421.7**	**505.6**

Notes to the consolidated financial statements are included on pages 67–108.

Notes to the financial statements

For the year ended 30 June 2024

Section 1 – Basis of preparation

This section sets out the Group's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to a single note, the policy is described in the note to which it relates. This section also shows new accounting standards, amendments and interpretations, and whether they are effective in 2024 or later years. The expected impact of these changes to the financial position and performance of the Group is explained in this section.

1 Basis of preparation

Reporting entity

Insignia Financial Ltd ('the Company') is a public company listed on the Australian Stock Exchange (trading under the symbol 'IFL'), domiciled in Australia. The consolidated financial statements of the Company for the year ended 30 June 2024 comprise the Company and its controlled entities (collectively, the Group or the Insignia Financial Group).

The Insignia Financial Group is a for-profit entity. The principal activities of the Group during the year were:

- 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; and
- Financial advice – our advisers offer coaching, guidance and advice based on clients' needs.

The Company's registered office and its principal place of business are Level 1, 800 Bourke Street, Docklands Victoria 3008.

Basis of preparation

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

The annual financial report was approved by the Board of Directors on 22 August 2024.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- financial instruments at fair value through profit or loss are measured at fair value; and
- assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The statement of financial position is presented in order of liquidity.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Rounding of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report are rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

(e) Use of estimates and judgements

Management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Information about critical judgements in applying accounting policies, assumptions and estimation uncertainties that may have a significant effect on the amounts recognised in the financial statements is included in the following notes:

- note 12 – Intangible assets;
- note 16 – Provisions;
- note 21 – Commitments and contingencies;
- note 23 – Fair value of financial assets and liabilities;
- note 31 – Defined benefit plan; and
- note 32 – Share-based payments.

(f) Other material accounting policies

Material accounting policies have been included in the relevant notes to which the policies relate. Other material accounting policies are listed below.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled subsidiaries of the Company as at 30 June 2024 and the results of all controlled subsidiaries for the year then ended.

Business combinations

The Group accounts for business combinations using the acquisition method. Consideration transferred and net assets identified are measured at fair value. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is tested annually for impairment.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Non-controlling interests

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial performance of subsidiaries are included in the consolidated results of the Group from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Treasury shares

Treasury shares are held by the IOOF Equity Plans Trust, a subsidiary of the Group. IOOF Equity Plans Trust administers the Group's employee share schemes. Treasury shares are deducted from share capital.

Transactions eliminated on consolidation

Intra-group balances and transactions are eliminated in preparing the consolidated financial statements. Share of accounting profits arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Share of accounting losses are eliminated only to the extent that there is no evidence of impairment. Dividends paid to the IOOF Equity Plans Trust are also eliminated.

Goods and services tax

Revenues, expenses and assets (excluding receivables) are recorded net of goods and services tax (GST). GST input tax credits are initially recorded as an asset and GST collected as a liability. These balances are offset as at the reporting date and recognised as either an amount receivable or payable to the Australian Taxation Office (ATO). The GST portion relating to financial supplies and non-deductible expenditure, for which an input tax credit cannot be claimed, is expensed or is recognised as part of the cost of acquisition of an asset.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates prevailing at the balance sheet date. The revenue and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates prevailing at the dates of the transactions. Foreign currency differences are recognised in the foreign currency translation reserve.

(g) New accounting standards and amendments to accounting standards issued but not yet effective

A number of other new accounting standards and amendments to accounting standards have been issued but are not yet effective, have not been early adopted by the Group. These standards and amendments to accounting standards, when applied in future periods, are not expected to have a material impact on the financial position or performance of the Group other than discussed below:

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 *Presentation and Disclosure in Financial Statements* will be applicable to the Group for the 30 June 2028 financial year. The standard will replace AASB 101 *Presentation of Financial Statements*. The standard establishes key presentation and disclosure requirements including newly defined subtotals in the statement of profit or loss, the disclosure of management-defined performance measures and enhanced requirements for grouping information.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Section 2 – Results for the year

This section focuses on the results and performance of the Group. On the following pages you will find disclosures explaining the Group's segment information, results for the year, taxation, dividends and earnings per share.

2 Operating segments

Basis of segmentation

The Insignia Financial Group has four reportable segments at 30 June 2024: Platforms, Advice, Asset Management and Corporate. This is determined based on the Group's internal reporting to the chief operating decision maker which is the Group's Chief Executive Officer.

Platforms

The Platforms segment provides a range of superannuation and investment solutions to investors, superannuation fund members, employers and advisers across Wrap and Master Trust structures.

Asset Management

The Asset Management segment provides investment management services to institutional, retail and direct clients across a diverse range of asset classes and product constructs.

Advice

The Advice segment provides quality financial advice that is accessible, affordable and engaging for Australians. The business helps clients navigate their way through a range of financial services and solutions and educates clients to improve their financial wellbeing.

Corporate

The Corporate segment comprises group functions required to support the Group and operating segments. Activities performed by the segment are of a strategic, shareholder or governance nature and reflect centralised corporate expenses.

Underlying net profit after tax

Segment performance is measured based on segment underlying net profit after tax (UNPAT) as discussed in the Operating and Financial Review section of the Directors' Report.

UNPAT adjustments are determined by management to be outside normal operating activities and are significant in their size. Management believes that UNPAT provides the most relevant information in evaluating the financial performance of each segment from normal operating activities.

	Platforms		Asset Management		Advice		Corporate		Total*	
	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Management and service fees revenue	1,120.2	1,110.4	221.9	232.5	522.1	556.6	0.2	–	1,864.4	1,899.5
Other revenue	15.7	14.7	–	2.6	4.6	5.0	13.1	1.1	33.4	23.4
Share of profits of associates	–	–	10.5	9.4	0.2	–	–	–	10.7	9.4
Service fees and other direct costs	(126.7)	(137.5)	(70.1)	(55.5)	(321.2)	(357.1)	2.3	(2.5)	(515.7)	(552.6)
Inter-segment revenue	–	5.7	47.7	40.4	–	0.1	–	–	47.7	46.2
Inter-segment expenses	(47.7)	(40.5)	–	(5.7)	–	–	–	–	(47.7)	(46.2)
Net revenue from continuing operations	961.5	952.8	210.0	223.7	205.7	204.6	15.6	(1.4)	1,392.8	1,379.7
Operating expenses	(622.3)	(606.2)	(118.6)	(120.9)	(202.6)	(240.5)	(68.0)	(68.1)	(1,011.5)	(1,035.7)
Finance income	21.6	14.9	0.9	0.4	1.2	0.7	9.3	6.0	33.0	22.0
Finance costs	(3.3)	(2.2)	(0.8)	(0.8)	(1.2)	(1.6)	(58.0)	(49.6)	(63.3)	(54.2)
Share-based payments expense	(2.1)	(1.9)	(0.6)	(0.4)	(0.8)	(0.9)	(0.4)	(0.7)	(3.9)	(3.9)
Depreciation of property & equipment	(23.8)	(14.6)	(3.7)	(4.0)	(9.5)	(11.3)	(4.8)	(11.4)	(41.8)	(41.3)
Amortisation of intangible assets	(2.3)	(2.1)	(0.1)	–	–	–	(0.2)	(0.5)	(2.6)	(2.6)
Impairment expenses	–	(2.0)	–	(0.1)	–	(0.5)	–	(0.9)	–	(3.5)
Income tax (expense)/ benefit	(98.8)	(105.4)	(23.0)	(25.0)	3.1	15.4	32.6	45.0	(86.1)	(70.0)
Non-controlling interests	–	–	–	–	–	0.2	–	–	–	0.2
UNPAT from continuing operations	230.5	233.3	64.1	72.9	(4.1)	(33.9)	(73.9)	(81.6)	216.6	190.7
UNPAT from discontinued operations	–	4.2	–	–	–	–	–	–	–	4.2
UNPAT for the year	230.5	237.5	64.1	72.9	(4.1)	(33.9)	(73.9)	(81.6)	216.6	194.9
UNPAT adjustments from continuing operations:										
Transformation and separation costs	(174.5)	(115.4)	(29.1)	(19.4)	(11.4)	1.1	(42.7)	(28.1)	(257.7)	(161.8)
Remediation costs	(73.9)	(1.0)	–	–	(167.6)	(18.1)	9.1	–	(232.4)	(19.1)
Penalties	(10.7)	–	–	–	–	–	–	–	(10.7)	–
Amortisation of acquired intangibles	(44.8)	(47.9)	(8.5)	(8.3)	(21.6)	(22.8)	(1.2)	(1.2)	(76.1)	(80.2)
Gains/(losses) on financial instruments	4.2	1.9	–	–	(0.1)	–	9.9	1.7	14.0	3.6
Income tax attributable	84.0	43.8	11.2	8.1	58.4	11.2	7.4	8.1	161.0	71.2
UNPAT adjustments from continuing operations	(215.7)	(118.6)	(26.4)	(19.6)	(142.3)	(28.6)	(17.5)	(19.5)	(401.9)	(186.3)
Non-controlling interests	–	–	–	–	–	(0.2)	–	–	–	(0.2)
UNPAT adjustment relating to discontinued operations	–	42.8	–	–	–	–	–	–	–	42.8
Profit/(loss) for the year	14.8	161.7	37.7	53.3	(146.4)	(62.7)	(91.4)	(101.1)	(185.3)	51.2

* Revenue and expenses relating to the statutory funds are presented in Note 30 *Statutory funds*.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

3 Revenue

	2024	2023
	$m	$m
Management and service fees revenue		
Management and administration fees	1,199.4	1,214.3
Financial planning revenue	482.1	512.3
Other management and service fees revenue	182.9	172.9
Management and service fees revenue	1,864.4	1,899.5
Finance income		
Interest income on financial assets measured at fair value	9.9	7.6
Interest income on financial assets measured at amortised cost	23.1	14.4
Finance income	33.0	22.0
Other revenue		
Net fair value gain on financial instruments at fair value through profit or loss	10.7	3.6
Net gain on disposal of assets	12.8	2.5
Dividends and distributions income	0.3	0.4
Sundry income	20.3	20.4
Other revenue	44.1	26.9
Total revenue	**1,941.5**	**1,948.4**

Accounting policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Management and service fees revenue

The Group provides management services to unit trusts and funds operated by the Group at normal commercial rates. Management and service fees earned from the unit trusts and funds are calculated based on an agreed percentage of the respective funds under management or administration as disclosed in the respective product disclosure statements and are recognised as performance obligations are satisfied over time.

Revenue from the provision of financial planning services together with revenue from the rendering of services are recognised as performance obligations are satisfied over time.

Finance income

Finance income includes interest income earned on fixed income investments measured at fair value and interest income recognised using the effective interest method on cash and cash equivalents.

Dividends and distribution income

Dividends and distribution income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Sundry income

Sundry income includes conference income and various expenses recoveries under service agreements.

4 Expenses

	2024	2023
	$m	$m
Service fees expense	448.1	501.0
Other direct costs	67.6	51.6
Service fees and other direct costs	515.7	552.6
Salaries and related employee expenses (excluding superannuation)	648.5	657.1
Employee defined contribution superannuation expense	60.4	55.0
Share-based payments expense	3.9	3.9
Salaries and related employee expenses	712.8	716.0
Information technology costs	154.6	152.8
Information technology costs	154.6	152.8
Transformation and separation costs	257.7	161.8
Transformation and separation costs	257.7	161.8
Amortisation of intangible assets	78.7	82.8
Depreciation of property and equipment	41.8	41.3
Amortisation and depreciation expenses	120.5	124.1
Office support and administration	58.3	66.0
Professional fees	52.4	58.0
Occupancy related expenses	15.5	14.8
Marketing	11.7	19.0
Travel and entertainment	5.6	7.0
Administrative expenses	143.5	164.8
Remediation costs	232.4	19.1
Remediation costs	232.4	19.1
Legal settlement and penalties	10.7	1.5
Other	4.6	4.7
Other expenses	15.3	6.2
Total expenses	**2,152.5**	**1,897.4**

Accounting policies

Service fees and other direct costs

Service fees and other direct costs include amounts paid to advisers, dealer groups and other suppliers in the course of operating the products and services of the Group. Examples of direct costs include custodian fees, audit services and the printing and mailing of client statements and other communications. The expenses are recognised at the fair value of the consideration paid or payable for the goods or services received.

Salaries and related employee expenses

These expenses include salaries, wages, superannuation, bonuses, overtime, allowances, annual leave, long service leave and share-based payment expenses.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Short-term incentive plans

A provision for employee benefits in the form of an incentive plan is recognised when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Annual and long service leave benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years plus related on-costs.

Liabilities for long-term benefits that are expected to be settled beyond 12 months are discounted using rates attaching to high quality corporate bonds which most closely match the terms of maturity of the related liabilities at balance date.

In determining the liability for employee entitlements, consideration is given to future increases in wage and salary rates, experience with employee departures and years of service.

Employee defined contribution plan expense

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised in profit or loss in the years during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Share-based payments expense

The grant date fair value of share-based payment awards granted to employees is recognised as a share-based payment expense with a corresponding increase in the share-based payments reserve over the period that the employees unconditionally become entitled to the awards.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at vesting date.

Termination payments

Termination benefits or redundancy costs are recognised in profit or loss when the Group is demonstrably committed to a formal detailed plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Information technology expenses

Information technology costs are expensed as they are incurred, with the exception of costs relating to licenses and right of use, including Software as a Service (SaaS) arrangements.

SaaS arrangements are service contracts providing the Group with the right to access a cloud provider's application software over the contract period. The Group does not have control over the software nor can it restrict others' access to the benefits. Where configuration and customisation costs are not distinct from the underlying use of the SaaS application software, they are capitalised as a prepayment and expensed over the term of the SaaS contract.
All other costs are expensed through the Statement of comprehensive income.

Transformation and separation costs

Transformation and separation costs include expenses associated with platform simplification, separation of the MLC and ANZ P&I businesses, MLC Wrap migration and the transition to the Advice Services partnership model. These expenses include salaries and related employee expenses, information technology costs, professional fees, office support and administration costs directly related to these activities.

Amortisation of intangible assets

Amortisation is recognised in the profit or loss over the estimated useful lives of intangible assets unless such lives are judged to be indefinite. Refer to Note 12 *Intangibles assets*.

Professional fees

Professional fees include fees paid to professionals for legal, consulting, research, audit and other services.

Occupancy related expenses

Occupancy related expenses include rent on short-term leases and utilities on the Group's office buildings.

Remediation costs

Remediation costs relate to customer compensation payments and program costs to complete work on the Group's various structured remediation programs. Payments to clients are recorded directly against the provision. It includes recovery of any costs.

5 Income taxes

Income tax benefit

	2024	2023
	$m	$m
Current tax		
Current year tax benefit	(29.4)	(23.9)
Adjustment for prior years	(8.6)	1.4
Current tax benefit (excluding statutory funds)*	(38.0)	(22.5)
Deferred tax		
Origination and reversal of temporary differences	(37.2)	21.6
Adjustments recognised in the current year in relation to the deferred tax of prior years	0.2	(0.6)
Deferred tax (benefit)/expenses (excluding statutory funds)*	(37.0)	21.0
Income tax benefit (excluding statutory funds)*	**(75.0)**	**(1.5)**

* Income tax expenses relating to the statutory funds are presented in Note 30 S*tatutory funds*.

