

ASX Release – 23 January 2025

## Insignia Financial 2Q25 Quarterly Business Update

### Overview

- Funds Under Management and Administration (FUMA) increased by \$7.2 billion (+2.2%) to \$326.8 billion as at 31 December 2024
- Total net inflows for the quarter were \$2.3 billion, driven by:
  - \$564 million net inflows into MLC Expand
  - \$577 million net inflows into retail Asset Management, and
  - \$2.0 billion institutional net inflows into Asset Management
  - partly offset by outflows from Master Trust and legacy Wrap products
- Successful IT separation of MLC from NAB achieved during the quarter
- Vision2030: announced strategy to become Australia's leading and most efficient wealth management company by 2030
- Plan to simplify and transform Master Trust business unveiled: initial agreement with SS&C Technologies

Insignia Financial Ltd (ASX: IFL) is pleased to provide this quarterly update for the three months ended 31 December 2024 (2Q25).

Insignia Financial CEO, Scott Hartley, said, "We achieved a number of critical strategic milestones during the quarter, and presented a vision for the company that will allow us to build on our strong foundations, deliver growth and create value.

"At our Investor Day in November 2024, we outlined our strategy for Insignia Financial to become Australia's leading and most efficient wealth management company by 2030. This marked a shift in our focus from building capability through acquisition, integration and simplification, to accelerated and sustainable growth through a relentless obsession with our customers.

"In December 2024, we entered into an Initial Agreement with SS&C Technologies to simplify and transform our Master Trust business to deliver meaningful scale benefits for members. This arrangement is a critical step in our 2030 strategy and to achieving our targeted net \$200m reduction in base opex by FY30. We continue to work closely with SS&C on finalising the Master Service Agreement (MSA), which remains on track for the first quarter of calendar year 2025.

"During the quarter, we successfully completed a significant strategic milestone with the IT separation of the MLC business from NAB. This was one of the largest wealth management separations in Australian financial services history and the most important initiative that we had to deliver as an organisation in FY25, allowing us to implement our strategic vision for the Master Trust business.

"FUMA grew to \$326.8 billion during the quarter, supported by strong market growth and improved flows performance across several business channels.

"Our Advised Wrap flows continued to strengthen, and we continue to see solid momentum in MLC Expand post-migration, with \$613 million in underlying net inflows for the quarter, underpinned by the most contemporary platform technology in the market, our proprietary technology stack, speed to market and AdviserFirst philosophy.

"In Master Trust, the Workplace business continued its historically strong profile of net inflows. The Direct channel also attracted positive net inflows for the quarter.

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“In Asset Management, net inflows of \$2.6 billion were driven by strong institutional flows, and were supported by the launch of the MLC Reinsurance Investment Fund – the first time Insignia Financial has packaged its Alternatives capability for the external market. We continue to see the growing strength of the Retail Multi-Asset capability, which is benefitting from increasing flows from the Advised Wrap products.

“The growth we've achieved throughout this quarter and the delivery of these key strategic milestones highlights our ability to deliver our 2030 strategy. Looking forward, we continue to focus on delivering our remaining FY25 initiatives, including accelerated cost optimisation and embedding our new operating structure.”

### FUMA Overview

- **Wrap FUA:** \$99.1 billion, up \$1.1 billion (+1.1%)
- **Master Trust (Superannuation) FUA:** \$132.3 billion, up \$1.5 billion (+1.1%)
- **Asset Management FUM:** \$95.4 billion, up \$4.6 billion (+5.1%)

### Wrap

Wrap FUA as at 31 December 2024 was \$99.1 billion, an increase of \$1.1 billion (+1.1%) over the previous quarter. The increase was driven by positive market movement of \$1.4 billion (+1.4%) and net inflows of \$363 million, partially offset by pension payments of \$610 million.

The MLC Expand Advised suite of products continues to maintain strong post-migration flows momentum, with \$613 million in underlying net inflows for the quarter, partly offset by one-off outflows of approximately \$49 million from Expand related to previously flagged client transitions following corporate activity.

