



FY20 FULL YEAR

Results presentation and strategy update

Angus Benbow, Chief Executive Officer

Brendon Glass, Chief Financial Officer

20 August 2020



DISCLAIMER

This presentation is for general information purposes only and should be read in conjunction with the Full Year Financial Report for the twelve months ended 30 June 2020 and the Appendix 4E lodged with the Australian Securities Exchange by Centrepont Alliance Limited (ASX:CAF) on 20 August 2020. This presentation does not provide recommendations or opinions in relation to specific investments or securities.

This presentation has been prepared in good faith and with reasonable care. Neither CAF nor any other person makes any representation or warranty, express or implied, as to the accuracy, reliability, reasonableness or completeness of the contents of this presentation (including any projections, forecasts, estimates, prospects and returns), and any omissions from this presentation. To the maximum extent permitted by law, CAF and its respective officers, employees and advisers disclaim and exclude all liability for any loss or damage (whether or not foreseeable) suffered or incurred by any person acting on any information (including any projections, forecasts, estimates, prospects and returns) provided in, or omitted from, this presentation or any other written or oral information provided by or on behalf of CAF.

It is not intended that this presentation be relied upon and the information in this presentation does not take into account your financial objectives, situations or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision.

All numbers are as at 30 June 2020 unless otherwise stated. Numbers may not add up due to rounding.

The release of this announcement has been authorised by the Board of Directors.

Our purpose is to enable the Australian community's trust in financial advice, because good advice promotes wellbeing

\$131.0m ↑ **11%**
on FY19

Gross revenue

\$3.7m ↑ **12%**
on FY19

EBITDA (Excl. legacy claims)

\$25.6m ↓ **7%**
on FY19

Expenses

\$12.2m ↑ **54%**
on FY19

Cash (at 30 Jun 20)



Core business

Leading provider of licensing, advice and business services, and advice technology solutions to Australian financial advisers

317 quality advisers, with 79 new in FY20, up 6% net on FY19

Licensed financial adviser market of +16,000, addressable revenue pool of ~\$800m

Subscription fee per adviser (average current tenure of 11 years) underpins scalable service platform based on growth in recurring revenue



New opportunities

Largest scale service provider for self-licensed advice firms, new offering launched

159 self-licensed firms, with 12 new in FY20

1,900 self-licensed firms addressable market, with 5 yr CAGR market growth of 7.2% since 2015

New dealer-to-dealer wholesale licensee service offering launched to market with potential across 70+ licensees

Enhance Centrepoint Lending Solutions offer



Revenue extensions

Leading advice technology firm Enzumo acquired

Exploring 'reg-tech' opportunities of build, buy or partner

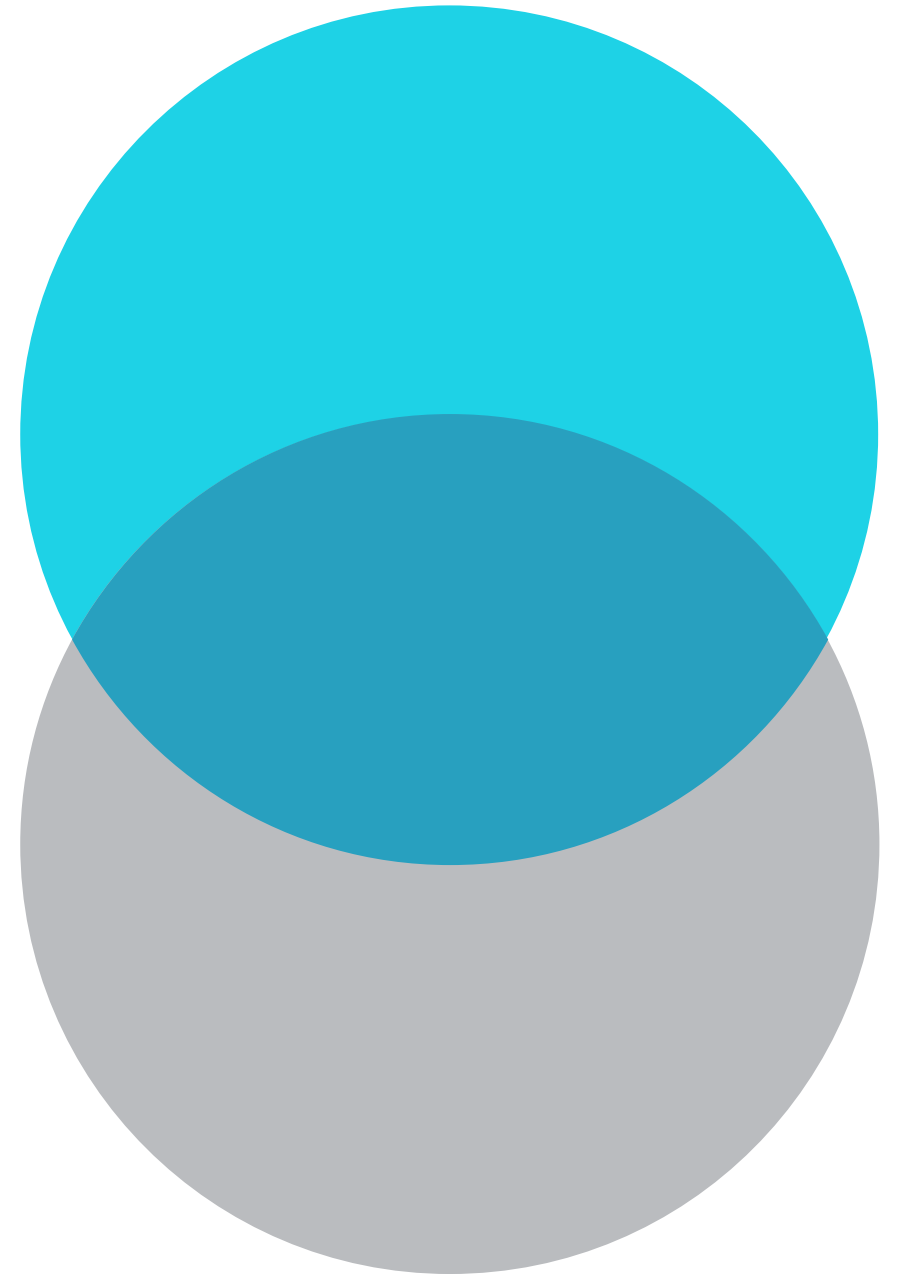
Review salaried advice market entry options

Aggressively pursue core and extension inorganic opportunities

For personal use only

BUSINESS RESULTS

Angus Benbow, CEO



SOLID PROGRESS IN EXECUTING THREE-YEAR STRATEGIC REFRESH DESPITE INDUSTRY DISRUPTION AND COVID-19

For personal use only



FOCUS

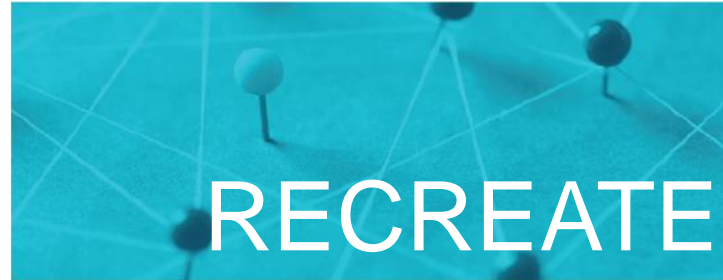
Core focus on providing services to advisers during a turbulent 12 months (select examples):

- 63 education webinars and masterclasses held
- Over 6,500 coaching interactions
- Over 4,000 technical / regulatory enquiries supported
- Over 10,000 advice technology enquiries supported

Adviser satisfaction score of 83% *“How satisfied are you dealing with Centrepont Alliance overall?”*

Average adviser tenure of 11 years

24% increase in staff’s overall job satisfaction since August 2019



RECREATE

Successful new adviser fee model:

- FY19 average Authorised Representative (AR) fee of \$19k increased 89% to \$36k from 1 July 20, offsetting legacy rebate revenue decline
- 61% increase in adviser fee revenue to \$10m
- 83% of existing advice firms retained from end FY19 to FY20

Change in adviser mix to more sustainable business:

- Departing adviser avg revenue \$159k
- Retained and new advisers avg revenue \$318k

30% improvement in adviser audit process efficiency

Launch of advice technology solutions – Centrepont Connect & Centrepont AI



GROW

79 new advisers joined licence, 49 new firms

317 licensed advisers, up 6% against a market that has contracted 13% in the past 12 months

12 new self-licensed firms

Gross revenue increased by 11% to \$131.0m

Net cash flow from operations of \$4.0m, closing cash position of \$12.2m, up 54% on 30 June 2019

Leading advice technology firm Enzumo acquired from ChantWest



CENTREPOINT ALLIANCE IS FOCUSED ON SUPPORTING FINANCIAL ADVISERS THROUGH LICENSING, ADVICE AND BUSINESS SERVICES

For personal use only

Market segments	Licensee Core business	Self-licensed Extension	Wholesale Licensee New offer
Definition	Large licensee for individual advice practices	Service provider for small self-licensed firms	Licensee and tailored wholesale services and solutions for larger firms
Target segment	Small advice firms (1-10 advisers) Medium advice firm (10+ advisers)	Small advice firms (1-10 advisers)	Medium sized licensee (20-250 advisers)
Client need	Licence (AFSL) to operate Bundled advice & business services	Unbundled advice services & solutions	Outsourced services at scale, reducing fixed costs of licensee
Market size ¹	Advisers – 16,886	Advisers – 5,036 Firms – 1,896	Licensees – 76
Revenue model (CAF specific)	Annual subscription fee per adviser (1 st AR \$45k, subsequent \$25k per AR)	Annual subscription fee per service module (avg \$20k per adviser)	Bespoke annual fees priced for risk
Average tenure (CAF specific)	11 years	8 years	New market offering
Revenue pool ² (market)	~\$800m	~\$100m	~\$30m – 60m

Sources: 1 ASIC Financial Advisers Dataset as of 02/07/2020; Centrepoint Alliance analysis.