Reconciliation of effective tax rate

	2024		2023	
	%	$m	%	$m
(Loss)/profit before tax and statutory funds from continuing operations		**(260.3)**		**2.7**
Income tax (benefit)/expense using domestic tax rate	30.0	(78.1)	30.0	0.8
Tax effect of:				
Non-deductible expenses from statutory funds		0.2		0.8
(Non-assessable income)/non-deductible expenses		3.6		(2.7)
Impairment of investments		–		1.1
Non-assessable income from the share of profits of associates		(3.2)		(1.4)
Assessable associate dividends		1.3		1.5
Net taxable gain on disposal of subsidiaries		5.8		–
Imputation and foreign tax credits		(0.7)		(1.0)
Under/(over) provided in prior periods		(8.4)		0.7
Other		4.5		(1.3)
Income tax benefit (excluding statutory funds)*	**28.8**	**(75.0)**	**(55.6)**	**(1.5)**

* Income tax expenses relating to the statutory funds are presented in Note 30 *Statutory funds*.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Income tax recognised in other comprehensive income

	2024			2023		
	Gross $m	Tax $m	Net of tax $m	Gross $m	Tax $m	Net of tax $m
Financial assets measured at fair value through OCI	(0.3)	0.1	(0.2)	(0.7)	0.2	(0.5)
Remeasurement of defined benefit asset	3.1	(0.9)	2.2	1.5	(0.4)	1.1
Exchange differences on translating foreign operations	(0.2)	0.1	(0.1)	1.3	(0.4)	0.9
Income tax recognised in other comprehensive income	**2.6**	**(0.7)**	**1.9**	**2.1**	**(0.6)**	**1.5**

Deferred tax assets and liabilities

	2024	2023
	$m	$m
Deferred tax assets from temporary differences		
Employee entitlements	62.0	59.2
Provisions and accruals	68.8	52.2
Carry forward capital and revenue losses	36.0	13.8
Lease liability	41.0	46.3
Unrealised losses	0.7	–
Other	10.3	11.5
Deferred tax assets as at 30 June before set-off	218.8	183.0
Set-off of deferred taxes	(211.2)	(183.0)
Net deferred tax assets as at 30 June	**7.6**	**–**
Deferred tax liabilities from temporary differences		
Unrealised gains	7.4	7.2
Intangible assets	162.1	180.9
Property and equipment	35.5	40.3
Other	6.2	5.7
Deferred tax liabilities as at 30 June before set-off	211.2	234.1
Set-off of deferred taxes	(211.2)	(183.0)
Net deferred tax liabilities as at 30 June	**–**	**51.1**

Reconciliation of deferred tax movements

	2024	2023
	$m	$m
Net deferred tax liabilities at the beginning of the year	(51.1)	(21.4)
Charged to profit and loss	37.2	(23.0)
Temporary differences directly attributable to equity	(0.7)	(0.6)
Reclassification of tax losses	22.2	–
Acquisitions and disposals	–	1.4
Charged to profit and loss – statutory funds*	–	(9.5)
Reclassification to held for sale	–	2.0
Net deferred tax assets/(liabilities) at the end of the year	**7.6**	**(51.1)**

*Refer to Note 30 Statutory funds.

Unrecognised deferred tax assets

	2024 $m	2023 $m
Tax losses	–	5.3
Potential tax benefit at the Australian tax rate of 30%	–	1.6

Accounting policies

Income tax

Income tax comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- taxable temporary differences arising on the initial recognition of goodwill;
- temporary differences on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination;
  - affects neither accounting nor taxable profit or loss; and
  - does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax balances relate to the same taxation authority.

Tax consolidation

Insignia Financial Ltd and its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. As a consequence, all members of the tax-consolidated group are taxed as a single entity.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

6 Dividends

Dividends

	Cents per share	Total	Date of payment	Franking
2024		**$m**		
Interim 2024 ordinary dividend	9.3	62.0	3 April 2024	Not franked
Final 2023 ordinary dividend	9.3	61.6	3 October 2023	Not franked
2023				
Interim 2023 ordinary dividend	9.3	61.2	3 April 2023	50% franked
Interim 2023 special dividend	1.2	7.9	3 April 2023	50% franked
Final 2022 ordinary dividend	11.8	77.2	29 September 2022	Fully franked

Dividend amounts shown are inclusive of any dividends paid on treasury shares. The total dividends declared relating to earnings for the year ended 30 June 2024 amounted to 9.3 cents per share (2023: 19.8 cents per share).

In order to enhance balance sheet flexibility, accelerate cost reduction and strategic growth opportunities and finalise remediation, the Board has decided to pause dividends. No final 2024 dividend has been declared.

This prudent decision, in view of the macro environment outlook, will strengthen the capital structure of the Company and accelerate deleveraging. There is no change to the Company's long-term dividend target of paying 60-90% of UNPAT.

Dividend franking account

As at	30 June 2024	30 June 2023
	$m	**$m**
Amount of franking credits available to shareholders of Insignia Financial Ltd for subsequent financial years	–	5.2

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. Future franking credits will be generated when the Group reinstates PAYG instalments to the ATO.

Dividend reinvestment plan

The Company operates a dividend reinvestment plan (DRP) which allows eligible shareholders to elect to re-invest part or all of their dividend into additional shares in the Company.

Dividends	Issue date	Number of shares issued	DRP issue price	DRP value	Discount	DRP take up rate
			$	**$m**		
Interim 2024 dividends	5 April 2024	4,099,390	2.3993	9.8	1.5%	16.1%
Final 2023 dividends	10 October 2023	4,028,511	2.4170	9.7	1.5%	16.0%
Interim 2023 dividends	12 April 2023	4,179,545	2.8020	11.7	1.5%	17.2%

7 Earnings per share (EPS)

	2024	2023
	Cents per share	Cents per share
Basic earnings per share		
From continuing operations	(27.9)	0.7
From discontinued operations	–	7.2
Total basic earnings per share	(27.9)	7.9
Diluted earnings per share		
From continuing operations	(27.9)	0.7
From discontinued operations	–	7.2
Total diluted earnings per share	(27.9)	7.9

Basic and diluted earnings per share

	2024	2023
	$m	$m
(Loss)/Profit attributable to the shareholders of Insignia Financial Ltd	(185.3)	51.4
Earnings used in the calculation of basic and diluted EPS	(185.3)	51.4
Profit from discontinued operations	–	47.0
Earnings used in the calculation of basic and diluted EPS from continuing operations	(185.3)	4.4

	2024	2023
	No. m	No. m
Weighted average number of ordinary shares		
Weighted average number of ordinary shares (basic)	664.5	656.9
Weighted average number of ordinary shares (diluted)	664.5	656.9

Accounting policies

The Group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the basic earnings per share for the effects of all dilutive potential ordinary shares. At 30 June 2024, the Company does not have any dilutive potential ordinary shares (2023: nil).

At 30 June 2024, there were no options outstanding (2023: nil).

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Section 3 – Assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 4.

8 Cash and cash equivalents

	2024	2023
	$m	$m
Cash – corporate	308.7	399.5
Cash – restricted as part of the ORFR*	113.0	106.1
Cash and cash equivalents	**421.7**	**505.6**

* Held as part of the ORFR on behalf of superannuation funds.

Cash includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Restricted ORFR cash relates to cash held as part of the operating risk financial requirement (ORFR) on behalf of the superannuation funds. The ORFR is not available for distribution to the shareholders of the Company.

Net cash (used in)/provided by operating activities

	2024	2023
	$m	$m
Loss/(profit) after tax for the year	(185.3)	51.2
Adjustments for non-cash items		
Depreciation of property and equipment	41.8	41.8
Amortisation of intangible assets	78.7	83.4
Impairment of other non-current assets	–	3.5
Fair value gain on financial instruments at fair value through profit and loss	(10.7)	(3.6)
Net gain on divestment of discontinued operations	–	(66.6)
Net gain on divestment of assets	(12.8)	(2.5)
Net loss on divestment of assets	0.3	0.2
Interest and other finance costs	60.0	54.2
Interest received and receivable	(33.0)	(22.1)
Dividends and distributions received and receivable	(0.3)	(0.4)
Dividends received from associates	9.8	11.3
Share of profits of associates accounted for using the equity method	(10.7)	(9.4)
Bad and doubtful debts	0.4	0.5
Share-based payments expense	3.9	3.9
Changes in net operating assets and liabilities:		
(Increase)/decrease in receivables	18.8	334.7
(Increase)/decrease in current tax asset	33.1	22.8
(Increase)/decrease in other financial assets	17.5	(56.0)
(Increase)/decrease in other assets	(4.2)	(9.4)
Increase/(decrease) in payables	(10.7)	(246.4)
Increase/(decrease) in provisions	62.6	(180.9)
Increase/(decrease) in other financial liabilities	(43.5)	8.0
Increase/(decrease) in deferred taxes	(69.0)	18.1
Net cash (used in)/provided by operating activities	**(53.3)**	**36.3**

9 Receivables

	2024	2023
	$m	$m
Receivables		
Trade receivables	135.2	107.2
Other receivables	142.1	171.2
Loss allowance	(8.0)	(9.7)
Total receivables	269.3	268.7
Current	267.5	265.6
Non-current	1.8	3.1
Total receivables	269.3	268.7

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables include accrued income and other receivables arising from transactions outside the usual operating activities of the Group.

Receivables are initially measured at the transaction price. The Group holds the receivables with the objective of collecting the contractual cash flows and therefore measures these receivables subsequently at amortised cost using the effective interest method.

Expected credit losses

Movements in loss allowance	2024	2023
	$m	$m
Carrying value at 1 July	9.7	9.4
Provision (reversed)/made	(1.7)	0.3
Carrying value at 30 June	8.0	9.7

Ageing of trade receivables as at 30 June	2024	2023
	$m	$m
Neither past due nor impaired	132.6	98.3
31–60 days past due	1.0	3.1
61–90 days past due	1.0	2.6
91–120 days past due	0.6	3.2
Total trade receivables	135.2	107.2

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Loss allowances are measured at an amount equal to lifetime expected credit losses for trade and other receivables as these receivables do not contain a significant financing component.

Expected credit losses are measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to the credit risk.

When the Group has no reasonable expectations of recovering a receivable in its entirety or a portion thereof, the gross carrying amount of the receivable is reduced directly. Subsequent recoveries of amounts previously written off are credited against previously recognised impairment losses.

10 Other financial assets

Other financial assets include financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.

	2024	2023
	$m	$m
Financial assets mandatorily measured at fair value through profit or loss		
Fixed income*	198.1	278.5
Derivative assets**	0.6	0.4
Unlisted unit trusts	0.7	1.2
Other unlisted investments	2.7	0.1
Financial assets designated at fair value through profit or loss		
Deferred sales consideration	2.4	–
Financial assets designated at fair value through other comprehensive income		
Equity investments	–	2.1
Total other financial assets	204.5	282.3
Current	64.8	87.3
Non-current	139.7	195.0
Total other financial assets	204.5	282.3

* Held as part of the ORFR on behalf of superannuation funds. The ORFR is not available for distribution to shareholders of the Company.

** Includes $0.3m (2023:$0.4m) derivative assets held as part of the ORFR.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Financial assets mandatorily measured at fair value through profit or loss

Financial assets mandatorily measured at fair value through profit or loss (FVTPL) include derivative assets (futures, interest rate swaps and foreign exchange forwards), investments in fixed income securities, investments in unlisted unit trusts and other unlisted investments.

A financial asset is classified as FVTPL if the associated cash flows are not solely payments of principal and interest. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Subsequent fair value changes are recognised in profit or loss.

Financial assets designated at fair value through profit or loss

Financial assets designated at FVPTL are deferred sales consideration associated with businesses divested. The value of these receivables rises and falls depending on performance hurdles in relation to the businesses sold over the deferral period. Performance hurdles are specific to each agreement and may include revenue targets, gross margin targets, funds under management, funds under administration, funds under advice or customer retentions.

Financial assets designated at fair value through other comprehensive income

Financial assets designated at fair value through other comprehensive income (FVOCI) are equity securities designated as such upon initial recognition. These are recognised initially at fair value plus any directly attributable transaction costs and are revalued through other comprehensive income (OCI) at each reporting date.

Offsetting assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

11 Property and equipment

	2024	2023
	$m	$m
Cost	286.6	329.2
Accumulated depreciation	(177.5)	(183.2)
	109.1	146.0

Recognition and measurement

Property and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on divestment of an item of property and equipment is determined by comparing the proceeds from the divestment with the carrying amount of the property and equipment and is recognised in profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Repairs and maintenance costs are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain the Group will obtain ownership by the end of the lease term.

Items of property and equipment are depreciated from the date they are installed and are ready for use or, in relation to internally constructed assets, from the date the asset is completed and ready for use.

The estimated useful lives are:

- office equipment and IT assets: 3–10 years; and
- leasehold improvements and right-of-use assets: 3–10 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

	Office equipment	Leasehold improve-ments	IT assets	Land and buildings	Right-of-use assets	Total
	$m	$m	$m	$m	$m	$m
Balance at 1 July 2022	2.7	7.4	32.9	1.6	163.5	208.1
Additions	2.0	1.1	2.3	–	7.0	12.4
Reduction under sublease	–	–	–	–	(1.6)	(1.6)
Early lease incentive received	–	–	–	–	(25.0)	(25.0)
Depreciation expense	(0.9)	(1.5)	(12.3)	–	(30.7)	(45.4)
Impairment	–	–	–	–	(0.9)	(0.9)
Reclassification to held for sale	–	–	–	(1.6)	–	(1.6)
Balance at 30 June 2023	3.8	7.0	22.9	–	112.3	146.0
Additions	0.5	0.2	2.3	–	10.6	13.6
Early lease incentive received	–	–	–	–	(3.2)	(3.2)
Depreciation expense	(1.0)	(1.5)	(11.4)	–	(32.0)	(45.9)
Disposals	–	–	(0.4)	–	(1.0)	(1.4)
Balance at 30 June 2024	3.3	5.7	13.4	–	86.7	109.1

12 Intangible assets

	2024	2023
	$m	$m
Cost	3,251.1	3,333.8
Accumulated amortisation and impairment	(826.3)	(830.4)
	2,424.8	2,503.4

	Goodwill	Software and IT development	Customer relationships	Brand names	Other intangibles	Total
	$m	$m	$m	$m	$m	$m
Carrying value at 1 July 2022	1,804.5	53.7	558.7	168.9	20.9	2,606.7
Additions	–	5.7	–	–	2.2	7.9
Impairment	–	–	(0.5)	(1.7)	(0.4)	(2.6)
Amortisation expense	–	(18.5)	(60.6)	(0.8)	(2.9)	(82.8)
Amortisation expense – discontinued	–	–	–	–	(1.1)	(1.1)
Reclassification to held for sale	(24.7)	–	–	–	–	(24.7)
Carrying value at 30 June 2023	1,779.8	40.9	497.6	166.4	18.7	2,503.4
Additions	–	0.1	–	–	–	0.1
Amortisation expense	–	(15.8)	(59.6)	(0.4)	(2.9)	(78.7)
Carrying value at 30 June 2024	1,779.8	25.2	438.0	166.0	15.8	2,424.8

Amortisation

Amortisation is charged to the profit or loss over the estimated useful lives of intangible assets unless such lives are judged to be indefinite. Indefinite life assets are not amortised but are tested for impairment at each reporting date. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives are:

- brand names with finite lives: 20 years;
- software and IT development: 2.5–10 years;
- other intangibles: 5–10 years; and
- customer relationships: 10–20 years.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Accounting policies

Intangible assets are non-physical assets used by the Group to generate revenues and profits. These assets include goodwill from business combinations, brand names, software, customer and adviser relationships. The cost of these assets is the amount that the Group has paid or, where there has been a business combination, the fair value of the specific intangible assets that could be sold separately or that arise from legal rights.