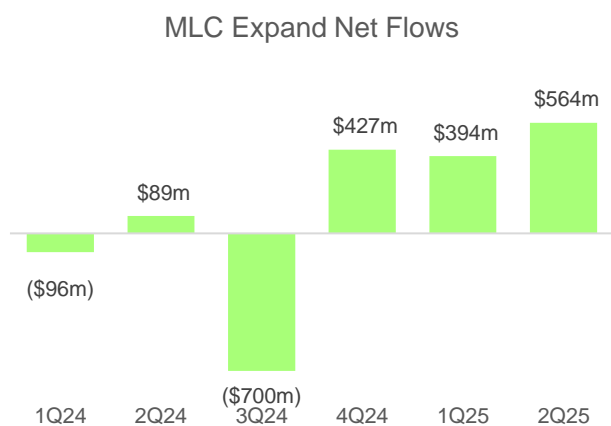
During the quarter, the Separately Managed Accounts (SMAs) menu within Expand was again broadened significantly to meet increasing adviser demand for SMAs. Funds under administration within Managed Accounts passed \$11 billion, representing an increase of over 40% in the last 12 months.

### Master Trust (Superannuation)

Master Trust FUA as at 31 December 2024 was \$132.3 billion, up \$1.5 billion (+1.1%) during the quarter. The increase was driven by positive market movement of \$2.4 billion (+1.9%), partially offset by net outflows of \$665 million and pension payments of \$319 million.

Workplace continued to attract positive flows, with net inflows of \$152 million during the quarter. The Direct channel also attracted positive net inflows of \$61 million for the quarter.

While the Advised channel experienced continued net outflows of \$424 million, this was over 15% lower than the equivalent quarter in the prior year (2Q24). Pricing changes to the MasterKey suite of products took effect on 1 October 2024 and are expected to improve retention and flows momentum, with no impact on revenue margin in FY25.



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## Asset Management

FUM as at 31 December 2024 increased by \$4.6 billion to \$95.4 billion (+5.1%), driven by \$2.6 billion in net inflows and positive market movement of \$2.0 billion (+2.2%).

Strong net inflows of \$663m into multi-asset offerings for the quarter were driven by continued momentum in MLC's contemporary Managed Accounts solution and further improvement in net flows into the traditional retail multi-asset funds.

Net flows of \$297m into MLC Managed Accounts, which has reached FUM of nearly \$3 billion, was consistent with the previous quarter, whilst the increase in net flows into the traditional retail multi-asset funds was supported by the Advised Wraps.

Flows have been underpinned by the strong performance and quality of the MLC Asset Management team which continues to be recognised at an industry level, with four core Multi-Asset offerings receiving top honours at the 2025 Money Magazine "Best of the Best" Awards. MLC Asset Management also won the "Multi-Asset – Diversified" category at the Zenith Fund Awards for the second year in a row.

Net inflows of \$1.9 billion into direct capabilities were predominantly driven by an additional \$3.0 billion of inflows into Antares Fixed Income's cash and enhanced cash strategies as a result of an existing institutional client consolidating managers. This was partially offset by outflows in the minority-owned Intermede business, as a large European institutional wealth manager fully redeemed and terminated its mandate.

During the quarter, the new MLC Reinsurance Investment Fund was launched with over \$200 million invested by an external institutional client. The fund represents the first time Insignia Financial has packaged its Alternatives capability for the external market, and represents an important milestone in the growth of the Alternatives business. The Private Equity business also successfully completed the first close of its fourth MLC Private Equity Co-investment Fund (Fund IV) targeted at high-net-worth investors and small institutional clients, with a second close targeted for early in calendar year 2025.

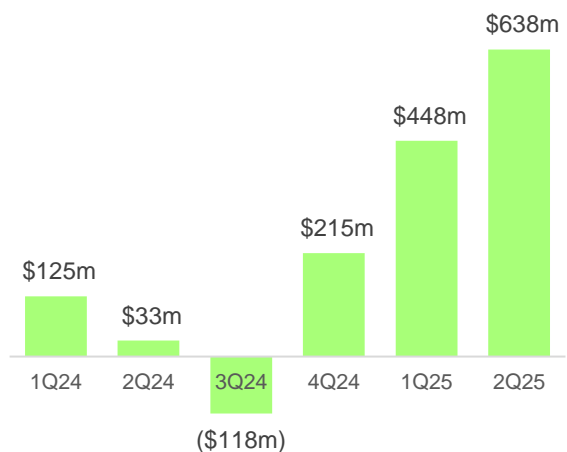
## Vision2030

At its Investor Day on 13 November 2024, Insignia Financial outlined its strategy to become Australia's leading and most efficient wealth management company by 2030 through technological and product innovation, cost optimisation, and simplification.