2 Centrepoint Alliance analysis; Revenue pool calculation: Licensee = Adviser no.s x \$50,000 in licensee fees, advice technology, and ancillary services; Self-licence = Adviser no.s x \$20,000 in governance services, advice technology, and ancillary services; Wholesale services potential estimated between \$500,000 and \$1,000,000 or ancillary and technology services required or potential for outsourcing.



CENTREPOINT ALLIANCE IS A NATIONAL ADVICE AND BUSINESS SERVICES FIRM WITH A SCALABLE CORE OFFER

For personal use only

85 (WA)

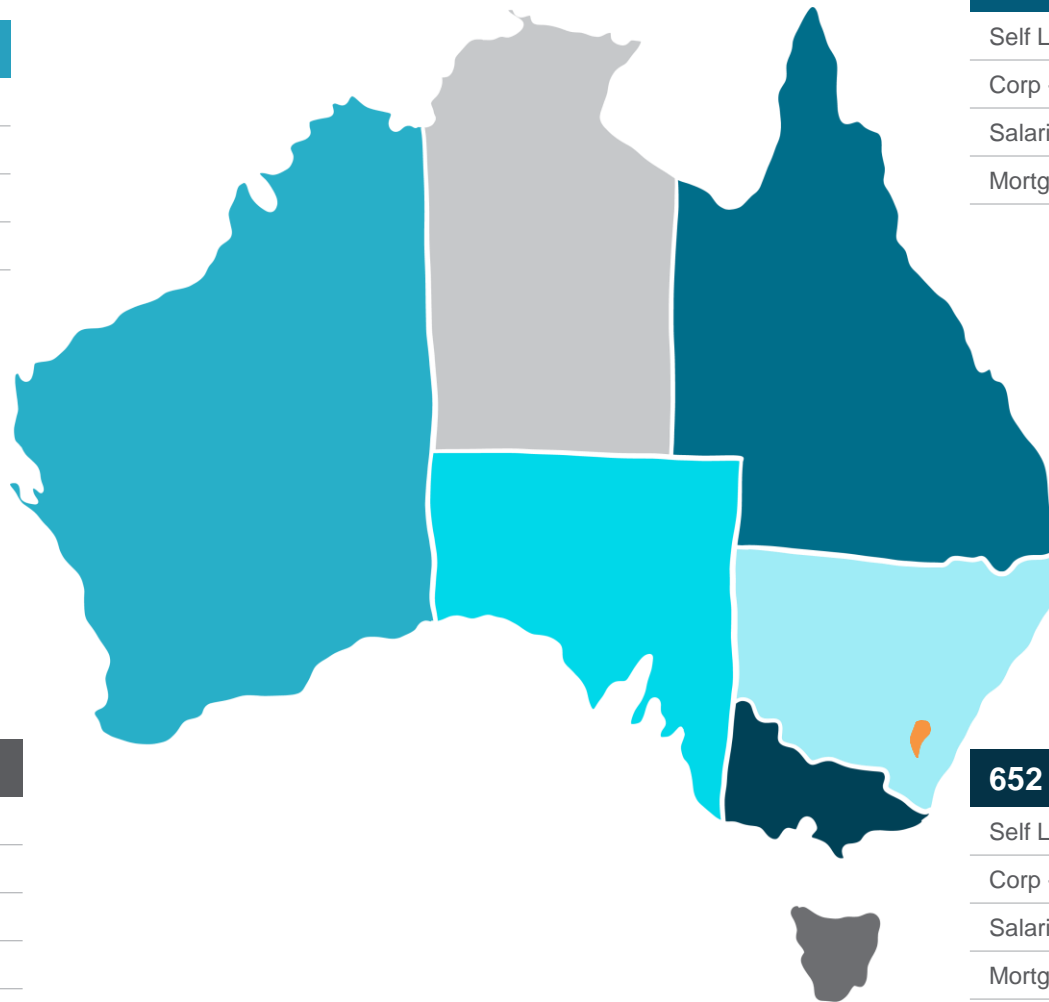
Self Licensed	64
Corp - Licensed	20
Salaried	0
Mortgage Brokers	1

160 (SA)

Self Licensed	117
Corp - Licensed	32
Salaried	0
Mortgage Brokers	11

34 (TAS)

Self Licensed	25
Corp - Licensed	9
Salaried	0
Mortgage Brokers	0



613 (QLD)

Self Licensed	423
Corp - Licensed	132
Salaried	2
Mortgage Brokers	56

402 (NSW)

Self Licensed	284
Corp - Licensed	66
Salaried	2
Mortgage Brokers	50

14 (ACT)

Self Licensed	6
Corp - Licensed	0
Salaried	0
Mortgage Brokers	8

652 (VIC)

Self Licensed	580
Corp - Licensed	54
Salaried	0
Mortgage Brokers	18

Sources: ASIC Financial Advisers Dataset as of 02/07/2020; Centrepont Alliance analysis. Per ASIC register, Centrepont Alliance advisers add up to 326 (Professional Investment Services & Alliance Wealth). Difference between the ASIC register and the above reported number is attributed to Centrepont Alliance self licensed advisers, employees and timing adjustments.



THE COMPANY PROVIDES THE SERVICES AND LICENSEE SOLUTIONS REQUIRED TO OPERATE AS A FINANCIAL ADVISER

For personal use only

GOVERNANCE SERVICES

- New AFSL Setup
- Governance & Compliance
- Responsible Manager Training
- Licensee Reviews
- File Audits
- Advice Policy & Procedure
- AFSL Audits

ADVICE SERVICES

- Adviser Education
- Client Communication
- Technical Support
- Research Services
- Investment Solutions
- Training/Webinars
- Advice Technology
- Advice Helpdesk
- Advice Templates



BUSINESS MANAGEMENT SERVICES

- Business Coaching
- Acquisition & Succession
- Partnered Services
- Dashboard Reporting
- HR Support
- Legal Support
- Peer Group Facilitation
- Cashflow Tools

CLIENT GROWTH SERVICES

- Client Marketing
- Client Facing Advice Tools
- Website Design & Development
- Client Education
- Lead Generation
- Client Segmentation & Pricing

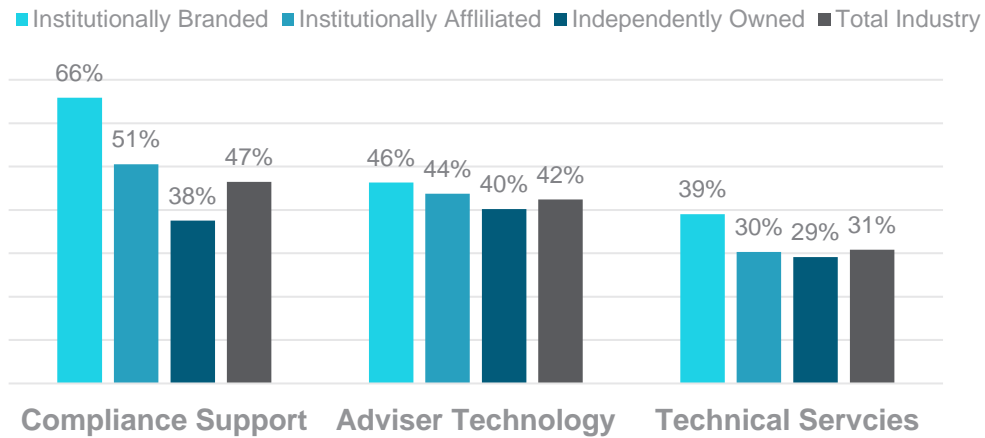


83% OF ADVISERS SATISFIED WITH CENTREPOINT ALLIANCE

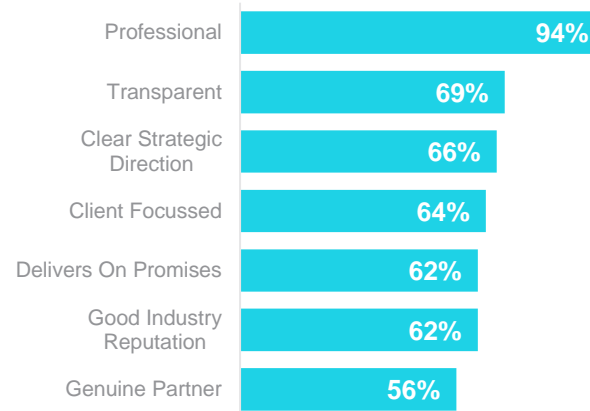
Centrepoint Alliance has strong satisfaction levels in the areas that adviser's value most from their Licensee

A recent independent survey of Centrepoint Alliance's adviser base shows strong satisfaction with our offering

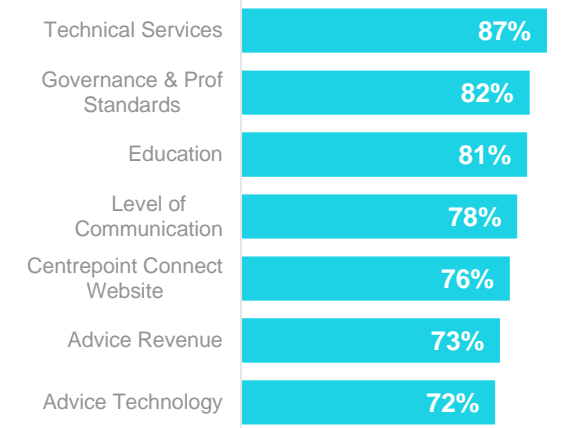
Top three factors from CoreData that advisers consider when switching Licenses¹



To what extent do you agree with the following statements about Centrepoint Alliance?