The value of intangible assets, with the exception of goodwill and brand names with indefinite useful lives, reduces over the period the Group expects to use the asset. The values and useful lives ascribed are reflective of arms-length transactions and independent expert advice thereon.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in profit or loss as incurred.

Indefinite life intangible assets

The indefinite life intangible assets include goodwill and three brand names with indefinite lives.

	Goodwill		Brand names with indefinite lives	
CGUs	2024	2023	2024	2023
	$m	$m	$m	$m
Platforms	1,449.7	1,449.7	125.8	125.8
Advice	–	–	7.7	7.7
Asset Management	330.1	330.1	30.1	30.1
	1,779.8	1,779.8	163.6	163.6

Goodwill

Goodwill acquired in a business combination is initially measured at cost and subsequently measured at cost less accumulated impairment losses. Goodwill represents the future economic benefits that arise from assets that are not capable of being individually identified and separately recognised. Its cost is the amount the Group has paid in acquiring a business over and above the fair value of the individual assets and liabilities acquired.

Brand names with indefinite lives

	2024	2023
	$m	$m
MLC	98.0	98.0
Shadforth	51.0	51.0
Plum	14.6	14.6
	163.6	163.6

In designating brand names as having indefinite lives, consideration was given to the length of time the brand names have been in existence. It was determined that there is no foreseeable limit to the years over which the brand names are expected to generate net cash inflows for the Group.

Impairment testing for cash-generating units

The carrying amount of cash-generating units (CGUs) is tested for impairment annually or when there is an indication of impairment. The Group uses a value in use approach in estimating the recoverable amount of each CGU. For the purposes of impairment testing, intangible assets are allocated to the Group's CGUs: Platforms CGU, Advice CGU and Asset Management CGU. These represent the lowest level within the Group at which the assets are monitored for internal management purposes. Each CGU is not higher than the Group's operating segments as reported in Note 2 *Operating segments*.

Determination of the recoverable amount of the CGUs requires the application of significant judgement when making assumptions about the future cash flows of each CGU, discount rates and terminal growth rate:

- Estimated future cash flows are based on the three-year business plan approved by the Board of Directors and an estimated long-term growth rate for years 4 and 5. In developing cash flows over the forecasting period, the current economic conditions, the current and expected performance of each CGU and macroeconomic conditions were considered.
- Annualised average growth rates for the five-year period are 17.9% for the Platforms CGU (2023: 19%), 6.3% for the Advice CGU (2023: 29.9%) and 9.2% for the Asset Management CGU (2023: 19.8%).

- Pre-tax discount rates as follows:

Pre-tax discount rate	2024	2023
CGUs	%	%
Platforms	14.4	13.3
Advice	15.8	13.6
Asset Management	14.5	13.3

- A terminal growth rate of 2.5% (2023: 2.5%) is used to derive a terminal value for the period beyond five years.

The impairment assessment results in headroom in the Platforms, Advice and Asset Management CGUs.

CGU impairment sensitivity analysis

There is no reasonably possible change to a key assumption that would cause the recoverable amount of any CGU to fall short of the carrying amount.

13 Payables

	2024	2023
	$m	$m
Payables		
Trade and other payables	171.9	195.8
Total payables	171.9	195.8
Current	171.8	195.2
Non-current	0.1	0.6
	171.9	195.8

14 Other financial liabilities

	2024	2023
	$m	$m
Financial liabilities measured at fair value through profit or loss		
Derivative liabilities	12.2	20.0
Deferred purchase consideration	–	0.1
Total other financial liabilities	12.2	20.1
Current	0.5	0.8
Non-current	11.7	19.3
	12.2	20.1

Financial liabilities measured at FVTPL include:

- interest rate and foreign exchange rate derivative contracts;
- issued investment protection derivatives;
- a compound embedded derivative; and
- deferred purchase considerations.

Issued investment protection derivatives are term-based investment protection products issued by the Group. These products provide protection to investors over the investors' capital or a minimum level of income each year for a term of 10 or 20 years.

The embedded derivative is associated with the Subordinated Loan Notes issued by the Group. The host contract is measured at amortised cost and is included in Note 18 *Borrowings*.

Deferred purchase considerations are liabilities associated with past acquisitions. The value of these liabilities rises and falls depending on performance hurdles achieved during the deferral period specific to each agreement. Performance hurdles may include revenue targets, gross margin targets, funds under management, funds under administration, funds under advice and retention requirements.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

15 Leases

Amounts recognised in profit or loss

	2024	2023
	$m	$m
Interest expense on lease liabilities	5.8	6.2
Depreciation expenses on right-of-use assets	32.0	30.7
Rental expenses (included in occupancy related expenses)	0.9	1.4

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease liabilities

	2024	2023
	$m	$m
Lease liabilities		
Opening balance 1 July	161.8	189.4
Lease liabilities recognised	10.6	7.2
Lease liabilities derecognised	(1.0)	–
Payments made	(38.5)	(41.0)
Interest charged	5.8	6.2
Closing balance 30 June	**138.7**	**161.8**
Current	29.7	30.9
Non-current	109.0	130.9
	138.7	**161.8**

The Group leases properties for office spaces and advice offices. At the lease commencement date, the Group recognises a right-of-use asset and a lease liability.

The right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes the initial corresponding lease liabilities, lease payments made at or before the commencement day and any initial direct costs. Right-of-use assets are presented in Note 11 *Property and equipment*.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The incremental borrowing rate is determined with reference to the:

- length of the lease;
- lessee-specific credit risk; and
- secured borrowings adjustment.

Lease liabilities are measured at amortised cost using the effective interest method. It is remeasured:

- when there is a change in future lease payments arising from a change in an index or rate;
- if the Group changes its assessment of whether it will exercise a purchase, extension or termination option;
- if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- if there is a revised in-substance fixed lease payment.

When the lease liabilities are remeasured, a corresponding adjustment is made to the carrying amount of the related right-of-use asset or is recorded in profit or loss if the carrying amount of the right-to-use asset has been reduced to zero.

16 Provisions

	2024	2023
	$m	$m
Employee entitlements	207.6	203.0
Advice remediation	141.4	69.4
Product remediation	72.3	80.5
Other provisions	6.2	12.3
Total provisions	**427.5**	**365.2**
Current	360.1	331.3
Non-current	67.4	33.9
	427.5	**365.2**

Accounting policies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

Employee entitlements

Provision for employee benefits includes provisions for leave benefits, incentive plans and restructures.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly. Future operating losses are not provided for.

A provision for an incentive plan is recognised when there is no realistic alternative but to settle the liability, and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for incentives are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

Advice remediation provision

In 2019, the Group engaged an expert consultant to design the review methodology and estimate financial compensation relating to client remediation. This was in response to ASIC's investigation as part of its Wealth Management Project, conducting investigations into financial advice fees paid pursuant to ongoing service arrangements.

While the Group was not issued a notice under this review, the Group has a significant number of self-employed and salaried financial advisers and is voluntarily undertaking its own review. The review determines whether fee-paying clients under its licences were:

- provided with agreed services and/or advice;
- supported with documentation evidencing appropriate provision of service and/or advice; and
- received advice appropriate to their circumstances.

Where client compensation is probable and able to be reliably estimated, provisions are raised. Compensation costs include return of service fees, estimated client loss as a result of inappropriate advice, interest for time value of money and committed costs to resource the compensation program. The provision is reduced by client remediation payments and program costs paid.

Product remediation provision

Product remediation provision includes remediation projects acquired as part of historic acquisitions. Product remediation provisions are reduced by client remediation payments and program costs paid.

Other provisions

Other provisions have been made for the present value of management's best estimates of legal settlements and other matters. The information usually required by AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of certain other litigation.

Estimation uncertainty

Determining the amount of a provision, which represents management's best estimate of the costs of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted clients, the average refund per client, and associated remediation costs. Consequently, the appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence, and adjustments are made to the provisions where appropriate.

	Employee entitlements	Advice remediation	Product remediation	Other provisions	Total
	$m	$m	$m	$m	$m
Balance at 1 July 2022	195.5	196.4	148.2	5.6	545.7
Provisions made/(reversed)	102.6	26.3	(22.2)	10.7	117.4
Provisions utilised	(95.1)	(153.3)	(45.5)	(4.0)	(297.9)
Balance at 30 June 2023	**203.0**	**69.4**	**80.5**	**12.3**	**365.2**
Provisions made	61.6	175.7	93.9	3.8	335.0
Provisions utilised	(57.0)	(103.7)	(102.1)	(9.9)	(272.7)
Balance at 30 June 2024	**207.6**	**141.4**	**72.3**	**6.2**	**427.5**

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Section 4 – Capital management and financing

This section outlines how the Group manages its capital structure and related financing costs, including its balance sheet liquidity and access to capital markets. When managing capital, the Group's objectives are to safeguard its ability to continue as a going concern, to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal structure to reduce the cost of capital.

17 Capital management

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, buy back its shares on market, issue new shares, sell assets, or otherwise adjust debt levels.

The Group monitors capital on the basis of investment capital, working capital and regulatory capital.

Investment capital

Investment capital is the Group's capital that is not required for regulatory and working capital requirements of the business. The investment capital is invested in:

- bank deposits and debt notes; and
- unit trusts operated by the Group as seed capital.

The investment capital is available to support the organic development of new businesses and products and to respond to investment and growth opportunities such as acquisitions, as they arise. Seed capital is primarily available to support the business in establishing new products.

Working capital

Working capital is the capital that is required to meet the day-to-day operations of the business.

Regulatory capital

Regulatory capital is the capital which the Group holds to meet minimum legislative and regulatory requirements in respect of its issued investment protection products and Australian financial services (AFS) licensed operations. During the year, the Group has complied with all externally imposed capital requirements.

A number of the Group's subsidiaries are subject to externally imposed regulatory capital requirements. The Board of each operational subsidiary manages its own capital required to support planned business growth and meet regulatory requirements. These include:

- capital requirements for the Australian Prudential Regulation Authority (APRA) regulated Registrable Superannuation Entities Licensees (RSELs). Specifically, the following ORFR capital requirements apply:

	30 June 2024	30 June 2023
	$m	$m
Capital requirements on ORFR		
ORFR target	479.5	476.4
ORFR held by the RSELs	311.3	385.3
ORFR held by funds	176.5	102.8
ORFR margin	**8.3**	**11.7**

- capital requirements for AFS licences;
- capital requirements for risks relating to the issued investment protection products; and

	30 June 2024	30 June 2023
	$m	$m
Capital requirements on issued investment protection products		
Regulatory capital requirement	7.8	9.2
Cash available to meet the capital requirement	24.1	21.7
Cash surplus	**16.3**	**12.5**

- capital adequacy requirements imposed by the *Life Insurance Act 1995* in relation to the statutory funds. These requirements ceased on 31 October 2023 following the divestment of IOOF Ltd.

Regular monitoring of regulatory requirements ensures sufficient capital is available and appropriate planning is made to retain target surpluses to reduce the risk of breaching regulatory capital requirements.

Insignia Financial Ltd is primarily the provider of equity capital to its subsidiaries. Such investment is funded by Insignia Financial Ltd's own investment capital, through capital issues, profit retention and, in some instances, debt. Subsidiary capital generated in excess of planned requirements is returned to Insignia Financial Ltd, usually by way of dividends.

The syndicated facility agreements are in place as a safeguard against a temporary need for funds and to provide a short-term funding facility that allows the business to take advantage of acquisition opportunities as they arise. The weighted average cost of capital is regularly monitored. Funding decisions take into consideration the cost of debt versus the cost of equity with emphasis on the outcome that is best for shareholder interests.

18 Borrowings

This note provides information about the contractual terms of the Group's interest-bearing liabilities, which are measured at amortised cost. Borrowing costs are recognised in profit or loss using the effective interest method.

	2024	2023
	$m	$m
Syndicated Facility Agreements (SFAs)	584.7	586.0
Subordinated Loan Notes (SLNs)	194.1	189.6
Total borrowings	**778.8**	**775.6**
Non-current	778.8	775.6
	778.8	**775.6**

	SFAs	SLNs	Total
	$m	$m	$m
Opening balance 1 July 2022	589.3	182.0	771.3
Drawdowns	788.3	–	788.3
Borrowing costs	(5.9)	–	(5.9)
Repayments (principal and interest)	(819.7)	(2.0)	(821.7)
Interest expense	34.0	9.6	43.6
Closing balance 30 June 2023	**586.0**	**189.6**	**775.6**
Drawdowns	161.0	–	161.0
Revaluation gain from changes in assumptions	–	(3.3)	(3.3)
Repayments (principal and interest)	(206.6)	(2.0)	(208.6)
Interest expense	44.3	9.8	54.1
Closing balance 30 June 2024	**584.7**	**194.1**	**778.8**

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Syndicated facility agreement (SFA)

The SFA is a multi-tranche facility with a group of lenders. During the year, the maturity dates of the facility have been extended by 18 months for all tranches. At 30 June 2024, the SFA facility had a debt duration profile of approximately 3.2 years (calculated on a facility limit basis) (30 June 2023: 2.7 years).

The SFA comprises of the following tranches:

- a $340m tranche A facility maturing 16 February 2027. During the year, the Group made $23.0m (2023: $340m) drawdown under this tranche and made a principal repayment of $23.0m (2023: $23.0m). As at 30 June 2024, $23.0m of this tranche was available (30 June 2023: $23.0m);
- a $290m tranche B facility maturing 16 February 2028. During the year, the Group made $138.0m (2023: $153.3m) drawdown under this tranche and repaid $138.0m (2023: $153.3m). At 30 June 2024, $290.0m of this tranche was available (30 June 2023: $290.0m);
- a $270m tranche C facility maturing 16 February 2028. During the year, the Group did not drawdown under this tranche (2023: $270.0m). As at 30 June 2024, this tranche was fully utilised (2023: fully utilised); and
- a $55m tranche D facility maturing 16 February 2027. As at 30 June 2024, $5.3m (2023: $12.0m) of this tranche was available. Utilisation of this facility is in the form of guarantees included in Note 21 *Commitments and contingencies*.

Subordinated loan notes (SLNs)

SLNs are unsecured subordinated debt obligations issued by the Group as part of the MLC acquisition in May 2021. For financial reporting purposes, these SLNs contain a host contract and an embedded derivative liability. The host contract and the embedded derivative are recognised separately.

The host contract is initially recognised at fair value and subsequently measured at amortised cost. As at 30 June 2024, the carrying amount of the host contract is $194.1m (2023: $189.6m). The host contract will accrete to the face value of the notes ($200.0m) using the effective interest rate by redemption date. During the year the Group recognised a revaluation gain of $3.3m (2023: nil) following a change in assumptions supporting early redemption options.

The embedded derivative is measured at fair value and is included in other financial liabilities. As at 30 June 2024, the embedded derivative has a fair value of $2.9m (2023: $9.4m).