Insignia Financial CEO Scott Hartley and the refreshed leadership team outlined how each of the company's four business lines – Advice, Wrap, Master Trust and Asset Management – would drive scalable and sustainable growth while targeting net savings of around \$200 million in annual BAU operating costs by FY30.

Under the FY26-FY30 strategy, Insignia Financial's breadth and reach will be harnessed to maximise the benefits of scale and drive efficiency, while unlocking the value of its brands, building a high-performance culture, leveraging the benefits of AI, and delivering positive outcomes for customers and shareholders.

Retail Multi-Asset Net Flows



## Separation

In November 2024 a significant milestone was achieved in the IT separation of MLC Wealth (MLC) from National Australia Bank (NAB), a major step in Insignia Financial's simplification program since it acquired MLC in 2021. The transition represented one of the largest wealth management separations in Australia's financial services history, with over 700,000 MasterKey and Plum accounts, 55 systems and applications and more than 100 terabytes of data migrated. As a result, Insignia Financial is no longer reliant on NAB systems and technology to service its customers, employers and advisers, with employees operating entirely within the Insignia Financial environment. The Transitional Services Agreement (TSA) with NAB will be formally exited in May 2025.

During the quarter, the separation of the divested Australian Executor Trustees (AET) business was also completed and Insignia Financial has no further service obligations under the TSA with Equity Trustees.

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

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## Appendix 1

### Insignia Financial funds movement for the three months ended 31 December 2024:

All Amounts \$m	FUMA 30-Sep-24	Net Flow	Internal Transfers	Pensions	Market/ Other	FUMA 31-Dec-24
<b>Master Trust (Superannuation)</b>						
Workplace	56,639	152	-600	-37	1,200	57,354
Advised	36,341	-424	80	-260	533	36,270
Direct	5,551	61	11	-4	141	5,760
Personal	26,305	-282	511	-12	527	27,049
Investments (non-super)	6,002	-172	0	-6	38	5,862
<b>Super</b>	<b>130,838</b>	<b>-665</b>	<b>2</b>	<b>-319</b>	<b>2,439</b>	<b>132,295</b>
<b>Wrap</b>						
Advised	77,903	564	35	-557	1,088	79,033
Workplace	10,204	46	-35	-8	122	10,329
Platform Connect	9,844	-247	0	-45	159	9,711
<b>Wrap</b>	<b>97,951</b>	<b>363</b>	<b>0</b>	<b>-610</b>	<b>1,369</b>	<b>99,073</b>
<b>Funds under Administration</b>	<b>228,789</b>	<b>-302</b>	<b>2</b>	<b>-929</b>	<b>3,808</b>	<b>231,368</b>
<b>Asset Management</b>						
Retail	34,522	638	0	0	777	35,937
Institutional	4,560	25	0	0	83	4,668
<b>Multi-Asset</b>	<b>39,082</b>	<b>663</b>	<b>0</b>	<b>0</b>	<b>860</b>	<b>40,605</b>
Retail	2,653	-61	0	0	141	2,733
Institutional	49,072	1,980	0	0	1,012	52,064
<b>Direct Capabilities</b>	<b>51,725</b>	<b>1,919</b>	<b>0</b>	<b>0</b>	<b>1,153</b>	<b>54,797</b>
<b>Funds under Management</b>	<b>90,807</b>	<b>2,582</b>	<b>0</b>	<b>0</b>	<b>2,013</b>	<b>95,402</b>
<b>Total FUMA</b>	<b>319,596</b>	<b>2,280</b>	<b>2</b>	<b>-929</b>	<b>5,821</b>	<b>326,770</b>

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

## About Insignia Financial Ltd

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

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