How satisfied have you been in your dealings with the following services?



Satisfaction measures from Centrepoint Alliance Adviser Survey²

Verbatims from external survey

"Great service and they do what they say they will do. Value for money."

"Have worked across 4 licensees in my planning life. So far is head and shoulders above the rest for ease of business particularly but also feel I can really trust the team to have our best interests at heart."

"This is a professional outfit and I'd be comfortable recommending them to a colleague if appropriate."

"I trust the people that I deal with and see them as an extension of my business and I think that their positioning will seem come out the other side of this disruption as a survivor."

Sources: 1 Top factors from CoreData – Annual Adviser Survey – Question: Which of the following factors, if delivered exceptionally by another licensee, would make you consider switching to that licensee (or handing back your own AFSL)?
 2 Centrepoint Alliance satisfaction measures from Centrepoint Alliance Adviser Survey July 2020 independently conducted by Woolcott Research. Satisfaction measured as greater than or equal to 7 / 10.

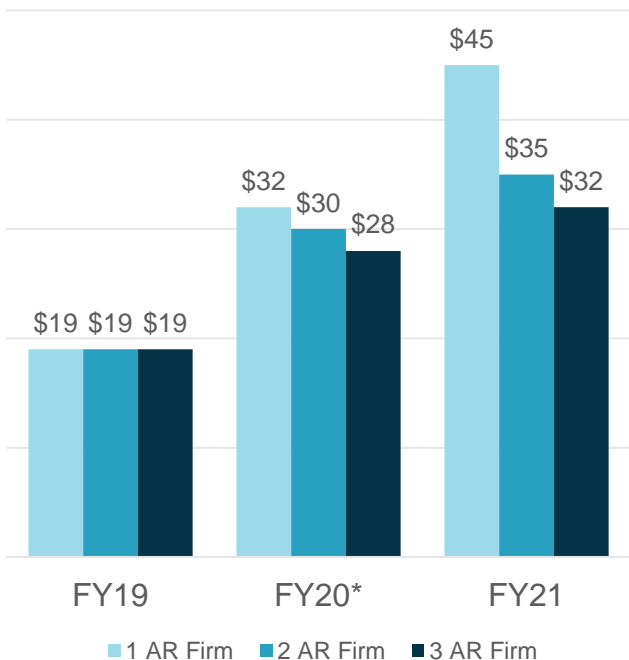


NEW 'FEE FOR SERVICE' REVENUE MODEL INTRODUCED SUCCESSFULLY FROM 1 JULY 2019 FOR LICENSED ADVISERS

For personal use only

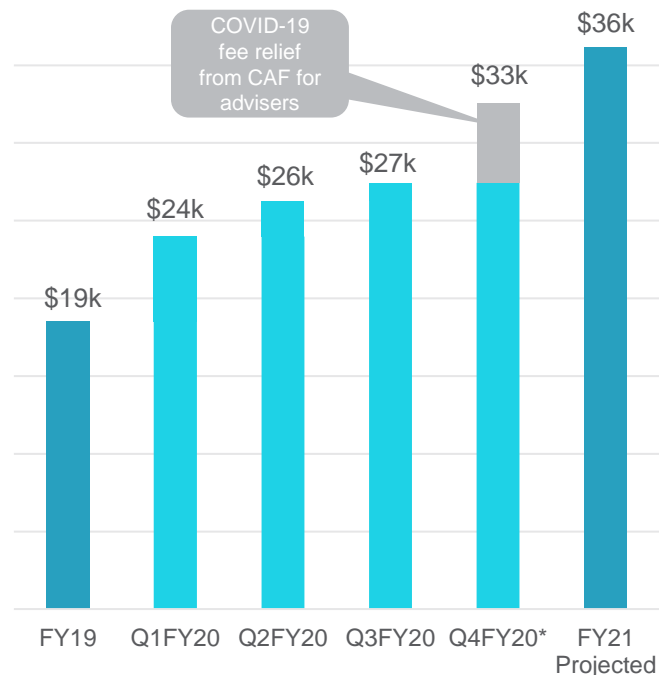
New fee model for licensed advisers

Average fees per adviser (\$'000)



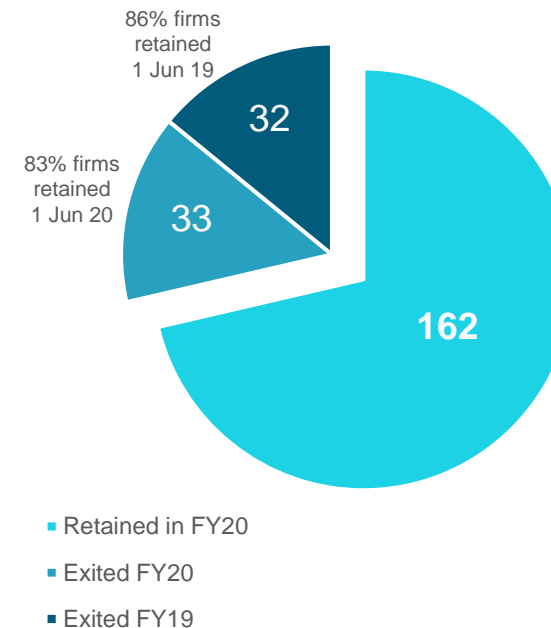
Quarterly transition through FY20

Actual Avg annualised fees per adviser (\$'000)



71% retention of firms since FY18

Advice firm retention over last two years, existing advisers from 1 July 2018



Note: * FY20 Average fees shown are transitional fees for existing advisers.



UNDERLYING NATURE OF ADVISER'S BUSINESSES HAS CHANGED THROUGH THE TRANSFORMATION AND GROWTH OF THE COMPANY

For personal use only

	Departed	Stayed	Joined
--	----------	--------	--------

Departed/ceased advisers since October 18

Existing advisers that joined pre-October 18

Onboarded advisers from Oct 18 to Dec 19



Fees as % of total revenue¹

53%

63%

63%

Significantly higher revenue from advice fees. Average **\$84k** vs. **\$221k**, departed versus joined



Average age of advisers

52

52

45

Existing and onboarded advisers have the experience and sustainable businesses to take advantage of the opportunities for advice in the future



Experience in advice business

18 yrs

19 yrs

16 yrs



Revenue per adviser

\$159K

\$292K

\$350K

Significantly higher revenue per adviser, departed versus joined

\$250K

27% higher

\$318K

Sources: Centrepont Alliance analysis. Note revenue per adviser only includes advisers who have been with Centrepont Alliance for 6 months or more.

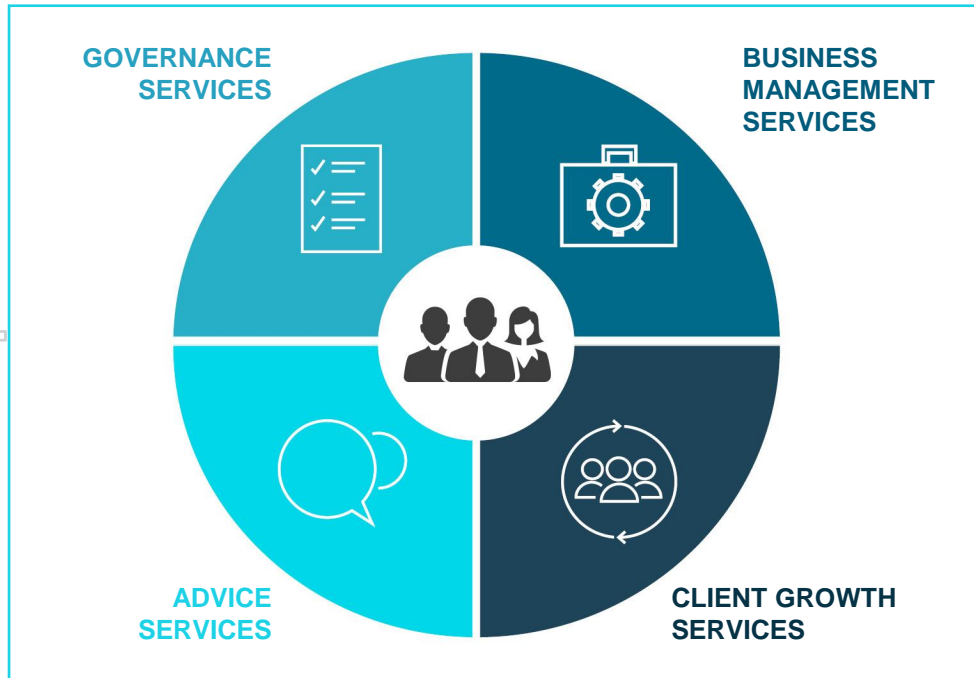
1. Total revenue includes all revenues of the adviser, such as Adviser Fees to clients, grandfathered investment commissions and insurance commissions



SCALABLE SERVICE OFFERING INCREASINGLY POWERED THROUGH DATA AND TECHNOLOGY

For personal use only

We have deepened our offer by developing unique tools and assets designed to help financial advisers gain insights and guidance faster



Self serve platform leverages scale

Practice Revenue Analysis

Centrepont Alliance Revenue Information

2020/2021 FY YTD Revenue: **\$63,850** ▲ **20.83%**

Revenue Risk Summar	2019/2020 FY	2018/2019 FY	Change
Rev at High Risk	\$21,216 8.41%	\$19,821 8.25%	▲ 7.05%
Rev at Medium Risk	\$44,714 17.72%	\$36,802 14.91%	▲ 25.95%
Revenue at Low Risk	\$18,287 7.18%	\$182,800 74.77%	▲ 1.90%
Miscellaneous Info	\$0 0.00%	\$0 0.00%	▼ 100.00%
Total Revenue	\$12,318 100.00%	\$238,124 100.00%	▲ 5.95%