Key terms are:

- 1% per annum coupon payable semi-annually. After 30 November 2024, the holder can request the Company to redeem the notes prior to maturity at the redemption price calculated below. The Company can choose not to redeem upon receipt of the request in which case the coupon rate will step up to 4% until maturity.
- Equity-linked redemption linked to any uplift in the Company's share price over a reference price. The reference price is calculated as the initial offer price plus 15% premium and adjusted for subsequent dividends and share issuance. The reference price at 30 June 2024 is $3.55 (2023: $3.85).
- Matures 31 May 2026 with multiple early redemption options:
  - The Group is permitted to accelerate redemption if the volume-weighted average price is at least 150% of the reference price or in case of certain tax changes.
  - The holder is permitted to accelerate redemption from 30 November 2024, subject to issuer consent or upon a change in control.

Reconciliation of movements in liabilities to cash flows from financing activities

	Borrowings	
	2024	2023
	$m	$m
Opening balance 1 July	775.6	771.3
Changes from financing cash flows		
Repayment of borrowings (principal)	(161.0)	(791.3)
Interest paid	(47.6)	(30.4)
Drawdowns	161.0	782.4
Total changes from financing cash flows	**(47.6)**	**(39.3)**
Other changes		
Revaluation gain from changes in assumptions	(3.3)	–
Interest accrued	54.1	43.6
Closing balance 30 June	**778.8**	**775.6**

19 Share capital

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	2024	2023
	$m	$m
670,726,143 fully paid ordinary shares (2023: 662,598,242)	3,062.3	3,043.3
2,798,292 treasury shares (2023: 1,979,317)	(8.3)	(7.2)
	3,054.0	3,036.1

	2024		2023	
	No. m	$m	No. m	$m
Ordinary shares				
On issue at 1 July	662.6	3,043.3	653.9	3,017.2
Issue of shares pursuant to dividend reinvestment plan	8.1	19.6	8.7	26.2
Transfer from employee equity-settled benefits reserve on exercise of performance rights	–	0.6	–	1.2
Treasury shares transferred to recipients during the year	–	(1.2)	–	(1.3)
Ordinary shares on issue at 30 June	670.7	3,062.3	662.6	3,043.3
Treasury shares				
On issue at 1 July	(2.0)	(7.2)	(0.6)	(3.6)
Purchase of treasury shares	(1.0)	(2.3)	(1.6)	(4.9)
Treasury shares transferred to recipients during the year	0.2	1.2	0.2	1.3
Treasury shares on issue at 30 June	(2.8)	(8.3)	(2.0)	(7.2)
	667.9	3,054.0	660.6	3,036.1

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and share options are shown in equity as a deduction, net of any tax effects.

Treasury shares

Shares in the Company that are purchased on-market by the IOOF Equity Plans Trust are classified as treasury shares and are deducted from share capital. The IOOF Equity Plans Trust is controlled by the Group and is therefore consolidated. Dividends received on treasury shares are eliminated on consolidation.

Dividend reinvestment plan

The Company operates a DRP that allows eligible shareholders to elect to re-invest part or all of their dividend into additional shares in the Company. Refer to Note 6 *Dividends* for details.

20 Reserves

	2024	2023
	$m	$m
Equity investment revaluation reserve	–	1.5
Business combinations reserve	–	(0.3)
Foreign currency translation reserve	0.8	0.9
Share-based payments reserve	5.5	2.5
Reserve	6.3	4.6

Equity investment revaluation reserve

Equity investment revaluation reserve comprises the cumulative net change in fair value of equity securities measured at fair value through other comprehensive income. During the year the Group sold all of these investments and transferred the cumulative fair value changes in accumulated losses.

Business combinations reserve

Business combinations reserve reflects historic acquisitions of non-controlling interests.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Foreign currency translation reserve

Foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of the Group's foreign operations.

Share-based payments reserve

The share-based payments reserve arises on the grant of performance rights and share options to employees under the employee share plan. Amounts are transferred out of the reserve and into issued capital when the shares are transferred to employees.

21 Commitments and contingencies

Commitments

	2024	2023
	$m	$m
Guarantees and commitments		
Rental bond guarantees	44.8	39.4
AFSL guarantee	6.0	6.0
Capital commitment	2.6	5.1
Other guarantees	0.1	0.1
	53.5	50.6

Contingent assets

Contingent assets of the Group exist in relation to insurance recoveries and/or possible claims which at the date of signing these accounts, have not yet been resolved. It is not practicable to estimate the financial effects of the contingent assets. Receivables are recognised in respect of identified claims only when recovery is considered virtually certain.

Contingent liabilities

Contingent liabilities of the Group exist in relation to claims and/or possible claims which, at the date of signing these accounts, have not been resolved. The likely loss to the Group in respect of each identified claim has been assessed on a claim-by-claim basis and specific provision has been made where appropriate.

Class actions and potential regulatory actions

The Group is defending the following matters:

- a class action against OnePath Custodians Pty Limited (OPC) (and two companies outside the Group) in the Federal Court in relation to alleged breaches of trustee obligations regarding the investment of cash investment option funds and the charging of fees relating to commissions;
- a class action against NULIS Nominees (Australia) Limited (NULIS) in the Federal Court in relation to alleged breaches of trustee obligations in deciding to grandfather commissions;
- a class action against NULIS and MLC Nominees Pty Ltd (MLC Nominees) in the Victorian Supreme Court in relation to alleged breaches of trustee obligations regarding the timing of transfers of accrued default amounts to the MySuper product; and
- an action by the Finance Sector Union against NAB and MLC Wealth Limited (MLCW) in the Federal Court alleging the defendants breached provisions of the Fair Work Act in respect of four 'group 3' and 'group 4' employees (3 NAB employees and 1 MLCW employee).

While NULIS and MLC Nominees were acquired from National Australia Bank Ltd (NAB) on 31 May 2021, subject to terms, NAB remains liable for, and retains conduct of, the second and third of those class actions outlined above pursuant to the terms agreed between NAB and the Company.

During the year, the Federal Court of Australia ruled in favour of the Company in the matter of *McFarlane as Trustee for the S McFarlane Super Fund v Insignia Financial*, a shareholder class action being run by Shine lawyers. The judge dismissed the applicant's claim.

Based on current information available the Group does not consider that the outcome of any other current proceedings, either individually or in aggregate, is likely to materially affect its operations or financial position.

MLC Wealth completion accounts

An independent expert has been jointly appointed by the Group and NAB to finalise the MLC Wealth completion accounts process. The independent expert determination will be binding on both parties and will result in the calculation of the final net asset price adjustment between the parties for the MLC Wealth acquisition in May 2021.

Based on current information available, the final determination and any potential financial outcome remains uncertain. It is expected that the completion accounts process will be completed in the first half of FY25.

Warranties on business sold

Standard warranties apply to businesses divested by the Group. No specific provisions have been made in relation to these warranties.

Other remediation matters

There are a number of remediation matters under investigation. The potential outcomes and total costs associated with these matters remain uncertain.

Section 5 – Financial risk management

The Group's activities expose it to a variety of financial and non-financial risks. Financial risks include:

- market risks (including interest rate risk, currency risk and other price risk);
- credit risk; and
- liquidity risk.

The nature of the financial risk exposures arising from financial instruments, the objectives, policies and processes for managing these risks and the methods used to measure them are detailed in this section.

Exposures to material non-financial risks are discussed in detail in the *Operating and financial review* section of the *Directors' Report*.

22 Financial risk management

Risk management framework

Risk is defined as the chance of an event occurring that will have an impact on the strategic or business objectives of the Group, including a failure to realise opportunities. The Group's risk management process involves the identification of material risks, assessment of consequence and likelihood, implementation of mitigants to manage risks, and continuous monitoring and improvement of the procedures in place.

The Group's objective is to satisfactorily manage its risks in line with the Group's Risk Management Policy set by the Board, and this aligns with *International Standard ISO 31000*. The Group's risk management framework manages the risks faced by the Group, with approaches varying depending on the nature of the risk, through the risk management policies, Risk Management Strategy, Risk Appetite Statement, and tolerances set, approved, and monitored by the Board. The Group maintains a framework to ensure regulatory compliance obligations are managed. The Group's exposure to all material risks is monitored by Risk Management and this exposure, and emerging risks, are regularly reported to the Risk and Compliance Committee and the Board.

The Group's income and operating cash flows are indirectly impacted by changing market conditions through the impact of market changes on the level of funds under management and administration and, consequently, management fee and service fee revenue. Information has been provided below on the direct impact of changing market conditions on the Group's income and operating cash flows only.

Impact of macroeconomic conditions

In preparing the financial report, the Group has considered the ongoing impact of macroeconomic conditions in its adoption of significant assumptions and market inputs used in:

- valuing the Group's financial instruments; and
- preparing disclosures for the fair value of financial assets and liabilities and financial risk management.

The Group's management and services fee revenue is directly driven by the Group's FUMA balance at any given point of time. Market movements along with net flows are a significant contributor to FUMA and are therefore impacted by current and future macroeconomic conditions.

The fair value of the Group's financial instruments may be impacted by a variety of factors arising from changed business conditions as a result of geopolitical tensions and other macroeconomic conditions. The Group has reviewed the appropriateness of inputs to the valuation of financial instruments and the disclosures for the fair value of financial instruments.

Non-financial risks emerging from global inflation hikes, tightening monetary policies, global geopolitical tensions have been identified, assessed, managed and governed through timely application of the Group's risk management policies.

Management continues to monitor the impact of global economic uncertainty to the business environment including ongoing assessment of market risk, credit risk and liquidity risk associated with the business.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The financial instruments held that are impacted by interest rate risk consist of interest-bearing financial assets measured mandatorily at fair value through profit or loss.

Sensitivity analysis interest rate risk

For interest-bearing financial assets measured at fair value through profit or loss, a +/- 100 basis points (2023: 100 basis points) change in the interest rate at the reporting date would have decreased/increased post tax profit by $1.7m (2023: $2.0m), with all other variables held constant. Equity would have been lower/higher by the same amount.

Currency risk

The Group's exposure to foreign exchange risk in relation to the financial instruments of its foreign activities is immaterial.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Credit risk

Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Group. Credit risk arises for the Group from cash, receivables and financial assets measured at FVTPL.

The Group mitigates its credit risk by ensuring cash deposits are held with high credit quality financial institutions and other highly liquid investments are held with trusts operated by the Group.

Receivables consist of management fees receivable, service fees receivable and other amounts receivable. These counterparties generally do not have an independent credit rating, and the Group assesses the debtor's credit quality considering its financial position, past experience with the debtor and other available credit risk information.

In relation to management fees receivable, the Group is contractually entitled to deduct such fees from investors' account balances in accordance with the Product Disclosure Statements and pass the fees to the Responsible Entity or Trustee. Due to this pass-through process the embedded credit risk is considered minimal. Other receivables are regularly monitored by management.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets. The Group does not hold any significant collateral as security over its receivables and loans.

The Group measures concentration of credit risk using Standard & Poor's credit ratings or equivalents:

	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Not rated	Total
30 June 2024	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Cash and cash equivalents	–	414.5	7.2	–	–	421.7
Receivables	–	–	–	–	269.3	269.3
Other financial assets						
Fixed income	14.5	51.9	101.7	30.0	–	198.1
Derivatives assets	0.3	0.3	–	–	–	0.6
Unlisted unit trusts	–	–	–	–	0.7	0.7
Other unlisted investment	–	–	–	–	2.7	2.7
Deferred sales consideration	–	–	–	–	2.4	2.4
Total financial assets	**14.8**	**466.7**	**108.9**	**30.0**	**275.1**	**895.5**
30 June 2023	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Cash and cash equivalents	–	501.1	4.5	–	–	505.6
Receivables	–	–	–	–	268.7	268.7
Other financial assets						
Fixed income	30.5	71.7	113.2	63.1	–	278.5
Derivatives assets	0.4	–	–	–	–	0.4
Unlisted unit trusts	–	–	–	–	1.2	1.2
Other unlisted investment	–	–	–	–	0.1	0.1
Equity investment measured at FVOCI	–	–	–	–	2.1	2.1
Total financial assets	**30.9**	**572.8**	**117.7**	**63.1**	**272.1**	**1,056.6**

Maturities of financial liabilities

The following table analyses the Group's financial liabilities into relevant maturity groupings based on the remaining years at the balance date to the contractual maturity date. The amounts disclosed therein are the contractual undiscounted cash flows excluding interests.

	Contractual cash flows			
	Less than 1 year	1–5 years	5+ year	Total
30 June 2024	**$m**	**$m**	**$m**	**$m**
Payables				
Trade and other payables	171.8	0.1	–	171.9
Total payables	171.8	0.1	–	171.9
Other financial liabilities				
Derivative liabilities	0.5	3.5	8.2	12.2
Total other financial liabilities	0.5	3.5	8.2	12.2
Leasing liabilities	34.4	83.5	38.4	156.3
Total leasing liabilities	34.4	83.5	38.4	156.3
Borrowings	–	787.0	–	787.0
Total borrowings	–	787.0	–	787.0
Total cashflows for financial liabilities	206.7	874.1	46.6	1,127.4
30 June 2023	**$m**	**$m**	**$m**	**$m**
Payables				
Trade and other payables	195.2	0.6	–	195.8
Total payables	195.2	0.6	–	195.8
Other financial liabilities				
Deferred purchase consideration	0.1	–	–	0.1
Derivative liabilities	0.7	10.9	8.4	20.0
Total other financial liabilities	0.8	10.9	8.4	20.1
Leasing liabilities	35.8	95.4	53.4	184.6
Total leasing liabilities	35.8	95.4	53.4	184.6
Borrowings	–	787.0	–	787.0
Total borrowings	–	787.0	–	787.0
Total cashflows for financial liabilities	231.8	893.9	61.8	1,187.5

Liquidity risk

Liquidity risk relates to the Group having insufficient liquid assets to cover current liabilities and unforeseen expenses. The Group maintains a prudent approach to managing liquidity risk exposure by maintaining sufficient liquid assets and an ability to access a committed line of credit. It is managed by continuously monitoring actual and forecast cash flows and by matching the maturity profiles of financial assets and liabilities. Temporary surplus funds are invested in highly liquid, low risk financial assets.

The liquidity requirements for licensed entities in the Group are regularly reviewed and carefully monitored in accordance with those licence requirements. The Group continuously monitors actual and forecast financial results to determine compliance with banking covenants.

In addition, the Group had access to the following bank borrowing facilities at 30 June 2024:

- $313.0m facilities available under the SFA (2023: $313.0m). The terms of these facilities are described in Note 18 Borrowings; and
- $55.0m (2023: $55.0m) contingent liability facility of which $49.7m was used (30 June 2023: $43m).

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Other price risk

Price risk is the risk that the fair value or future earnings of a financial instrument will fluctuate because of changes in market prices (other than those from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group's exposure to other price risk is immaterial.

23 Fair value of financial assets and liabilities

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets is the closing price. Where no quoted prices in an active market exist, the Group uses valuation techniques to estimate the fair value of financial assets and liabilities.

Fair value of the compound embedded derivative contained in the SLNs at Note 18 *Borrowings* is determined using a Monte-Carlo simulation to simulate different scenarios of the underlying equity prices.

For investments in fixed income and derivatives where no quoted prices in an active market exist, valuation techniques using observable market inputs for financial assets with similar credit risk, maturity and yield characteristics are used.

Units in unlisted trusts are measured at the redemption price.

Fair value hierarchy

The fair values of financial assets and liabilities are equal to the carrying amounts shown in the statement of financial position. The table below analyses financial instruments carried at fair value, by valuation method.

	Level 1	Level 2	Level 3	Total
30 June 2024	**$m**	**$m**	**$m**	**$m**
Financial assets measured at fair value				
Fixed income	–	198.1	–	198.1
Derivative assets	0.3	0.3	–	0.6
Unlisted unit trusts	–	0.7	–	0.7
Other unlisted investment	–	2.7	–	2.7
Deferred sales consideration	–	–	2.4	2.4
Financial assets measured at fair value	0.3	201.8	2.4	204.5
Financial liabilities measured at fair value				
Derivative liabilities	–	(11.7)	(0.5)	(12.2)
Financial liabilities measured at fair value	–	(11.7)	(0.5)	(12.2)
30 June 2023	**$m**	**$m**	**$m**	**$m**
Financial assets measured at fair value				
Fixed income	–	278.5	–	278.5
Derivative assets	0.2	0.2	–	0.4
Unlisted unit trusts	–	1.2	–	1.2
Other unlisted investment	–	0.1	–	0.1
Fair value through other comprehensive income	2.1	–	–	2.1
Financial assets measured at fair value	2.3	280.0	–	282.3
Financial liabilities measured at fair value				
Derivative liabilities	–	(18.5)	(1.5)	(20.0)
Deferred purchase consideration	–	–	(0.1)	(0.1)
Financial liabilities measured at fair value	–	(18.5)	(1.6)	(20.1)

The definitions of each level and the valuation techniques used are:

- Level 1: quoted closing prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Fair values are derived from published market indices and include adjustments to take account of the credit risk of the Group entity and counterparty; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels

There were no transfers between levels of the fair value hierarchy during the year ended 30 June 2024 (2023: nil).

Level 3 financial assets and liabilities

Reconciliation of movements in level 3 financial assets and liabilities	Deferred sales consideration assets		Deferred purchase consideration liabilities		Issued investment protection derivatives liabilities	
	2024	2023	2024	2023	2024	2023
	$m	$m	$m	$m	$m	$m
Opening balance as at 1 July	–	–	(0.1)	(1.3)	(1.5)	(6.5)
Recognised from businesses sold	2.4	–	–	–	–	–
Acquisition	–	–	–	(0.1)	–	–
Fair value movement	–	–	–	–	2.0	5.0
Settlement	–	–	0.1	1.3	–	–
Closing balance as at 30 June	2.4	–	–	(0.1)	0.5	(1.5)

Level 3 financial liabilities consist of the following:

- Deferred sales consideration assets relate to the businesses sold by the Group. It is valued at the best estimate of amounts receivable under the relevant contracts. The amount of deferred consideration receivable is linked to the funds under management of the sold businesses at a future date which is an unobservable input.
- Deferred purchase consideration in respect of client lists purchased by the Group, which is valued at best estimate of the amount payable under the relevant contracts. The amount of deferred consideration payable is linked to the retention of clients, which is an unobservable input and may decrease the value of the liability.
- Issued investment protection derivatives are term-based investment protection products issued by the Group. These products provide protection to investors' capital or a minimum level of income each year for a term of 10 or 20 years. These derivatives are measured using market standard valuation models and assumptions. Significant unobservable inputs include the underlying investments' growth rate and the risk-free interest rate assumptions.

  A 1% increase (1% decrease) in the underlying investments' growth rate assumption would result in a decrease (increase) in fair value by $0.3m (2023: $0.3m), holding all other variables constant. A 1% increase (1% decrease) in the risk-free interest rate assumption would result in a decrease (increase) in fair value by $0.8m (2023: $1.0m), holding all other variables constant.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Section 6 – Group structure

24 Parent entity financials

The parent entity of the Group is Insignia Financial Ltd.

	2024	2023
	$m	$m
Result of the parent entity		
Profit for the year	90.5	175.5
Total comprehensive income	**90.5**	**175.5**
Financial position of parent entity		
Current assets	13.9	45.8
Total assets	**3,147.6**	**3,199.4**
Current liabilities	16.4	6.5
Total liabilities	**925.5**	**966.3**
Equity of the parent entity		
Share capital	3,062.3	3,043.3
Share-based payments reserve	9.7	6.7
Common control reserve	(965.4)	(965.4)
Retained earnings	115.5	148.5
Total equity	**2,222.1**	**2,233.1**

Parent entity contingent liabilities

Contingent liabilities of Insignia Financial Ltd exist in relation to claims and/or possible claims which, at the date of signing these accounts, have not been resolved.

An assessment of the likely loss to the Company and its controlled entities has been made in respect of the identified claims on a claim-by-claim basis, and specific provision has been made where appropriate. Insignia Financial Ltd does not consider that the outcome of any other current proceedings, either individually or in aggregate, is likely to materially affect its operations or financial position. Refer to Note 21 *Commitments and contingencies* for further information.

	2024	2023
	$m	$m
Guarantees and commitments		
Rental bond guarantees	1.4	1.4
AFSL guarantee	6.0	6.0
Other guarantee	0.1	0.1

25 Subsidiaries

The following is a list of all subsidiaries in the Group.

		2024	2023
Subsidiary name	Place incorpo-rated	% of ownership	
Parent entity			
Insignia Financial Ltd	Australia		
Subsidiaries			
A.C.N. 099 995 187 Pty Ltd.	Australia	–	100%
ACN 089 554 058 Pty Ltd	Australia	100%	100%
Actuate Alliance Services Pty Ltd	Australia	100%	100%
Antares Capital Partners Ltd	Australia	100%	100%
Australian Executor Trustees (Canberra) Pty Ltd	Australia	–	100%
Australian Wealth Management Limited	Australia	100%	100%
Austselect Pty Ltd	Australia	100%	100%
Bridges Financial Services Group Pty Limited	Australia	100%	100%
Bridges Financial Services Pty Limited	Australia	100%	100%
Capricorn Financial Advisers Pty Ltd	Australia	–	100%
CM Darwin Pty Limited	Australia	–	100%
Consultum Financial Advisers Pty Ltd	Australia	100%	100%
Deakin Financial Services Pty Ltd	Australia	100%	100%
DKN Financial Group Pty Ltd	Australia	100%	100%
DKN Management Pty Ltd	Australia	100%	100%
DKN Stakeholders Pty Ltd	Australia	100%	100%
Elders Financial Planning Pty Ltd	Australia	–	100%
Financial Acuity Limited	Australia	100%	100%
Financial Investment Network Group Pty Limited	Australia	100%	100%
Financial Partnership Pty Ltd	Australia	100%	100%
Financial Planning Hotline Pty Limited	Australia	100%	100%
Financial Services Partners Holdings Pty Limited	Australia	100%	100%
Financial Services Partners Management Pty Limited	Australia	100%	100%
Financial Services Partners Management Trust	Australia	–	100%
Financial Services Partners Pty Limited	Australia	100%	100%
FSP Group Pty Limited	Australia	100%	100%
Financial Lifestyle Solutions Pty Limited	Australia	–	100%
GGS Unit Trust	Australia	–	100%
Global One Alternative Investments Management Pty Ltd	Australia	–	100%
Godfrey Pembroke Group Pty Ltd	Australia	–	100%
Greencrest Administration Pty Ltd	Australia	100%	100%

		2024	2023
Subsidiary name	Place incorpo-rated	% of ownership	
Holiday Coast Wealth Management Pty Ltd	Australia	–	100%
IFL Internal Audit Pty Ltd	Australia	100%	100%
Integrated Networks Pty Limited	Australia	100%	100%
I.O.O.F. Investment Management Limited	Australia	100%	100%
IOOF Alliances Pty Limited	Australia	100%	100%
IOOF Equity Plans Trust	Australia	100%	100%
IOOF Finance Choice Pty Ltd	Australia	100%	100%
IOOF Group Pty Ltd	Australia	100%	100%
IOOF Holdings Pty Limited	Australia	100%	100%
IOOF Insurance Brokers Pty Ltd	Australia	100%	100%
IOOF Investment Services Ltd	Australia	100%	100%
IOOF Life Pty Ltd	Australia	100%	100%
IOOF Ltd (including its controlled statutory funds)	Australia	–	100%
IOOF New Zealand Limited	New Zealand	100%	100%
IOOF Service Co Pty Ltd	Australia	100%	100%
JK Rye Pty Limited	Australia	100%	100%
KE Sunshine Coast Pty Limited	Australia	100%	100%
Kiewa Street Planners Pty Limited	Australia	100%	100%
Lachlan Partners Corporate Services Pty. Ltd.	Australia	–	100%
Lachlan Wealth Management Pty Ltd	Australia	100%	100%
Lifetime Financial Advisers Pty Ltd	Australia	100%	100%
Lifetime Mortgage Solutions Pty Ltd	Australia	100%	100%
Lonsdale Financial Group Limited	Australia	100%	100%
Managed Portfolio Services Limited	Australia	100%	100%
Mercantile Mutual Financial Services Pty Limited	Australia	–	100%
Millennium 3 Financial Services Pty Ltd	Australia	–	100%
MLC Asset Management Holdings Limited	Australia	100%	100%
MLC Asset Management Pty Limited	Australia	100%	100%
MLC Asset Management Services Limited	Australia	100%	100%
MLC Asset Management (UK) Limited	UK	100%	100%
MLC Asset Management (UK) Real Estate Limited	UK	100%	100%
MLC Asset Management US LLC	US	100%	100%
MLC Investments Limited	Australia	100%	100%
MLC Lifetime Company Limited	Australia	100%	100%
MLC Nominees Pty Ltd	Australia	100%	100%

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Subsidiary name	Place incorporated	2024 % of ownership	2023 % of ownership
MLC Properties Pty. Limited	Australia	100%	100%
MLC Wealth Holdings Limited	Australia	100%	100%
MLC Wealth Limited	Australia	100%	100%
My Adviser Pty Ltd	Australia	100%	100%
Navigator Australia Limited	Australia	100%	100%
National Asset Management Limited	Australia	–	100%
NULIS Nominees (Australia) Limited	Australia	100%	100%
NWMH Sub Ltd	Australia	100%	100%
Oasis Asset Management Limited	Australia	100%	100%
Oasis Fund Management Limited	Australia	100%	100%
OnePath Administration Pty Limited	Australia	100%	100%
OnePath Custodians Pty Limited	Australia	100%	100%
OnePath Funds Management Limited	Australia	100%	100%
OnePath Investment Holdings Pty Limited	Australia	100%	100%
Orchard St Investment Management LLP	UK	100%	100%
Orchard Street Investment Advisors Limited	UK	100%	100%
PFS Nominees Pty Ltd	Australia	100%	100%
Plan B Administration Pty Ltd	Australia	100%	100%
Plan B Group Holdings Pty Limited	Australia	100%	100%
Plan B Superannuation Services Pty Ltd	Australia	–	100%
Plan B Trustees Pty Ltd	Australia	–	100%
Plan B Wealth Management Pty Ltd	Australia	–	100%
Questor Financial Services Pty Ltd	Australia	–	100%
Rhombus Advisory Pty Ltd	Australia	100%	–
Rhombus Advisory Investment Solutions Pty Ltd	Australia	100%	–
RI Advice Group Pty Ltd	Australia	100%	100%
RI Dandenong Pty Ltd	Australia	–	100%
RI Parramatta Pty Limited	Australia	–	100%
RI Townsville Pty Ltd	Australia	–	100%
Select Managed Funds Pty Ltd	Australia	100%	100%
Sentinel Adviser Services Pty Ltd	Australia	100%	100%
SFG Administration Pty Ltd	Australia	–	100%
SFG Australia Limited	Australia	100%	100%
SFG Spencers Pty Ltd	Australia	100%	100%
Shadforth Business Advisory Services Pty Ltd	Australia	100%	100%
Shadforth Financial Group Holdings Pty Ltd	Australia	100%	100%
Shadforth Financial Group Limited	Australia	100%	100%
Shadforth Lending Services Pty Ltd	Australia	100%	100%
Shadforth Property Advisory Services Pty Ltd	Australia	100%	100%

Subsidiary name	Place incorporated	2024 % of ownership	2023 % of ownership
SMF Wealth Management Pty Ltd	Australia	100%	100%
Snowball Capital Pty Ltd	Australia	100%	100%
Strategy Plus Financial Planning Pty Ltd	Australia	–	100%
Tower Austrust Building Pty. Ltd.	Australia	–	100%
Wealth Central Pty Ltd	Australia	100%	100%
Wealth Managers Pty Ltd	Australia	–	100%
Western Pacific Financial Group Pty Ltd	Australia	100%	100%

Unconsolidated structured entities

The Group has interests in various structured entities that are not consolidated. An 'interest' in an unconsolidated structured entity is any form of contractual or non-contractual involvement which exposes the Group to variability of returns from the performance of that entity. Such interests include holdings of seed capital for the purpose of supporting the establishment of new products.

The Group has investments in managed investment funds through its asset management subsidiaries. Control of these managed investment funds may exist since the Group has power over the activities of the fund. However, these funds have not been consolidated because the Group is not exposed to significant variability in returns from the funds. The Group earns management fees from the management of these investment funds which are commensurate with the services provided and are reported in management and service fees revenue in Note 3 *Revenue*. Management fees are generally based on the value of the assets under management. Therefore, the fees earned are impacted by the composition of the assets under management and fluctuations in financial markets.

26 Associates

Associates are those entities over which the Group has significant influence, but not control, over the financial and operating policies.

Intermede Investment Partners Limited ('Intermede') is an institutional global equity fund manager focused on global equity strategy.

Fairview Equity Partners Pty Ltd ('Fairview') is a boutique Australian fund manager exclusively focused on investing in Australian small companies' equities.

JANA Investment Advisers Pty Ltd ('JANA') is an Australian based investment consulting company. The Group divested its investment in JANA at the end of January 2023.

None of the Group's equity-accounted investees are publicly listed entities and consequently do not have published price quotations.

Details of the Group's material associates are as follows:

Associate	Year-end	Country of incorpor-ation	Ownership interest		Carrying value		Share of profit	
			2024	2023	2024	2023	2024	2023
			%	%	$m	$m	$m	$m
Intermede Investment Partners Limited	31-Dec	UK	40.0	40.0	55.0	54.8	7.8	7.7
Fairview Equity Partners Pty Ltd	30-Sep	Australia	40.0	40.0	4.0	2.9	2.7	0.4
JANA Investment Advisers Pty Ltd	30-Sep	Australia	–	–	–	–	–	1.3
Other associates					0.5	1.4	0.2	–
					59.5	59.1	10.7	9.4

The following table summarises the financial information of the Group's material associates. The accounting policies of the associates are consistent with those of the Group.