All Client Information	2019/2020	2018/2019	Change
No. of All Clients	125	110	▲ 15
All Client Revenue	\$282,318	\$238,124	▲ \$14,194
No. of Ongoing Client	104	90	▲ 14
Ongoing Revenue	\$151,086	\$141,816	▲ \$9,270

Client Growth

Category	2018/2019	2019/2020	2020/2021
No. of All Clients	110	125	0
No. of Ongoing Client	90	104	0

Financial Year Revenue Comparison

Revenue by Adviser Code

Data and AI to drive unique insights

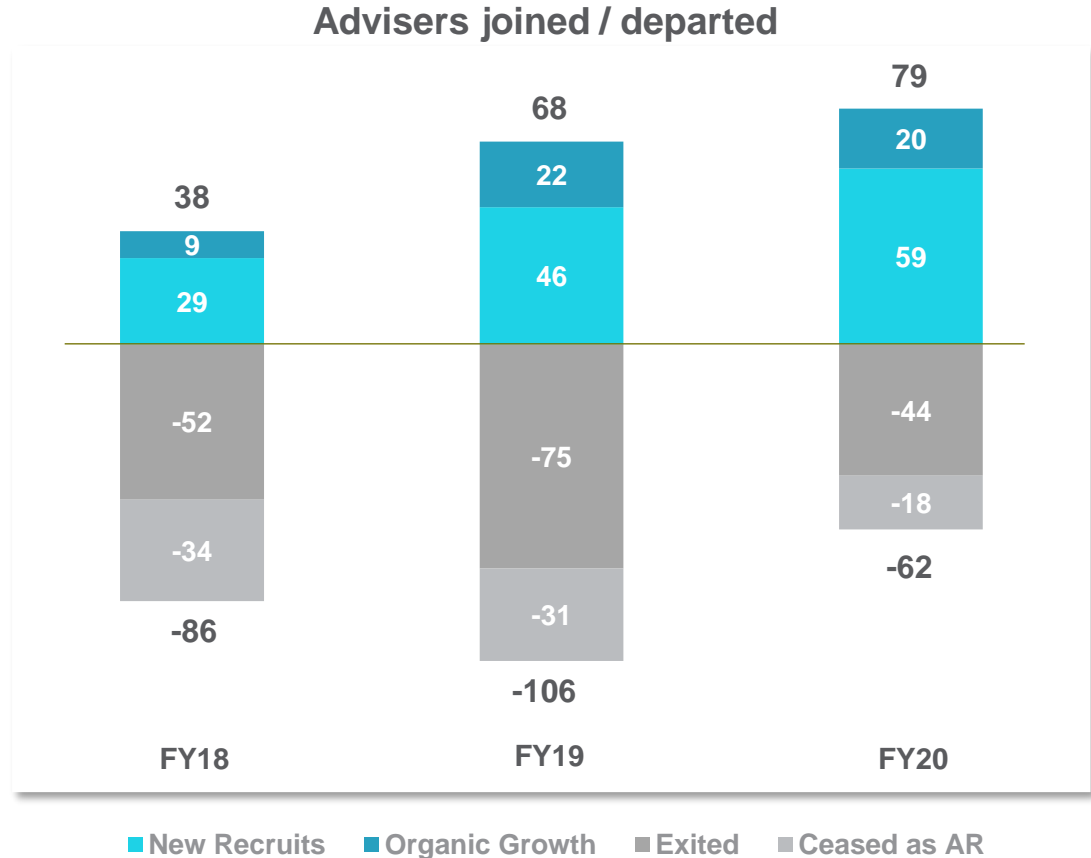
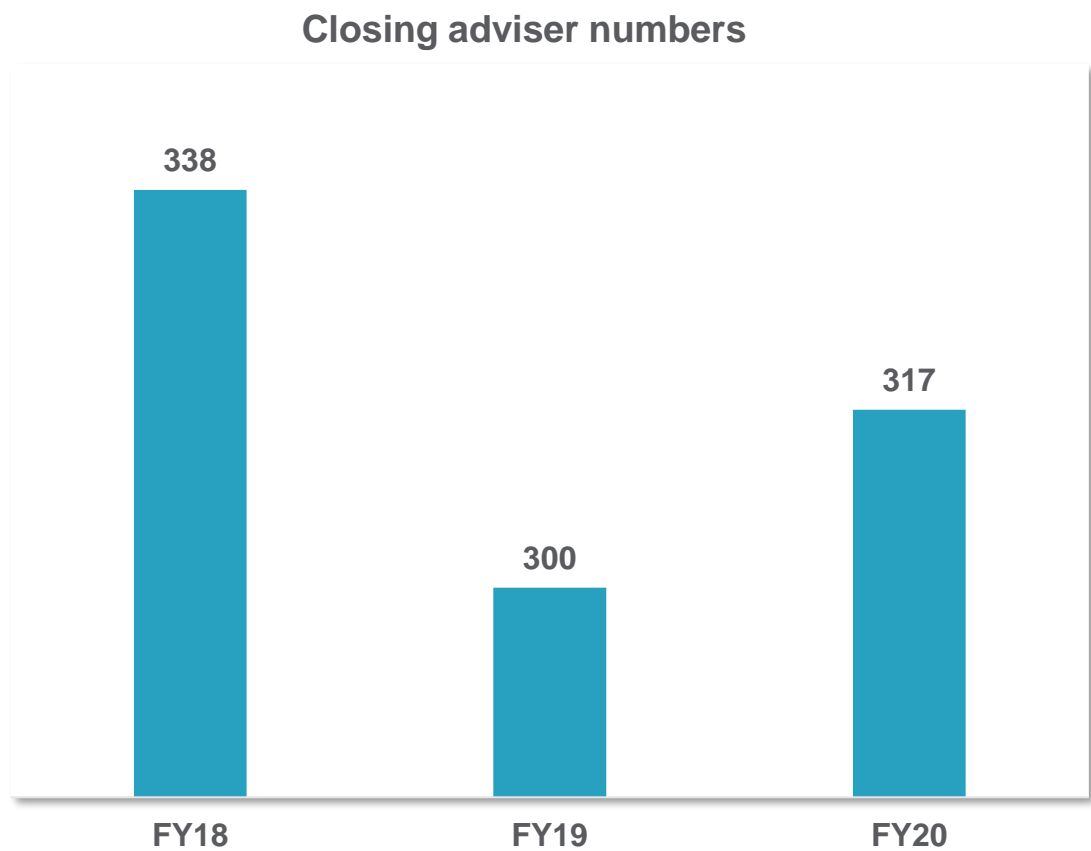


CENTREPOINT ALLIANCE EXPERIENCED RECORD ADVISER GROWTH, DESPITE MARKET CONTRACTION AND COVID-19 HEADWINDS

For personal use only

6% increase in AR numbers during FY20

Record year for recruitment



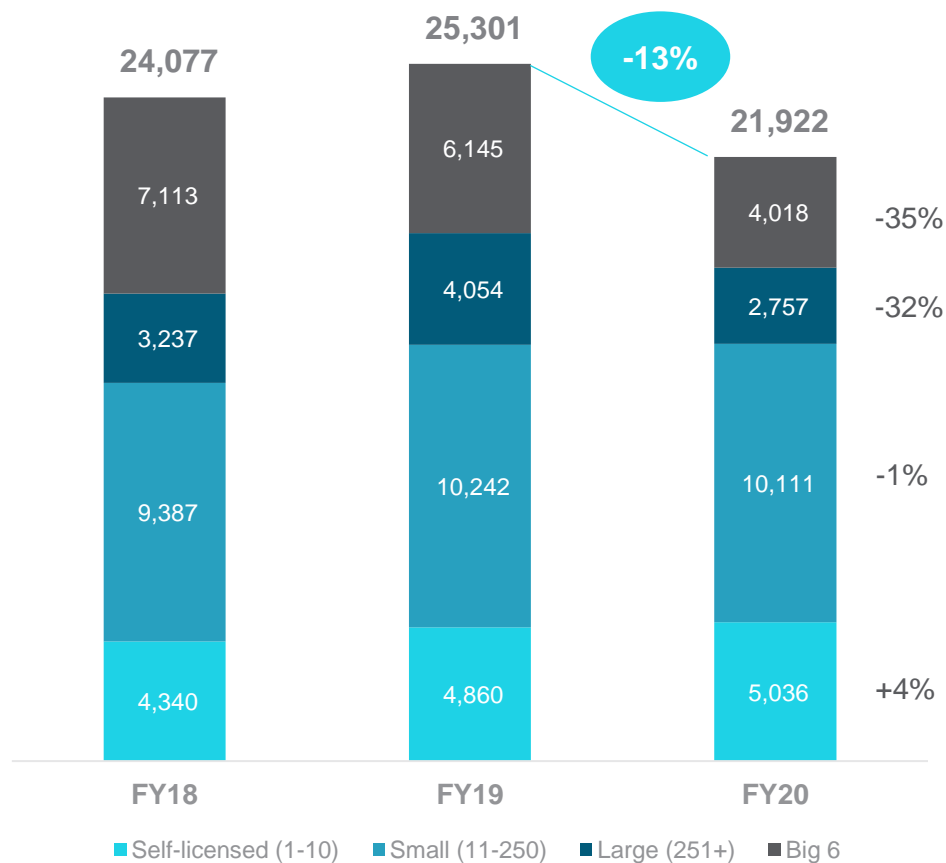
Sources: ASIC Financial Advisers Dataset as of 02/07/2020; Centrepoint Alliance analysis. Per ASIC register, Centrepoint Alliance advisers add up to 326 (Professional Investment Services & Alliance Wealth). Difference between the ASIC register and the above reported number is attributed to Centrepoint Alliance self licensed advisers, employees and timing adjustments. Adviser numbers referenced relate to AR fee paying advisers only