	Intermede		JANA		Fairview	
	2024	2023	2024	2023*	2024	2023
	$m	$m	$m	$m	$m	$m
Beneficial ownership interest	40%	40%	0%	45%	40%	40%
Current assets	21.0	22.0	–	–	6.1	1.8
Non-current assets	0.4	0.5	–	–	0.5	0.2
Current liabilities	(6.5)	(7.0)	–	–	(1.1)	(0.3)
Net assets (100%)	14.9	15.5	–	–	5.5	1.7
Insignia Financial Group's share of net assets	6.0	6.2	–	–	2.2	0.7
Intangibles on investment	49.0	48.6	–	–	1.8	2.2
Carrying value of interest in associates	55.0	54.8	–	–	4.0	2.9
Revenue (100%)	41.2	36.9	–	31.4	3.5	4.3
Profit and total comprehensive income (100%)	19.5	19.2	–	2.9	6.7	1.1
Profit and total comprehensive income (% interest)	7.8	7.7	–	1.3	2.7	0.4
Total profit and total comprehensive income	7.8	7.7	–	1.3	2.7	0.4
Dividends received by the Group	7.6	8.3	–	1.3	1.6	1.7

* Amounts relating to part year ownership by the Group.

Dividends received from associates

During the year, the Group has received dividends of $9.8m (2023: $11.3m) from its associates.

Accounting policies

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes any transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, until the date on which significant influence ceases. An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount. Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

27 Related party transactions

Ultimate parent entity

Insignia Financial Ltd is the ultimate parent entity in the Group.

Investment in related entities

Through one of its subsidiaries, the Group (excluding statutory funds) holds $573,655 (2023: $527,827) investments in managed investment schemes that meet the definition of related parties.

Transactions with key management personnel

KMP compensation

	2024	2023
	$	$
Short-term employee benefits	9,717,201	7,327,732
Post-employment benefits	280,578	243,842
Share-based payments	1,221,644	1,753,283
Termination benefits	3,053,172	–
Total KMP remuneration	14,272,595	9,324,857
Executives	12,762,372	7,926,119
Non-executive Directors	1,510,223	1,398,738
Total KMP remuneration	14,272,595	9,324,857

Loans to KMP

There are no loans between the Group and KMP.

Other transactions with KMP of the Group

KMP and their related parties held investments in superannuation funds managed by the Group. There were no other transactions with KMP of the Group.

28 Assets and liabilities held for sale

Rhombus Advisory Pty Ltd

Assets and liabilities held for sale include assets and liabilities of Rhombus Advisory Pty Ltd and its controlled entities. On 1 July 2024, the Group divested 63% of its holding in Rhombus Advisory Pty Ltd and recognised the remaining 37% holding as an associate.

Other assets held for sale

Property and equipment held for sale as at 30 June 2024 relate to the planned sale of a building.

Assets and liabilities held for sale as at 30 June 2023 includes IOOF Ltd and other investments.

Assets and liabilities held for sale

	2024	2023
	$m	$m
Cash – corporate	12.8	7.7
Cash – statutory*	–	6.9
Receivables – corporate	12.4	0.7
Receivables – statutory*	–	81.7
Other financial assets – corporate	–	3.9
Other financial assets – statutory*	–	1,020.1
Prepayments – corporate	1.0	0.7
Property and equipment – corporate	0.5	1.6
Goodwill – corporate	–	24.7
Assets held for sale	26.7	1,148.0
Payables – corporate	15.1	0.7
Payables – statutory*	–	11.3
Other financial liabilities – statutory*	–	1,081.9
Provisions – corporate	0.1	–
Deferred tax liabilities – corporate	–	0.2
Deferred tax liabilities – statutory*	–	11.3
Liabilities associated with assets held for sale	15.2	1,105.4

* Refer to Note 30 *Statutory funds*.

29 Discontinued operations

Discontinued operations included assets and liabilities of the Australian Executor Trustees Limited and AET PAF Pty Ltd (the AET businesses). On 30 November 2022, the Group completed the sale of the AET businesses to EQT Holdings Limited.

Results from discontinued operations

	2024	2023
	$m	$m
Revenue	–	17.9
Expenses	–	(12.6)
Income tax expense	–	(1.5)
Gain on sale of discontinued operation	–	66.6
Related income taxes	–	(23.4)
Profit from discontinued operations	**–**	**47.0**
Profit from discontinued operations attributable to:		
Owners of the entity	–	47.0
Non-controlling interest	–	–
Profit for the year from discontinued operations	**–**	**47.0**
Basic earnings per share (cents per share)	–	7.1
Diluted earnings per share (cents per share)	–	7.1

Cash flows from discontinued operations

	2024	2023
	$m	$m
Net cash provided by operating activities	–	11.0
Net cash provided by investing activities	–	129.5
Net cash provided by discontinued operations	**–**	**140.5**

UNPAT from discontinued operations

	2024	2023
	$m	$m
Profit for the year from discontinued operations	–	47.0
Gain on sale of discontinued operations	–	(66.6)
Amortisation of intangible assets	–	0.6
Related income taxes	–	23.2
UNPAT from discontinued operations	**–**	**4.2**

30 Statutory funds

IOOF Ltd is a friendly society in accordance with the *Life Insurance Act 1995* (Cth), which was a subsidiary of the Company until its divestment. The funds operated by IOOF Ltd, and any trusts controlled by these funds, are treated as statutory funds in accordance with the *Life Insurance Act 1995*. IOOF Ltd was divested on 31 October 2023.

The table below represents the contribution of IOOF Ltd to the Group during the period of ownership.

	2024	2023
	$m	$m
Statutory funds revenue		
Interest income	0.9	1.9
Dividends and distributions received	4.8	44.1
Net fair value (losses)/gains on financial assets measured at fair value through profit or loss	(33.3)	59.5
Investment contracts with DPF		
Contributions received – investment contracts with DPF	0.7	2.9
Decrease in DPF policyholder liability	3.2	12.6
Increase/(decrease) in non-DPF policyholder liability	21.4	(67.7)
Other fee revenue	0.7	2.2
Total statutory funds revenue	(1.6)	55.5
Statutory funds expenses		
Service and marketing fees expense	2.6	7.9
Investment contracts with DPF		
Benefits and withdrawals paid	5.6	18.9
Interest	0.1	0.3
Total statutory funds expenses	8.3	27.1
Income tax (benefit)/expense	(9.9)	28.4
Statutory funds contribution to profit or loss, net of tax	**–**	**–**

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Section 7 – Other disclosures

31 Defined benefit plan

The Group contributes to a post-employment defined benefit plan, the Insignia Financial Super Plan (the plan). The plan entitles employees to receive certain retirement benefits based on a fixed percentage of each employee's annual remuneration and the years of service.

The plan is a sub-plan of the MLC Super Fund. The Trustee of the MLC Super Fund, NULIS Nominees (Australia) Limited, is a subsidiary of the Group. The plan is not part of the Insignia Financial Group. The trustee of the MLC Super Fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies of the fund.

The defined benefit plan exposes the Group to actuarial risks, such as investment risk, salary growth risk, liquidity risk, sequencing risk (due to the plan being closed to new defined benefit members) and legislative risk.

Funding

The plan is fully funded by MLC Wealth Limited (a subsidiary of the Company). In Australia, superannuation is regulated by APRA. APRA's Prudential Standard SPS 160 *Defined Benefit Matters* requires the plan's vested benefit index (plan's assets divided by vested benefits) to be no less than 100%.

The Trustee of the plan is required to ensure that a formal actuarial investigation is completed at least every 3 years, using the projected unit credit method, and updated annually for material movements in the plan position. The most recent formal actuarial investigation was completed for 30 June 2023.

Based on the strong financial position of the Plan and the actuary's recommendation, the Group does not expect to pay contributions to its defined benefit plan in 2025.

	30 June 2024	30 June 2023
	$m	$m
Present value of defined benefit obligation	(20.2)	(22.6)
Fair value of plan assets	44.5	43.9
Net surplus arising from defined benefit obligation	**24.3**	**21.3**

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	2024	2023
	$m	$m
Current service cost	(0.9)	(1.1)
Interest cost	0.9	0.8
Contribution tax expense	–	0.1
Recognised in profit or loss	**–**	**(0.2)**

Amounts recognised in other comprehensive income are as follows:

	2024	2023
	$m	$m
Actuarial gains	2.7	1.4
Movement in contribution tax adjustment	0.4	0.1
Recognised in other comprehensive income	**3.1**	**1.5**

Plan assets

Plan assets are invested into a managed investment portfolio. These investments do not have a quoted market price in an active market. Plan assets comprise the following:

	30 June 2024	30 June 2023
	$m	$m
Cash and cash equivalents	1.8	1.7
Equity instruments	27.1	27.1
Debt instruments	9.4	9.2
Real estate investment funds	2.2	3.1
Other	4.0	2.8
Total plan assets	**44.5**	**43.9**

Movements in the fair value of the plan assets in the year were as follows:

	2024	2023
	$m	$m
Opening plan assets	43.9	44.6
Actuarial gains	2.1	0.9
Interest on plan assets	1.9	1.9
Benefits paid	(3.7)	(3.6)
Plan expenses	(0.1)	(0.1)
Movement in contribution tax adjustment	0.4	0.2
Closing plan assets	**44.5**	**43.9**

Defined benefit obligation

Movements in the present value of the defined benefit obligation in the year were as follows:

	2024 $m	2023 $m
Opening defined benefit obligation	(22.6)	(24.5)
Current service cost	(0.9)	(1.1)
Interest cost	(1.0)	(1.1)
Actuarial gains	0.6	0.5
Benefits paid	3.7	3.6
Closing defined benefit obligation	**(20.2)**	**(22.6)**

At 30 June 2024, the weighted-average duration of the defined benefit obligation was 5 years (2023: 5 years). Based on the current assumptions, benefit payments of approximately $4.0m are expected in 2025 followed by further benefits of approximately $13.0m over the next 4 years. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	30 June 2024	30 June 2023
Discount rate	5.23%	4.85%
Expected rate of salary increase	3.0%	3.0%
Expected future lifetime at the age of 60		
Male	22.6 years	22.6 years
Female	26.0 years	26.0 years

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	30 June 2024		30 June 2023	
	Increase $m	Decrease $m	Increase $m	Decrease $m
Discount rate (1% movement)	(0.7)	0.7	(0.9)	0.9
Compensation rate (1% movement)	0.7	(0.7)	0.9	(0.9)
Mortality rate (10% movement)	0.2	(0.2)	0.2	(0.2)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

32 Share-based payments

Performance rights plan

The performance rights plans are used to deliver equity-based incentives to executives and certain other employees of the Group.

Each executive or participating other employee receives ordinary shares of the Company on vesting of the performance rights. No amounts are paid or payable by the recipient on receipt of the performance rights or on vesting. The performance rights carry neither rights to dividends nor voting rights prior to vesting.

Vesting conditions can be a combination of:

- relative Total Shareholder Return (rTSR), which measures Group's share price performance compared to other companies in a peer group;
- employment over the period (Service);
- satisfying compliance conditions (Compliance);
- achieving financial targets (Financial);
- meeting specified metrics (Non-financial); or
- the Group's reputation score (Reputational).

All plans are equity-settled. On vesting of performance rights, the ordinary shares are either:

- transferred to the executive or employee's name; or
- if a deferral period exists, then it is held in a trust as deferred shares.

Deferred shares

Deferred shares are shares that have vested under a performance rights plan, but are subject to a holding lock before being transferred to participants.

If a deferral period exists, then the ordinary shares are held in trust for a defined period. After vesting date, the employee becomes entitled to dividends declared on the deferred shares, but the deferred shares are only transferred to the participant's name at the end of the deferral period.

Share-based payment expense

The total share-based payments expense for the year was $3.9m (2023: $3.9m). This represents the total expense recorded to date for all employees and does not reflect the opportunity to transfer to retained profits the value of those legacy series that will lapse.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

Measurement of grant date fair values

The grant date fair values of share-based payment plans are determined using a binomial options pricing model for non-market performance conditions and a Monte-Carlo simulation model for market performance conditions. Expected volatility is estimated by considering historic average share price volatility.

Inputs used in determining the fair value of new share-based payment performance rights plans at grant date:

Performance rights series	Fair value	Grant date	Grant date share price	Expected volatility	Expected life (years)	Dividend yield	Risk-free interest rate
2024							
2024-01 Other employees	$1.67	1-Dec-23	$2.10	33%	3	8.86%	4.07%
2024-02 Other employees	$1.13	1-Dec-23	$2.10	33%	3	8.86%	4.07%
2024-03 Executives and other employees	$0.99	13-Dec-23	$2.16	36%	4	8.61%	3.92%
2023							
2023-01 Other employees	$2.38	11-Nov-22	$3.37	42%	3	7.00%	3.16%
2023-02 Executives and other employees	$2.45	14-Dec-22	$3.45	44%	4	6.84%	3.08%
2023-03 Other employees	$2.71	29-Nov-22	$3.27	39%	3	7.22%	3.24%

Existing performance rights plans

The following share-based payment arrangements were in existence during the current and comparative reporting years:

Performance rights series	Exercise price	Performance rights plan start date	Performance rights plan vesting date	Deferred shares vesting date	Vesting conditions
2019-01 Executives	nil	1-Jul-18	30-Jun-21	30-Jun-22	50% rTSR, 50% Service
2019-05 Other employees	nil	1-Jul-18	30-Jun-21	30-Jun-22	50% rTSR, 50% Service
2020-02 Executives and other employees	nil	1-Jul-19	30-Jun-22	n/a	50% rTSR, 50% Service
2020-03 Other employees	nil	1-Jul-19	30-Jun-22	n/a	100% Service and Compliance
2021-01 Other employees	nil	1-Jul-20	30-Jun-23	n/a	100% Service and Compliance
2021-02 Other employees	nil	1-Jul-20	30-Jun-23	n/a	50% rTSR, 50% Service
2021-03 Executives and other employees	nil	1-Jul-20	30-Jun-24	n/a	40% rTSR, 10% Financial, 50% Non-financial
2022-01 Other employees	nil	1-Jul-21	30-Jun-24	n/a	100% Service and Compliance
2022-02 Other employees	nil	1-Jul-21	30-Jun-24	n/a	50% rTSR, 50% Service
2022-03 Executives and other employees	nil	1-Jul-21	30-Jun-25	n/a	40% rTSR, 10% Financial, 50% Non-financial
2023-01 Other employees	nil	1-Jul-22	30-Jun-25	n/a	50% rTSR, 50% Service
2023-02 Executives and other employees	nil	1-Jul-22	30-Jun-26	n/a	40% rTSR, 10% Financial, 50% Non-financial
2023-03 Other employees	nil	1-Jul-22	30-Jun-25	n/a	100% Service and Compliance
2024-01 Other employees	nil	1-Jul-23	30-Jun-26	n/a	100% Service and Compliance
2024-02 Other employees	nil	1-Jul-23	30-Jun-26	n/a	50% rTSR, 50% Service
2024-03 Executives and other employees	nil	1-Jul-23	30-Jun-27	30-Jun-28	70% rTSR, 30% Reputational

Number of performance rights and deferred shares

Performance rights series	Opening balance 1 July 2022	Granted in 2023	Forfeited or lapsed in 2023	Exercised in 2023	Closing balance 30 June 2023	Granted in 2024	Forfeited or lapsed in 2024	Exercised in 2024	Closing balance 30 June 2024
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Performance rights:									
2019-01 Executives	87,000	–	(87,000)	–	–	–	–	–	–
2019-05 Other employees	63,750	–	(63,750)	–	–	–	–	–	–
2020-02 Executives and other employees	321,500	–	(155,750)	(165,750)	–	–	–	–	–
2020-03 Other employees	27,136	–	–	(27,136)	–	–	–	–	–
2021-01 Other employees	69,517	–	–	–	69,517	–	–	(69,517)	–
2021-02 Other employees	271,043	–	(9,072)	–	261,971	–	(126,463)	(135,508)	–
2021-03 Executives and other employees	840,536	–	–	–	840,536	45,976	–	–	886,512
2022-01 Other employees	64,640	–	(1,870)	–	62,770	–	–	–	62,770
2022-02 Other employees	294,470	–	(39,091)	–	255,379	11,704	–	–	267,083
2022-03 Executives and other employees	1,274,399	–	(45,838)	–	1,228,561	–	–	–	1,228,561
2023-01 Other employees	–	1,035,450	(31,824)	–	1,003,626	31,824	–	–	1,035,450
2023-02 Executives and other employees	–	2,098,735	–	–	2,098,735	34,907	(509,519)	–	1,624,123
2023-03 Other employees	–	94,697	–	–	94,697	–	–	–	94,697
2024-01 Other employees	–	–	–	–	–	144,112	–	–	144,112
2024-02 Other employees	–	–	–	–	–	875,675	–	–	875,675
2024-03 Executives and other employees	–	–	–	–	–	889,710	–	–	889,710
Total performance rights	3,313,991	3,228,882	(434,195)	(192,886)	5,915,792	2,033,908	(635,982)	(205,025)	7,108,693
Exercisable at 30 June					–				–
Deferred shares:									
2019-01 Executives	87,000	–	–	(87,000)	–	–	–	–	–
2019-05 Other employees	63,750	–	–	(63,750)	–	–	–	–	–
Total deferred shares	150,750	–	–	(150,750)	–	–	–	–	–

Accounting policies

The grant date fair value of share-based payment awards granted to employees is recognised as a share-based payment expense with a corresponding increase in the share-based payments reserve over the years that the employees unconditionally become entitled to the awards.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the expense recognised is based on the number of awards that meet the related service and non-market performance conditions at vesting date.

The fair value at grant date is independently determined where considered appropriate. The option pricing model used considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Shares held by the IOOF Equity Plans Trust (the Trust) will contribute to the employee allocation of shares on satisfaction of vesting performance hurdles. The Group has no right to recall placed shares. However, the Group instructs a third party who acts as Trustee of the Trust and can direct the voting rights of shares held.

Shares in the Company held by the Trust are classified and disclosed as treasury shares and deducted from share capital. Dividends received by the Trust are recorded as dividend income in the financial statements of the Trust and are eliminated on consolidation.

Notes to the financial statements (cont'd)

For the year ended 30 June 2024

33 Remuneration of auditor

	2024	2023
	$	$
Audit services		
Financial reports – Group	3,230,601	2,631,420
Financial reports – managed funds and superannuation funds	3,330,009	3,653,151
Total audit services	6,560,610	6,284,571
Assurance services		
Regulatory assurance services	1,741,726	2,106,119
Other assurance services	299,813	230,625
Total assurance services	2,041,539	2,336,744
Other services		
Taxation services	81,865	29,041
Advisory services	91,769	161,000
Total other services	173,634	190,041
Total auditor's remuneration	8,775,783	8,811,356

The auditor of the Company is KPMG Australia. All amounts payable to the auditor of the Company were paid by a Group company.

34 Subsequent events

Rhombus Advisory Pty Ltd

On 1 July 2024, the Group divested 63% of its holding in Rhombus Advisory Pty Ltd (Rhombus) and recognised its remaining 37% interest in Rhombus as an equity accounted associate.

Operating model and executive team changes

On 11 July 2024, the Company announced a revised operating model and new executive team, to drive increased accountability and enhance the focus on growth opportunities across the business. The new structure took effect on 29 July 2024.

The new structure comprises four dedicated lines of business: Asset Management, Master Trust, Wrap and Advice. Each business line is led by an executive with end-to-end accountability to drive positive sustainable growth and profitability, improve customer outcomes and the customer experience and is supported by specialist enablement and governance functions.

The new leadership team comprises a mix of existing executives and new external appointments including:

- Renee Howie appointed as Chief Customer Officer, with responsibility for Advice and Marketing;
- Liz McCarthy appointed as CEO MLC Expand, responsible for Wrap Platforms business;
- Dave Woodall appointed as CEO Superannuation, responsible for Master Trust business; and
- Jason Sommer as Chief Operating Officer, responsible for Strategy and Enterprise Services functions.

Renee Howie and Dave Woodall will start 1 November 2024. As a result of the changes, Frank Lombardo, Mark Oliver and Chris Weldon have ceased their KMP responsibilities disclosed in the *Remuneration Report* effective 26 July 2024.

Penalty paid to APRA

On 20 July 2024, the Group paid $10.7m to APRA in response to infringement notices issued by APRA for alleged breaches of the *Superannuation Industry (Supervision) Act 1993* for failing to invest members' default superannuation contributions in MySuper products. This amount has been included in other expenses in the current financial year.

Court enforceable undertaking with APRA

On 22 July 2024, APRA agreed to accept a court enforceable undertaking (CEU) from (OPC) pledging to rectify compliance deficiencies and compensate members. The CEU is publicly available and relates to the conduct for which APRA issued the infringement notices as well as the ongoing remediation of a breach relating to accrued default amount. OPC has acknowledged APRA's concerns in the CEU and has committed to:

- identify, rectify, and remediate all members adversely affected by the breaches with input from an independent expert;
- allocate additional resources to replenish the Operational Risk Financial Requirement to 100% of the target balance of 0.25% of funds under management; and
- hold $40m of its existing Operational Risk Financial Requirement assets as an overlay until OPC has satisfied the terms of the CEU.

Other matters

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, or the accompanying financial statements and notes thereto, that has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Consolidated entity disclosure statement

For the year ended 30 June 2024

As required by the *Corporations Act 2001* (Cth), set out below is a list of entities that are consolidated in this set of consolidated financial statements of the Insignia Financial Group as at 30 June 2024:

				2024	2023
Entity name	**Entity type**	**Place incorporated**	**Tax jurisdiction**	**% of ownership**	**% of ownership**
Parent entity					
Insignia Financial Ltd	Body corporate	Australia	Australia	100%	100%
Subsidiaries					
ACN 089 554 058 Pty Ltd	Body corporate	Australia	Australia	100%	100%
Actuate Alliance Services Pty Ltd	Body corporate	Australia	Australia	100%	100%
Antares Capital Partners Ltd	Body corporate	Australia	Australia	100%	100%
Australian Wealth Management Limited	Body corporate	Australia	Australia	100%	100%
Austselect Pty Ltd	Body corporate	Australia	Australia	100%	100%
Bridges Financial Services Group Pty Limited	Body corporate	Australia	Australia	100%	100%
Bridges Financial Services Pty Limited	Body corporate	Australia	Australia	100%	100%
Consultum Financial Advisers Pty Ltd	Body corporate	Australia	Australia	100%	100%
Deakin Financial Services Pty Ltd	Body corporate	Australia	Australia	100%	100%
DKN Financial Group Pty Ltd	Body corporate	Australia	Australia	100%	100%
DKN Management Pty Ltd	Body corporate	Australia	Australia	100%	100%
DKN Stakeholders Pty Ltd	Body corporate	Australia	Australia	100%	100%
Financial Acuity Limited	Body corporate	Australia	Australia	100%	100%
Financial Investment Network Group Pty Limited	Body corporate	Australia	Australia	100%	100%
Financial Partnership Pty Ltd	Body corporate	Australia	Australia	100%	100%
Financial Planning Hotline Pty Limited	Body corporate	Australia	Australia	100%	100%
Financial Services Partners Holdings Pty Limited	Body corporate	Australia	Australia	100%	100%
Financial Services Partners Management Pty Limited	Body corporate	Australia	Australia	100%	100%
Financial Services Partners Pty Limited	Body corporate	Australia	Australia	100%	100%
FSP Group Pty Limited	Body corporate	Australia	Australia	100%	100%
Greencrest Administration Pty Ltd	Body corporate	Australia	Australia	100%	100%
IFL Internal Audit Pty Ltd	Body corporate	Australia	Australia	100%	100%
Integrated Networks Pty Limited	Body corporate	Australia	Australia	100%	100%
I.O.O.F. Investment Management Limited	Body corporate	Australia	Australia	100%	100%
IOOF Alliances Pty Limited	Body corporate	Australia	Australia	100%	100%
IOOF Equity Plans Trust	Trust	Australia	Australia	100%	100%
IOOF Finance Choice Pty Ltd	Body corporate	Australia	Australia	100%	100%
IOOF Group Pty Ltd	Body corporate	Australia	Australia	100%	100%
IOOF Holdings Pty Limited	Body corporate	Australia	Australia	100%	100%
IOOF Insurance Brokers Pty Ltd	Body corporate	Australia	Australia	100%	100%
IOOF Investment Services Ltd	Body corporate	Australia	Australia	100%	100%
IOOF Life Pty Ltd	Body corporate	Australia	Australia	100%	100%
IOOF New Zealand Limited	Body corporate	New Zealand	New Zealand	100%	100%
IOOF Service Co Pty Ltd	Body corporate	Australia	Australia	100%	100%
JK Rye Pty Limited	Body corporate	Australia	Australia	100%	100%
KE Sunshine Coast Pty Limited	Body corporate	Australia	Australia	100%	100%
Kiewa Street Planners Pty Limited	Body corporate	Australia	Australia	100%	100%
Lachlan Wealth Management Pty Ltd	Body corporate	Australia	Australia	100%	100%
Lifetime Financial Advisers Pty Ltd	Body corporate	Australia	Australia	100%	100%
Lifetime Mortgage Solutions Pty Ltd	Body corporate	Australia	Australia	100%	100%
Lonsdale Financial Group Limited	Body corporate	Australia	Australia	100%	100%
Managed Portfolio Services Limited	Body corporate	Australia	Australia	100%	100%

Consolidated entity disclosure statement (cont'd)

For the year ended 30 June 2024

				2024	2023
Entity name	Entity type	Place incorporated	Tax jurisdiction	% of ownership	% of ownership
MLC Asset Management Holdings Limited	Body corporate	Australia	Australia	100%	100%
MLC Asset Management Pty Limited	Body corporate	Australia	Australia	100%	100%
MLC Asset Management Services Limited	Body corporate	Australia	Australia	100%	100%
MLC Asset Management (UK) Limited	Body corporate	UK	UK	100%	100%
MLC Asset Management (UK) Real Estate Limited*	Body corporate*	UK	UK	100%	100%
MLC Asset Management US LLC	Body corporate	US	US	100%	100%
MLC Investments Limited	Body corporate	Australia	Australia	100%	100%
MLC Lifetime Company Limited	Body corporate	Australia	Australia	100%	100%
MLC Nominees Pty Ltd	Body corporate	Australia	Australia	100%	100%
MLC Properties Pty. Limited	Body corporate	Australia	Australia	100%	100%
MLC Wealth Holdings Limited	Body corporate	Australia	Australia	100%	100%
MLC Wealth Limited	Body corporate	Australia	Australia	100%	100%
My Adviser Pty Ltd	Body corporate	Australia	Australia	100%	100%
Navigator Australia Limited	Body corporate	Australia	Australia	100%	100%
NULIS Nominees (Australia) Limited	Body corporate	Australia	Australia	100%	100%
NWMH Sub Ltd	Body corporate	Australia	Australia	100%	100%
Oasis Asset Management Limited	Body corporate	Australia	Australia	100%	100%
Oasis Fund Management Limited	Body corporate	Australia	Australia	100%	100%
OnePath Administration Pty Limited	Body corporate	Australia	Australia	100%	100%
OnePath Custodians Pty Limited	Body corporate	Australia	Australia	100%	100%
OnePath Funds Management Limited	Body corporate	Australia	Australia	100%	100%
OnePath Investment Holdings Pty Limited	Body corporate	Australia	Australia	100%	100%
Orchard St Investment Management LLP*	Partnership*	UK	UK	100%	100%
Orchard Street Investment Advisors Limited	Body corporate	UK	UK	100%	100%
PFS Nominees Pty Ltd	Body corporate	Australia	Australia	100%	100%
Plan B Administration Pty Ltd	Body corporate	Australia	Australia	100%	100%
Plan B Group Holdings Pty Limited	Body corporate	Australia	Australia	100%	100%
Rhombus Advisory Pty Ltd	Body corporate	Australia	Australia	100%	–
Rhombus Advisory Investment Solutions Pty Ltd	Body corporate	Australia	Australia	100%	–
RI Advice Group Pty Ltd	Body corporate	Australia	Australia	100%	100%
Select Managed Funds Pty Ltd	Body corporate	Australia	Australia	100%	100%
Sentinel Adviser Services Pty Ltd	Body corporate	Australia	Australia	100%	100%
SFG Australia Limited	Body corporate	Australia	Australia	100%	100%
SFG Spencers Pty Ltd	Body corporate	Australia	Australia	100%	100%
Shadforth Business Advisory Services Pty Ltd	Body corporate	Australia	Australia	100%	100%
Shadforth Financial Group Holdings Pty Ltd	Body corporate	Australia	Australia	100%	100%
Shadforth Financial Group Limited	Body corporate	Australia	Australia	100%	100%
Shadforth Lending Services Pty Ltd	Body corporate	Australia	Australia	100%	100%
Shadforth Property Advisory Services Pty Ltd	Body corporate	Australia	Australia	100%	100%
SMF Wealth Management Pty Ltd	Body corporate	Australia	Australia	100%	100%
Snowball Capital Pty Ltd	Body corporate	Australia	Australia	100%	100%
Wealth Central Pty Ltd	Body corporate	Australia	Australia	100%	100%
Western Pacific Financial Group Pty Ltd	Body corporate	Australia	Australia	100%	100%

* MLC Asset Management (UK) Real Estate Limited is the main partner in the limited liability partnership Orchard St Investment Management LLP. The partnership was established under the UK Limited Liability Partnerships Act 2000. As a partner, MLC Asset Management (UK) Real Estate Limited has the obligation to pay its share of any tax relating to its involvement in the partnership.

Key assumptions and judgements

The following key assumptions and judgments were applied:

Determination of tax residency

Section 295 (3A) of the *Corporations Act 2001* (Cth) requires that the tax residency of each entity that is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity that is an Australian resident, 'Australian resident' has the meaning provided in the *Income Tax Assessment Act 1997* (Cth).

In determining tax residency, the Group applied the following interpretations:

Australian tax residency

The Group applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

The Group applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Partnerships and trusts

The IOOF Equity Plans Trust and Orchard St Investment Management LLP are subsidiaries of the Group.

Australian tax law does not contain specific residency tests for partnerships or trusts. Generally, such entities are taxed on a flow-through basis so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

For disclosure in the CEDS, the Group treated:

- IOOF Equity Plans Trust as an Australian tax resident; and
- Orchard St Investment Management LLP as a UK tax resident.