CENTREPOINT ALLIANCE HAS BOTH TRANSFORMED ITS BASE AND GROWN STRONGLY RELATIVE TO PEERS

Market rationalisation has resulted in a 13% decline

Number of Authorised Representatives (ARs) by segment



Centrepoint Alliance has added the third highest number of ARs to its Licence over the past two years compared to peers

Licensee*	Total AR 1 July 2018	Total AR 1 July 2019	New ARs 1 July 2018 to 30 June 2020	Total AR 30 June 2020
Peer A	468	498	257 1	513 1
Centrepoint	345	315	162 3	323 2
Peer B	428	345	115	268 3
Peer C	163	188	158 4	240 4
Peer D	307	286	139	226 5
Peer E	148	161	153 5	225
Peer F	97	98	165 2	202
Peer G	126	161	153 5	187
Peer H	197	196	96	187
Peer J	110	163	140	175
Peer K	32	47	145	120
Peer L	31	54	103	104

Note: * Peer group based on similar large and mid-tier Financial Advice Licensees, and excludes the Big 6 (4 main banks, AMP, IOOF), stockbrokers and purely accountant focused firms)

For personal use only



ENZUMO ACQUISITION – SCALABLE ADVICE TECHNOLOGY SERVICES AND SOLUTIONS WITH LONG STANDING CLIENTS

Service Proposition

Comprehensive suite of **advice delivery technology services**



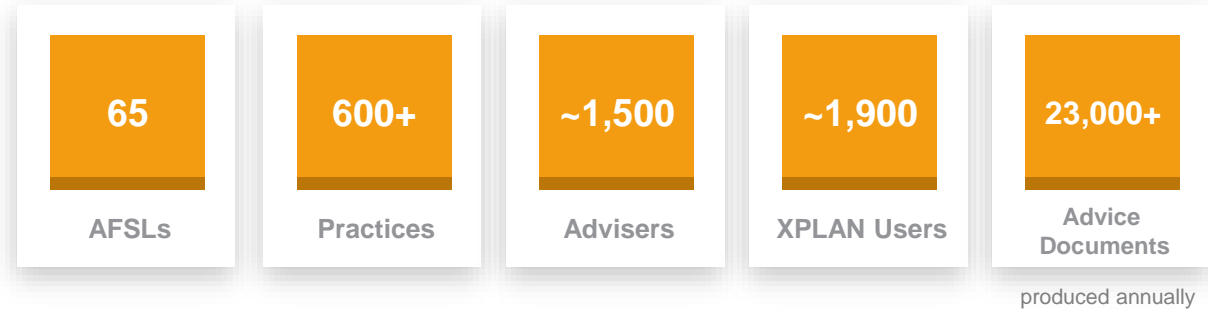
Advice technology partner ecosystem

Connecting clients with **leading advice service partners**



Client Statistics (average client tenure ~4.5 years)

Supporting **Leading Financial Services Businesses**



Client Support Statistics

A dedicated team providing **comprehensive XPLAN site support services**

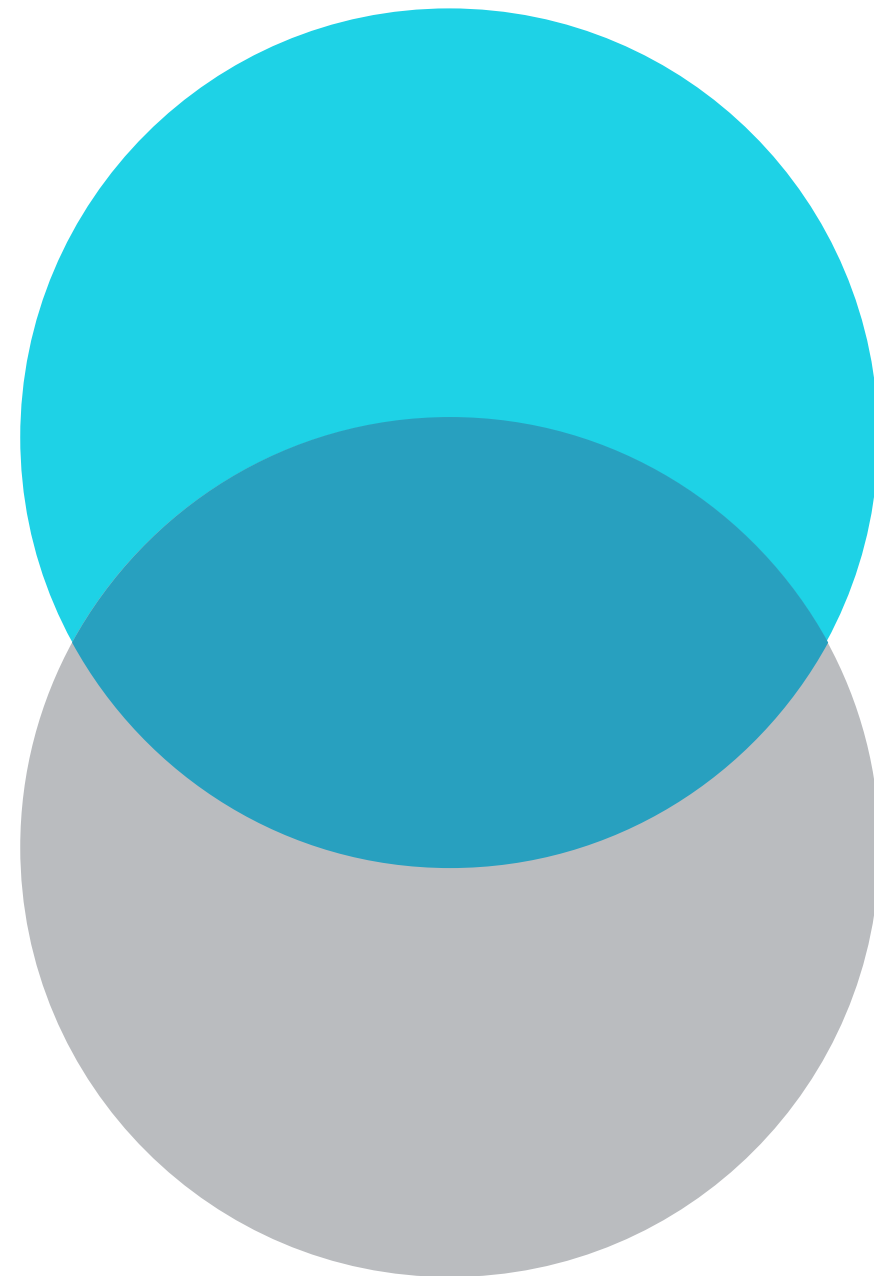


Sources: Centreport Alliance and Enzumo analysis and client statistics for FY20.

For personal use only

FINANCIAL RESULTS

Brendon Glass, CFO



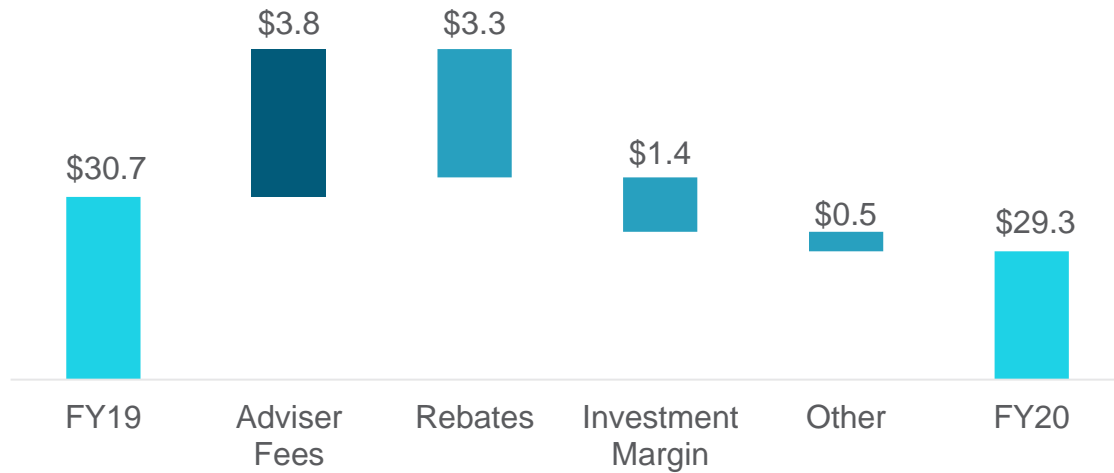
FINANCIAL RESULTS SUMMARY

For the period	FY18 ¹ (\$m)	FY19 ¹ (\$m)	1H20 (\$m)	2H20 (\$m)	FY20 (\$m)
Gross Revenue	123.2	117.5	61.5	69.5	131.0
Adviser fees and commissions	(90.9)	(86.8)	(47.4)	(54.3)	(101.7)
Gross Profit	32.3	30.7	14.1	15.2	29.3
Management Expenses	(27.8)	(27.4)	(13.8)	(11.8)	(25.6)
EBITDA (excluding Legacy Claims)	4.5	3.3	0.3	3.4	3.7
Cost to Income Ratio	86%	89%	98%	78%	87%
Legacy Claims	(5.4)	(0.2)	(0.7)	(2.9)	(3.6)
EBITDA	(0.9)	3.1	(0.4)	0.5	0.1
Depreciation, Amortisation, Impairment, Finance Costs	(2.5)	(1.9)	(0.8)	(1.5)	(2.3)
Profit/(Loss) before Tax	(3.4)	1.2	(1.2)	(1.0)	(2.2)
Tax	(3.5)	(2.8)	(0.3)	0.5	0.2
Net Profit/(Loss) after Tax	(6.9)	(1.6)	(1.5)	(0.5)	(2.0)