Directors' declaration

For the year ended 30 June 2024

1 In the opinion of the Directors of the Company:

  a the consolidated financial statements and notes set out on pages 62–108 and the Remuneration Report set out on pages 37–60 in the Directors' Report, are in accordance with the *Corporations Act 2001* including:

    i giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the financial year ended on that date; and

    ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

  b there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

  c the consolidated entity disclosure statement at pages 109–111 is true and correct; and

2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

3 The Directors draw attention to note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Mr Allan Griffiths
Chairman

Melbourne
22 August 2024

KPMG

Independent Auditor's Report

To the shareholders of Insignia Financial Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Insignia Financial Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of Goodwill and Indefinite Life Intangible Assets
- Provisions for Client Remediation and Related Costs
- Information Technology related controls

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Valuation of Goodwill and Indefinite Life Intangible Assets - $1,779.8 million and $163.6 million</th></tr>
<tr><td colspan="2">Refer to Note 12 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>A Key Audit Matter for us was the Group's annual testing of goodwill and indefinite life intangible assets for impairment, given the size of the balance (collectively 54% of total assets) and judgement involved by the Group, and effort for us, in gathering persuasive audit evidence thereon. We focused on the significant forward-looking assumptions the Group applied in their value in use models, including:

• Forecast operating cash flows, growth rates and terminal growth rates – the Group operates in a period of broader market volatility, which is anticipated to continue in the near term impacting the performance of funds under management or administration from which key revenue of the Group is derived. These conditions increase the possibility of goodwill and indefinite life intangible assets being impaired, plus the risk of inaccurate forecasts or a wider range of possible outcomes for us to consider.

• Discount rates – these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to, from time to time, and the models approach to incorporating risks into the cash flows or discount rates.

The Group uses complex models to perform their annual testing of goodwill and indefinite</td><td>Our procedures included:

• Working with our valuation specialists, we considered the appropriateness of the value in use method applied by the Group to perform the test of goodwill and indefinite life intangible assets for impairment against the requirements of the accounting standards.

• We assessed the integrity of the value in use models used, including the accuracy of the underlying calculation formulas.

• We compared forecast cash flows contained in the value in use models to Board approved forecasts.

• We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models.

• We used our knowledge of the Group, its past performance, business and customers, and our industry experience to challenge the Group's forecast cash flows and growth assumptions, including market volatility and its potential impacts. We compared key events to the Board approved plan and strategy. We compared forecast growth rates and terminal growth rates to published studies of industry trends and expectations and evaluated differences for the Group's operations.</td></tr>
</table>

Valuation of Goodwill and Indefinite Life Intangible Assets - $1,779.8 million and $163.6 million (cont'd)	
Refer to Note 12 to the Financial Report (cont'd)	
The key audit matter (cont'd)	**How the matter was addressed in our audit (cont'd)**
life intangible assets for impairment. The models are largely manually developed, use adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. Complex modelling, particularly those containing judgmental allocations of corporate assets and costs to CGUs, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. In addition to the above, the carrying amount of the net assets of the Group exceeded the Group's market capitalisation at year end, increasing the possibility of goodwill and indefinite life intangible assets being impaired. This further increased our audit effort in this area. We involved valuation specialists to supplement our senior audit team members in assessing this Key Audit Matter.	• We assessed the Group's underlying methodology and documentation for the allocation of corporate costs and corporate assets to the forecast cash flows contained in the value in use models, for consistency with our understanding of the business and the criteria in the accounting standards. • We assessed the Group's allocation of corporate assets and costs to CGUs for reasonableness and consistency based on the requirements of the accounting standards. • Working with our valuation specialists, we independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group's CGUs and the industry they operate in. • We considered the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment and to focus our further procedures. • We assessed the Group's reconciliation of differences between the year-end market capitalisation and the carrying amount of net assets, by comparing the EBITDA multiples from the Group's models to multiples of comparable entities. This also included consideration of the market capitalisation range implied by recent share price trading ranges and broker 12-month target valuation ranges, to the Group's latest valuation model. • We assessed the disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

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<table>
<tr><th colspan="2">Provisions for Client Remediation and Related Costs - $213.7 million</th></tr>
<tr><td colspan="2">Refer to Note 16 Provisions to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Provisions for client remediation and related costs is a Key Audit Matter due to the judgments and effort required by us in assessing the Group's determination of:

• The existence of a present legal or constructive obligation as a basis for recognition of a provision against the criteria in the accounting standards.

• Reliable estimates of amounts which may be paid arising from the present obligation, including estimates of the number of impacted clients and expected average detriment (remediation) payments and related costs. The precision of the Group's estimate of remediation provision and related costs and our audit effort thereon varied depending on the status of remediation program assessment by the Group.

• The potential for legal proceedings and regulatory scrutiny leading to a wider range of estimation outcomes for us to consider.

The Group uses a complex model to estimate the amount which may be paid in future periods. The model is manually developed and uses a range of sources as inputs to the assumptions. Complex modelling, using forward-looking assumptions, tends to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, to address the objectivity of sources used for assumptions, and their consistent application.

We involved regulatory specialists to supplement our senior audit team members in assessing this Key Audit Matter.</td><td>Working with our regulatory specialists, our procedures included:

• We obtained an understanding of the Group's process for identifying and assessing the potential impact and extent of remediation activities and associated impacts to the Group's Financial Report.

• We enquired with the Group regarding their ongoing assessment into the remediation activities.

• We read the minutes and other relevant documentation of the Company's Board of Directors, Board Committees, various management committees, and attended the Company's Audit Committee and Risk and Compliance Committee meetings to assess the Group's governance processes over remediation provisions, to identify any further remediation instances, and to inform our further procedures.

• We inspected correspondence with regulatory bodies and reports from the expert consultant engaged by the Group and compared these to the Group's assessment of remediation provisions.

• We assessed the scope, objectivity and competency of the expert consultant engaged by the Group.

• For remediation program assessments by the Group that were closer to complete at the year end:

    • We assessed the integrity of the provisioning model used, including the accuracy of the underlying calculation formulas.</td></tr>
</table>

<table>
<tr><th colspan="2">Provisions for Client Remediation and Related Costs - $213.7 million (cont’d)</th></tr>
<tr><td colspan="2">Refer to Note 16 Provisions to the Financial Report (cont’d)</td></tr>
<tr><th>The key audit matter (cont’d)</th><th>How the matter was addressed in our audit (cont’d)</th></tr>
<tr><td></td><td>

We tested a sample of client files to check for detriment payment eligibility using underlying documentation and compared this to the Group’s determination in its remediation provision assessment.
We independently estimated a sample of detriment payments and program costs based on underlying documentation and sources and compared this to the Group's determination in its remediation provision assessment.

For remediation programs where assessments remained in progress by the Group at the year end:

We assessed the integrity of the model used, including the accuracy of the underlying calculation formulas.
We challenged the Group’s basis for recognition of a provision and related program costs against the requirements of the accounting standards. We did this by understanding the provisioning methodologies, challenging underlying assumptions including expected average detriment payments, related program costs and number of impacted clients by comparing to the Group’s past experience, using our industry experience and our understanding of the entity based on procedures performed.

We assessed the appropriateness of the Group’s conclusions against the requirements of the accounting standards where estimates were unable to be reliably made for a provision to be recognised.
We assessed the disclosures in the Financial Report using our understanding obtained and results of our testing and against the requirements of the accounting standards.

</td></tr>
</table>

KPMG

Information Technology related controls	
The key audit matter	**How the matter was addressed in our audit**

Information Technology (IT) related controls are a Key Audit Matter as the Group's key financial accounting and reporting processes are highly dependent on certain IT systems, controls and integrity in their operation to record the Group's financial transactions.
 	
The Group's businesses use a number of IT systems to process and record a high volume of financial transactions. There is a risk that potential gaps in the Group's IT controls relating to change management, segregation of duties or user access management (in relation to key financial accounting and reporting systems) may undermine the integrity in recording financial information by the Group. Our audit approach could significantly differ depending on the effective operation of the Group's IT controls.
 	
We involved IT specialists to supplement our senior audit team members in assessing this Key Audit Matter.
	Working with our IT specialists, our procedures included:
	
	• We obtained an understanding of the Group's IT environment and risk assessment processes, including cybersecurity matters, for how the Group uses IT as part of financial reporting. We evaluated the risks of material misstatement to the Group's current year financial statements resulting from, among other things, unauthorised access to financial reporting systems, including IT applications, databases and operating systems. We tested key systems, automated controls and control environments underlying the relevant financial preparation processes.
	
	• Our procedures included testing key IT controls (in relation to key financial accounting and reporting systems) with respect to:
	  ◦ Change management: we inspected the Group's change management policies and for a sample of system changes during the year, checked the consistency of the system changes to the Group's policy.
	  ◦ Segregation of duties: we sample tested key IT controls designed to enforce segregation of duties.
	  ◦ User access management: we assessed the Group's evaluation of user access rights, including privileged access to key financial reporting IT applications and infrastructure. We also tested controls related to the Group's monitoring of access rights.
	
	• Where we identified design and/or operating deficiencies in the IT control environment, we raised these matters with the Group, and adapted our flow-on audit approach thereon.

KPMG

Other Information

Other Information is financial and non-financial information in Insignia Financial Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Operating and Financial Review, and the Remuneration Report. The Our Services, Our Diversified Business Model, Chairman's Commentary, CEO Commentary, 2024 Results At A Glance, Environmental, Social & Governance Report, IOOF Foundation and Shareholder Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001,* including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.

This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Insignia Financial Ltd for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 38 – 60 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Dean Waters

Partner

Melbourne

22 August 2024

Shareholder information

Share capital

Insignia Financial has on issue 670,726,143 fully paid ordinary shares held by 49,941 holders as at 22 August 2024.

Voting rights

Insignia Financial's fully paid ordinary shares carry voting rights of one vote per share.

Twenty largest shareholders as at 22 August 2024

The following table sets out the top 20 registered holders of shares.

Rank	Holder name	Balance as at 22 August 2024	% of issued capital
1	CITICORP NOMINEES PTY LIMITED	174,841,898	26.068
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	109,416,899	16.313
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	85,269,302	12.713
4	MR BRUCE WILLIAM NEILL	26,864,295	4.005
5	NATIONAL NOMINEES LIMITED	11,596,049	1.729
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	7,025,292	1.047
7	AIGLE ROYAL SUPERANNUATION PTY LTD <A POLI SUPER FUND A/C>	7,000,000	1.044
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	5,910,815	0.881
9	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	3,529,257	0.526
10	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	3,307,197	0.493
11	CERTANE CT PTY LTD <IOOF EPT UNALLOC A/C>	2,798,292	0.417
12	THANECORP AUSTRALIA PTY LTD <CFK RETIREMENT FUND A/C>	2,738,854	0.408
13	BNP PARIBAS NOMS PTY LTD	2,674,797	0.399
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,582,142	0.385
15	MR CON ZEMPILAS	2,465,593	0.368
16	SAM GANNON PTY LTD <THE J B GANNON FAMILY A/C>	2,265,506	0.338
17	RAVENSCOURT PROPRIETARY LIMITED	2,000,000	0.298
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,995,482	0.298
19	MRS SALLY KELAHER	1,928,518	0.288
20	MR IAN GREGORY GRIFFITHS	1,750,419	0.261
	Total Securities of Top 20 Holdings	457,960,607	68.278
	Total of Securities	670,726,143	

Shareholder information (cont'd)

Distribution of members and their holdings

The following table summarises the distribution of our listed shares as at 22 August 2024.

Range	No. of holders	No. of units	% issued capital
1-1,000	27,908	10,255,572	1.53
1,001-5,000	14,445	34,992,638	5.22
5,001-10,000	3,954	29,508,299	4.40
10,001-100,000	3,423	84,565,399	12.61
100,001-9,999,999,999	211	511,404,235	76.25
Totals	49,941	670,726,143	100.00

There were 10,021 shareholders holding less than a marketable parcel of shares based on a market price of $2.47 at the close of trading on 22 August 2024 and there were 19.96 per cent of shareholders (1.26% of fully paid ordinary shares) with registered addresses outside Australia.

Substantial shareholdings

Substantial shareholders as at 22 August 2024 are shown below, with the date of their last notice lodged in accordance with section 671B of the *Corporations Act*:

Holder name	Date of last notice	No. of ord shares	% of issued share capital as at date of last notice
Tanarra Capital Australia Pty Ltd	6/10/2023	95,766,648	12.47
Host Plus Pty Limited ATF the Hostplus Pooled Superannuation Trust	10/10/2023	60,244,483	9.09
Mitsubishi UFJ Financial Group, Inc.[1]	22/08/2024	55,413,328	8.26
First Sentier Investors Holdings Pty Limited[2]	21/08/2024	55,413,328	8.26
Australian Retirement Trust	6/10/2023	54,397,772	8.21
State Street Corporation	25/09/2023	46,826,732	7.07
Vanguard Group	10/08/2022	32,764,974	5.01

1. Mitsubishi UFJ Financial Group, Inc. has a relevant interest under section 608(3) of the *Corporations Act 2001 (Cth)* as it has 100% voting power in First Sentier Investors Holdings Pty Limited.
2. First Sentier Investors Holdings Pty Limited has a relevant interest under paragraph 608(1)(b) and/or 608(1)(c) of the *Corporations Act 2001 (Cth)*, being a relevant interest arising from having the power to control the exercise of the right to vote attached to securities and/or to control the exercise of the power to dispose of securities in its capacity as investment manager, as provided for under its investment mandates.

Share register and other enquiries

If you have any questions in relation to your shareholding, share transfers or dividends, please contact our share registry:

Boardroom Pty Limited
ABN: 14 003 209 836

Level 7, 333 Collins Street
Melbourne VIC 3000

and

Level 8, 210 George Street
Sydney NSW 2000
Post: GPO Box 3993. Sydney NSW 2001.

Phone: 1300 737 760 (Australia only)
Phone: +61 2 8016 2893 (International)
Fax: +61 2 9290 9655

Website: www.boardroomlimited.com.au

Please include your shareholder reference number (SRN) or holder identification number (HIN) in all correspondence to the share registry.

Corporate directory

Directors

Mr Allan Griffiths
B.Bus, DipLi
Chairman

Mr Scott Hartley
B.Bus, Advanced Management Program INSEAD
CEO and Executive Director

Mr Andrew Bloore

Ms Elizabeth Flynn
LLB, Grad Dip App Corp Gov, FAICD, FFin, FGIA, FCG

Ms Jodie Hampshire
B.Comm, CFA, GAICD

Ms Gai McGrath
LLM (Dist), BA LLB (Hons), GAICD

Mr John Selak
Dip Acc, FCA, FAICD

Ms Michelle Somerville
B.Bus (Accounting), Master Applied Finance, FCA, FAICD

Company Secretary

Ms Adrianna Bisogni
B.A LL.B (Hons) GAICD

Notice of Annual General Meeting

This year's Annual General Meeting will be conducted on Thursday, 21 November 2024 at 9:30am (AEDT) in 'The Residence' room at the Grand Hyatt, 123 Collins Street Melbourne, Victoria 3000.

Further information and guidance on how shareholders may participate in this year's AGM will be available with the Notice of Meeting and on Insignia Financial's website: www.insigniafinancial.com.au/annual-general-meeting

A formal notice of meeting is available on our website and information on how to access this has been sent to those shareholders who have not elected to receive the notice of meeting electronically.

Principal registered office in Australia

Level 1
800 Bourke Street
Docklands VIC 3008
(03) 8614 4400

Share registry

Boardroom Pty Limited
Level 8
210 George Street
Sydney NSW 2000

Auditor

KPMG
Tower Two, Collins Square
727 Collins Street
Docklands VIC 3008

Securities exchange listing

Insignia Financial Ltd shares are listed on the Australian Securities Exchange (ASX: IFL)

Website address

www.insigniafinancial.com.au

www.insigniafinancial.com.au

CRA-10681 (55022) 0924