- Gross revenue up 11% to \$131.0m, driven by change in mix of underlying advice firms
- Gross profit down 5% on PCP due to rebate runoff
- Adviser fees up \$3.8m (61%) on PCP
- Management expenses down 7%
- Cost to income at a three year low of 78% in 2H20 due to resilient revenue and active cost management
- EBITDA (excluding legacy claims) of \$3.7m (up 12% PCP)
- Legacy claims increase to reflect *probability-based settlements* of claims lodged within the extension of the AFCA window that closed at 30 June 2020

REVENUE AND EXPENSE ANALYSIS

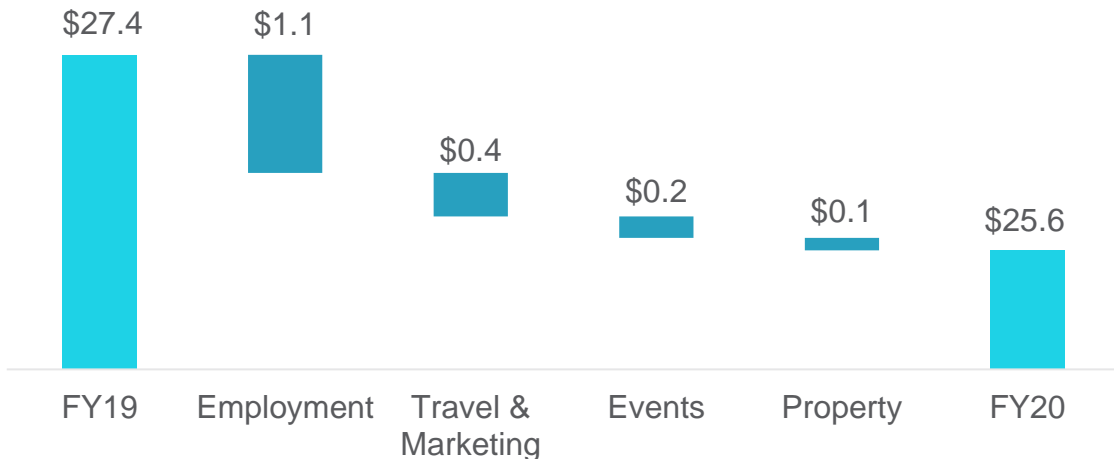
Revenue movement (\$m)



Key revenue movements (PCP) :

- Adviser Fee revenue up \$3.8m with 17 net growth in advisers, and new adviser fee model successfully introduced
- Rebate revenue down \$3.3m due to runoff of grandfathered rebates and prior year commission overpayment (\$0.8m)
- Investment Solutions revenue down \$1.4m due to margins impacted by competitive pricing proactive reductions and lower net inflows

Expense movement (\$m)



Key expense movements (PCP) :

- Employment costs down \$1.1m (5%) with headcount down from 109.6 to 95.4 FTE
- Travel and Marketing and Events costs down \$0.6m (33%) due to lower spend with COVID-19 restrictions
- Property down \$0.1m (14%) due to reduction in Melbourne rent through relocation to smaller premises

BALANCE SHEET

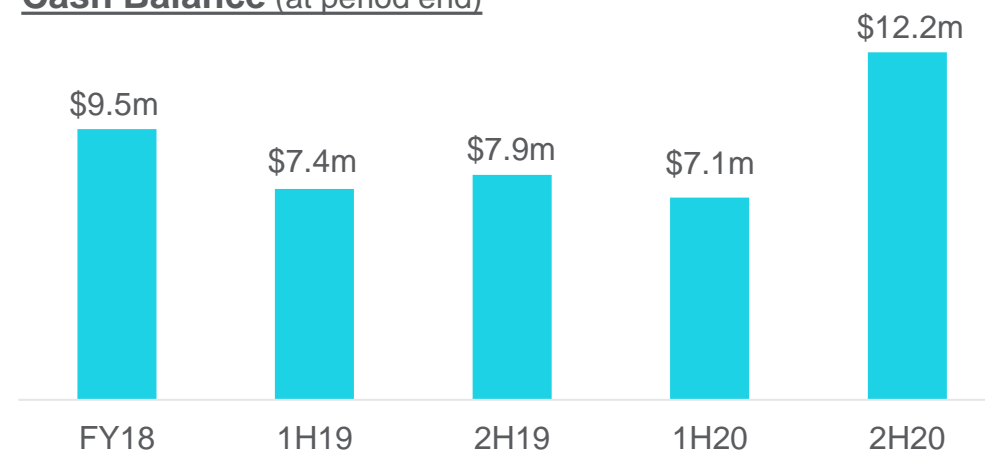
For the period ended	FY19 (\$m)	FY20 (\$m)
Cash & Term Deposits	7.9	12.2
Trade and Other Receivables	9.2	7.8
Loans Receivable	6.6	3.6
Intangible Assets and Goodwill	2.7	3.6
Other Assets	4.7	5.4
Total Assets	31.1	32.6
Trade and Other Payables	9.4	9.9
Claims Provision	1.2	3.0
Other liabilities	3.6	4.8
Total liabilities	14.2	17.7
Net Assets	16.9	14.9
Net Tangible Assets	11.8	8.7
Net Tangible Assets (cents per share)	7.9	5.9

Off Balance Sheet

For the period ended	FY19 (\$m)	FY20 (\$m)
Income Tax Losses	51.4	50.4
Franking Credits	17.5	17.5

- Cash from operations of \$4.0m with \$1.4m in escrow for settlement of deferred tax payments due to COVID-19
- Loans receivable reduced due to \$2.5m Neos Life repayments; \$2.0m to be repaid by June 2021. The RFE loan of \$0.5m was deemed impaired and written down to nil
- Intangibles up \$0.9m due to customer relationships from Enzumo acquisition
- Increase in claims provision to factor in probability-based settlements of claims lodged within the AFCA window that closed at 30 June 2020
- Net Assets decreased due to after-tax losses driven by legacy claims provision

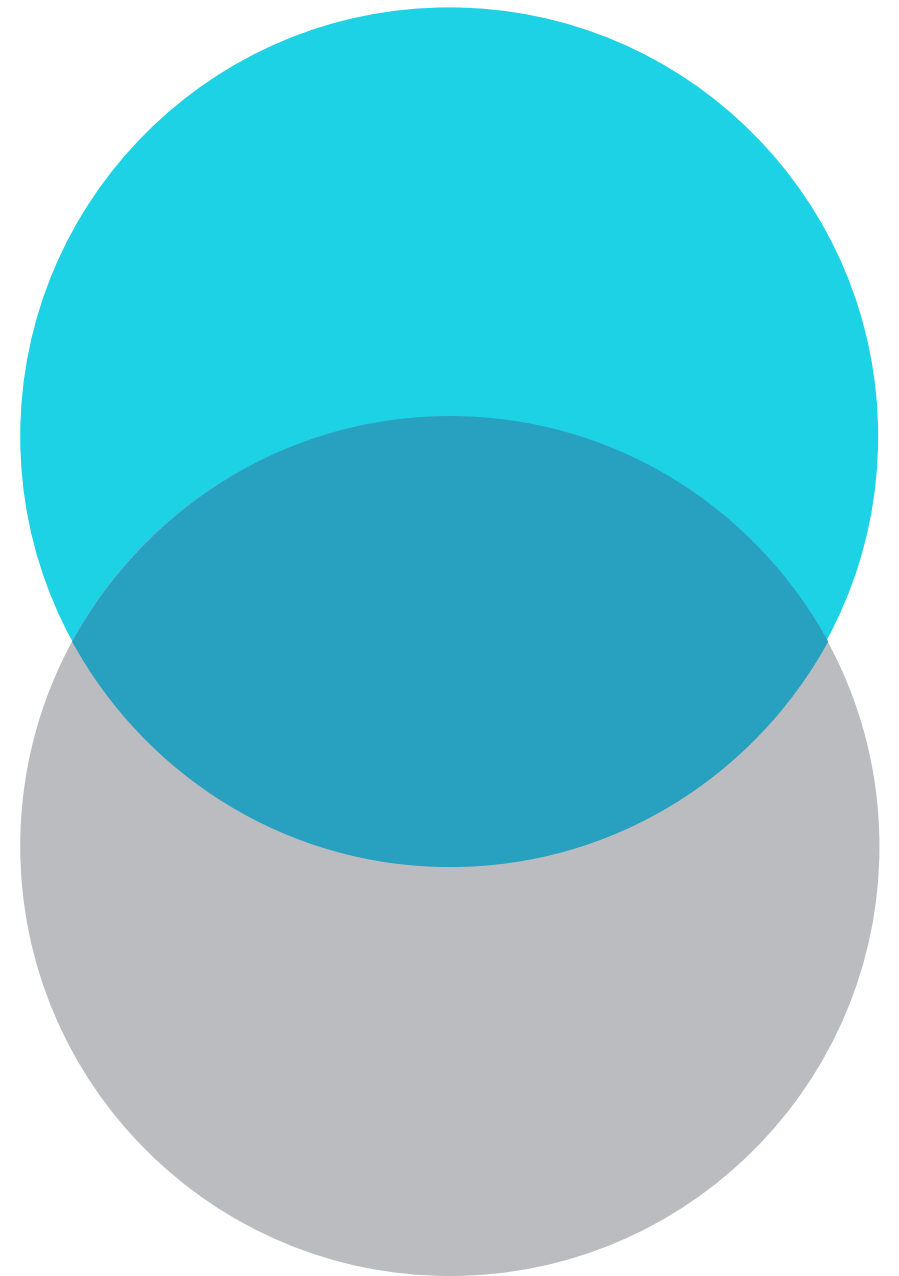
Cash Balance (at period end)



For personal use only

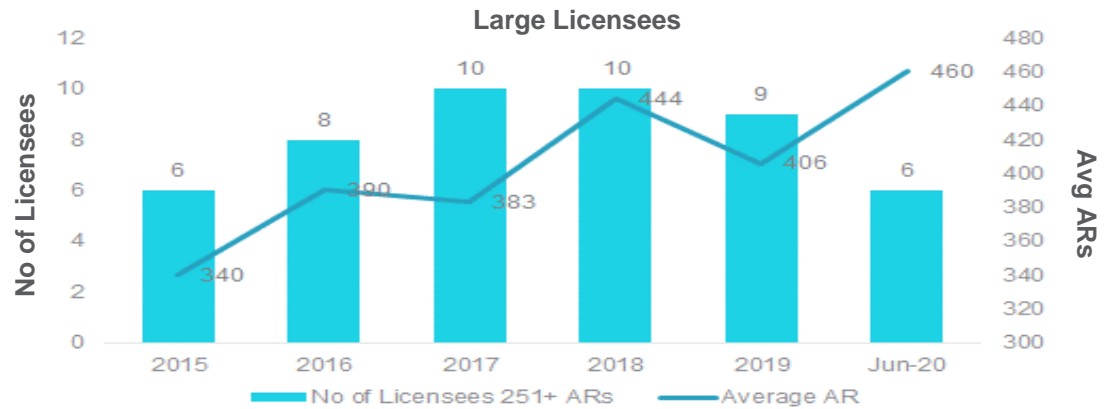
STRATEGIC OUTLOOK

Angus Benbow, CEO

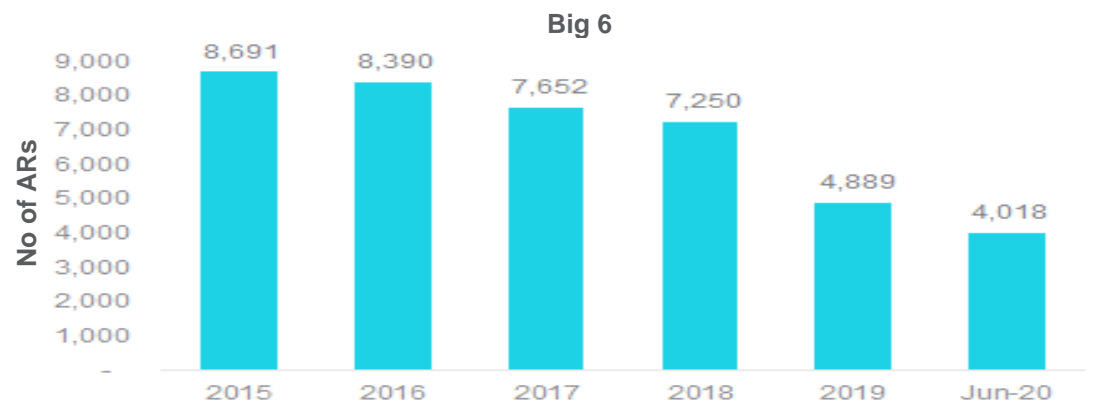


INDUSTRY DISRUPTION WILL CONTINUE TO UNFOLD, ESPECIALLY AMONG SMALLER LICENSEES, PROVIDING GROWTH OPPORTUNITIES

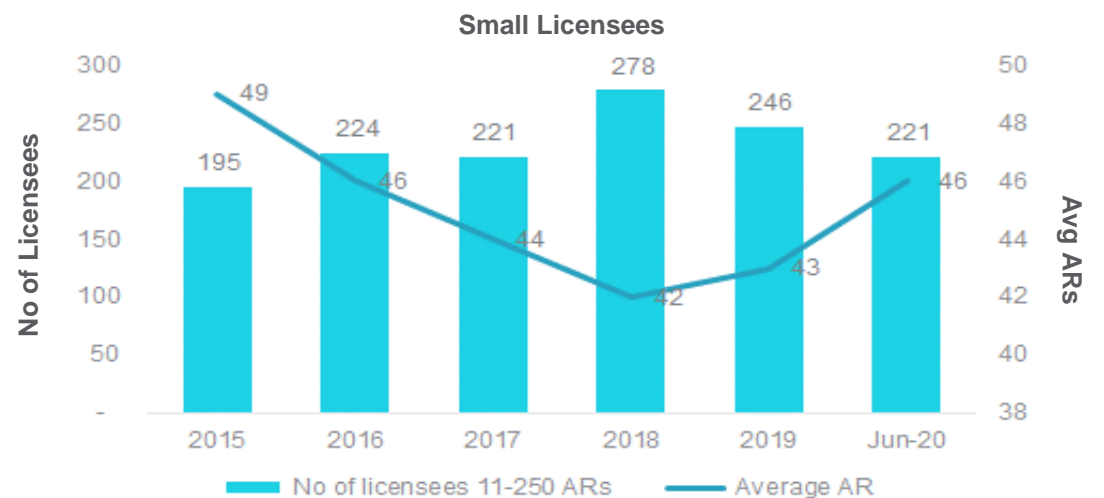
Large licensees are growing adviser numbers



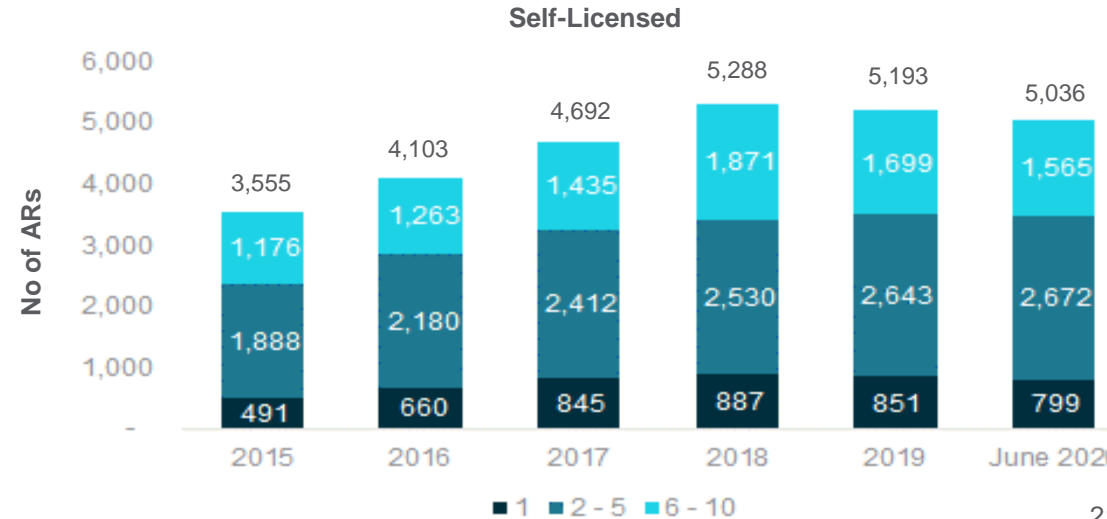
Big 6 are exiting wealth



Small licensees are fragmenting



Self-licensed firms proliferated and have stabilised



Sources: ASIC Financial Advisers Datasets; Centreport Alliance analysis.

CENTREPOINT ALLIANCE FY21 STRATEGIC INITIATIVES



- Continue to attract and retain quality advisers
- Leverage scale advantage through enhancing service experience for advisers
- Prepare advisers and licence for final Royal Commission changes
- Continue to grow and invest in our people



- Reconfigure the (AAP) self-licensed market offering and take to market
- Explore reg tech options and make decision on build, buy, or partner
- Continue to invest in data-led insights for advisers to help them run better businesses
- Enhance Centrepoint Lending Solutions offer



- Complete Enzumo integration
- Create a tailored and distinct wholesale offering for small and mid-sized licensees
- Review salaried advice market entry options
- Continue to review our portfolio of businesses
- Aggressively pursue inorganic opportunities

CENTREPOINT ALLIANCE IS WELL POSITIONED TO TAKE FULL ADVANTAGE OF STRENGTHENING TAILWINDS FOR THE ADVICE INDUSTRY

For personal use only

**Headwinds
dissipating**

Regulation disruption easing

Transition towards advice as a profession well progressed

Revenue model clarity



**Tailwinds
strengthening**

Flight to quality
Licensees

Industry
dislocation to
continue

New market
opportunities
emerging

Technology
enabling
scalable service
platforms

Fundamental
drivers of financial
advice demand
remain and are
strong

CONTACT DETAILS



Angus Benbow

Chief Executive Officer

Centrepoint Alliance

E: angus.benbow@cpal.com.au

T: +61 2 8987 3016



Tim Dohrmann

Investor Enquiries

NWR Communications

E: tim@nwrcommunications.com.au

M: +61 0468 420 846



Brendon Glass

Chief Financial Officer

Centrepoint Alliance

E: brendon.glass@cpal.com.au

T: +61 2 8987 3037



Suzanne Dwyer

Media Enquiries

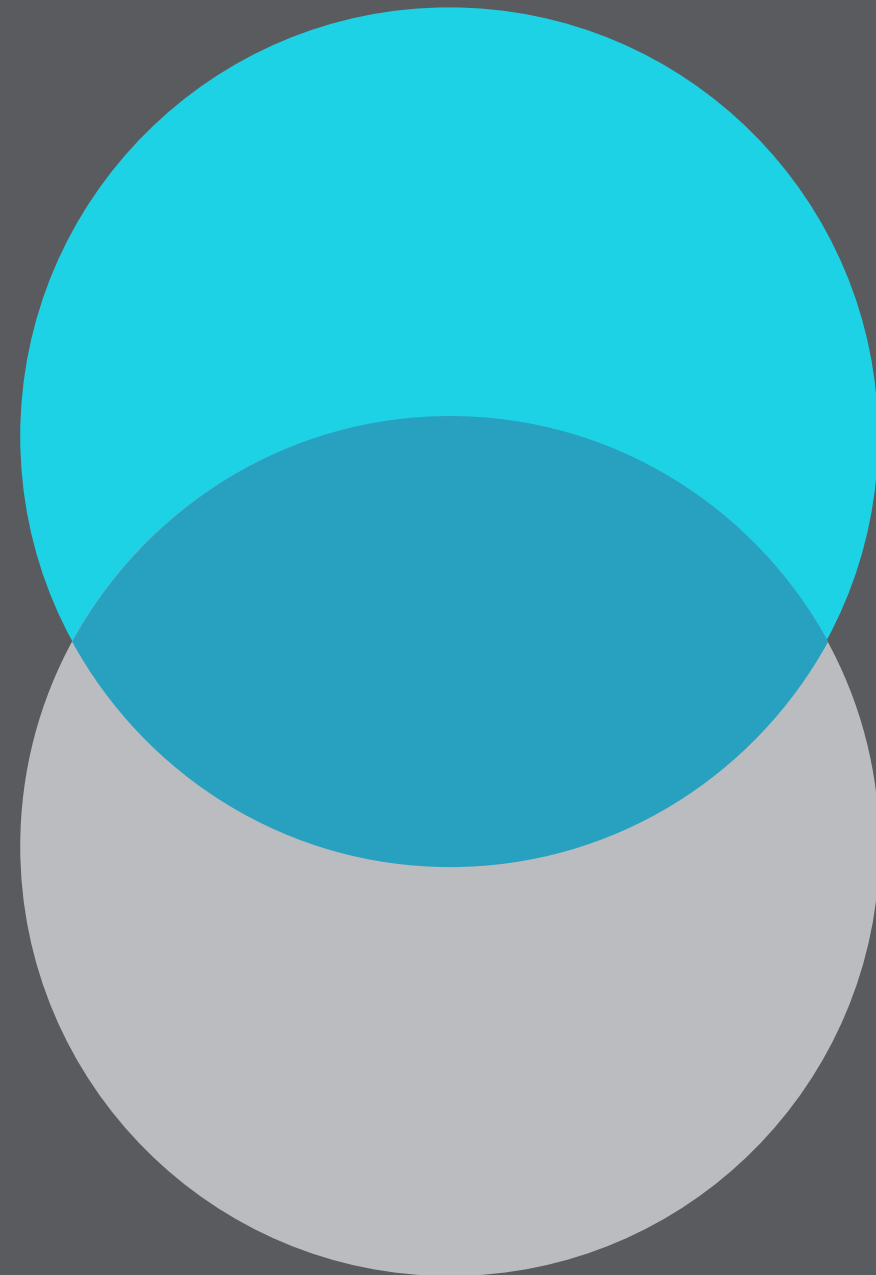
Honner

E: suzanne@honner.com.au

T: +61 2 8248 3741 | **M:** +61 0402 990 029

For personal use only

APPENDICES



CORPORATE SNAPSHOT

Capital structure

ASX Stock Code	CAF
FY20 gross revenue	\$131.0m
Cash balance as at 30 June 2020	\$12.2m
Share price as at 18 Aug 2020	\$0.092
Shares on issue	144.3m
Performance rights (nil ex price, various expiries)	16.0m
Fully diluted shares	160.3m
Fully diluted market cap	\$14.7m
Enterprise Value¹	\$3.9m

Experienced and invested leadership team

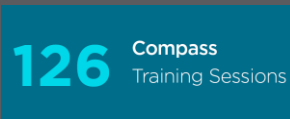
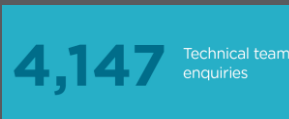
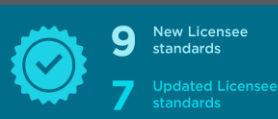
Board & Management	Role	Shares held As at 23/7/20
Mr Alan Fisher	Non-Executive Chairman	-
Mr Angus Benbow	Chief Executive Officer	1.2m (0.8%)
Mr Georg Chmiel	Non-Executive Director	0.8m (0.6%)
Mr Martin Pretty	Non-Executive Director	0.1m (0.1%)
Mr Alexander Beard	Non-Executive Director	11.0m (7.6%)
Mr Brendon Glass	Chief Financial Officer	-
Total Board & KMP		13.1m (9.1%)

Top shareholders

Investors As at 23/7/2020	Shares held (% of SOI)
Thorney Investment Group	50.0m (34.6%)
Alexander Beard	11.0m (7.6%)
Richard Nelson	4.1m (2.9%)
Supertco Pty Ltd	3.0m (2.1%)
Supervised Investments AU Ltd	3.0m (2.1%)
Total Top 20	92.4m (64.1%)

Scalable service platform

Governance services



Sources: Nasdaq Boardvantage; ASX; FY20 annual results; Centrepoint Alliance internal service metrics (FY20).

Note 1 Enterprise Value is adjusted for \$1.4m tax deferrals (included in cash and payable to the ATO).

FIRM SEGMENT ANALYSIS

Key Performance Indicator	Firms FY19	AR's FY19	New Firms FY20	Ceased Firms FY20	New AR's FY20	Ceased AR's FY20	Firms Close FY20	AR's Close FY20
Corporate Licence	215	300	49	(36)	79	(62)	228	317
Self Licence (Normal)	225	1,138	12	(78)	261	(535)	159	864

- 61 firms recruited (Corporate Licensed 49 and Self Licensed 12)
- Reduction of 66 net Self Licensed firms driven by firms opting-out of the transition to new service offer
- 1,181 advisers in Group (Corporate Licensed 317, Self Licensed 864)
- Net 34 Wholesale advisers added to close at 317 Corporate Licensed advisers during the year

Corporate License AR's	FY19	FY20
Open AR's	338	300
AR's Added	68	44
AR's Ceased	(106)	(61)
Wholesale AR's Added	0	35
Wholesale AR's Ceased	0	(1)
Close AR's	300	317

GRANDFATHERED REBATES

\$m	FY18	FY19	FY20
Total Rebate	13.1	11.5	8.2
Insurance Rebate	3.8	2.7	2.3
Platform Rebate	9.3	8.8	5.9

Key points

- Strategic Refresh began in August 2018 to move from a legacy funded revenue model to a new sustainable revenue model, pre-empting legislative changes passed in October 2019 to phase out Platform Rebates by 1 Jan 2021
- Reduction in rebates in FY20 completely replaced by adviser fee income
- \$0.8m reduction in rebates in FY20 due to prior period overpayment by key provider from January 2017 to June 2019

CENTREPOINT ALLIANCE SERVICES – SCALABLE ADVICE PLATFORM

 **30**
Education webinars held

7,006
CPD HOURS LOGGED 

33 masterclasses and PD days held

12 training webinars held

2,822 **ADVISERS** attended webinars

986
Audits completed

6,522 
Coaching interactions

 **9,000**
Enquiries handled by CECs

30 Regulatory and Professional Standards updates

 **217**
Research reports produced

\$99m
advice revenue processed

 **12,382**
Advice revenue enquiries

4,147 Technical team enquiries

INSTRUMENTAL IN THE PAYMENT OF
 **\$36m**
of life insurance claims

11,331 
adviser enquiries

 **9** New Licensee standards
7 Updated Licensee standards

126 **Compass** Training Sessions

THE MACRO DISRUPTIVE THEMES THAT FORMED THE BASIS OF THE STRATEGIC REFRESH ARE AS RELEVANT TODAY AS THEY WERE IN 2018

For personal use only



1 Boomers and HENRYs'

Financial advice demand remains strong with world leading superannuation system and unprecedented intergenerational wealth transfer commencing



2 Social licence to operate

Higher Community expectations on the values and behaviours of Corporates and Advisers during and post Royal Commission



3 Game-changing technology

Relentless pace of digital and technological disruption, further accelerated by COVID-19 impact



4 Business models in flux

Dramatic fall in number of Big 6 Advisers
Continued platform and superfund consolidation
Increasing importance of strong Licensees



5 Raising the bar

Solid momentum and progress in the move to enshrine Financial Advice as a profession, has placed more demand on the services provided by strong Licensees



6 Power of the iron fist

Increased regulatory enforcement actions and more vigorous application of the penalty regime. A philosophical move to "Why not litigate"

DEFINITIONS

Term	Definition
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APRA	Australian Prudential Regulation Authority
AR	Authorised Representative of AFSL Licensee to provide financial advice
ASIC	Australian Securities and Investments Commission
AW	Alliance Wealth Pty Ltd
CEC	Client Engagement Consultant
Corporate Licensed advisers	Advisers authorised under Professional Investment Services Pty Ltd or Alliance Wealth Pty Ltd
CPD	Continuing Professional Development
EBITDA (excl. Legacy Claims)	Earnings before interest, tax, depreciation and amortisation excluding legacy claims (claims related to advice pre 1/7/10)
Firms	Accumulated total of corporate licensed firms and self-licensed firms in the Centrepoint Alliance Group
Gross Profit	Revenue received less Direct Costs
Net Tangible Assets	Total assets of a company, minus any intangible assets such as goodwill, patents and trademarks, less all liabilities and the par value of preferred stock
Operating Expenses	Expenses excluding cost of sales, interest, depreciation and amortization
PCP	Prior corresponding period
PIS	Professional Investment Services Pty Ltd
RFE	R Financial Educators Pty Ltd
Royal Commission	The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, established 14 Dec. 2017
Salaried advisers	Adviser authorised under Alliance Wealth Pty Ltd and employed by Centrepoint Alliance
Self Licensed advisers	Advisers part of firms having their own AFSL