

ANNUAL GENERAL MEETING

29 November 2016



SHAREHOLDERS ADDRESS

Chairman's Address

Good Morning everyone.

My name is Alan Fisher and I am the chairman of Centrepont Alliance Limited and, on behalf of the Board of directors, it is a pleasure to welcome you all to our Annual General Meeting of shareholders for 2016.

I would like to introduce you to the directors of the Board, John O'Shaughnessy, Martin Pretty, Hugh Robertson, Georg Chmiel and our managing director John de Zwart. In addition, we have senior management in attendance and David Rodgers, partner from Deloitte Touche Tohmatsu, the Company's auditors.

I would also like to make special mention of 2 former directors present, Noel Griffin and Rick Nelson, who helped steer the Group through its turnaround.

Present from Computershare, the Company's share registrars, the meeting officer is Ron Blair and the returning officer for the meeting is Dustin Teasdale, and they will manage the meeting attendance, registrations and voting.

John de Zwart and myself will now provide a company update prior to commencing the formal business of the meeting.

Centrepont Alliance has had an exciting year where we have been able to shift our focus towards growth. We are uniquely positioned as a leader in Australia's contemporary financial advice industry and able to capture the benefits from industry disruption.

The 2016 financial year produced a pleasing net profit before tax of \$4.6m, up 79% on the prior year and EBITDA of \$6.4m, up 56% on the prior year. A final FY16 dividend of 1.2 cents per share was paid to shareholders in October and saw the suspension of the Dividend Reinvestment Plan.

Centrepont Alliance continues to benefit and grow as financial planning clients and their advisers seek out trusted solutions. We are a trusted partner to our community of around 500 financial planning firms comprising an estimated \$25bn in funds under advice. We can use our scale and expertise to design and deliver world class services and open architecture investment solutions to our clients.

We are continuing to lead the industry through early promotion of our managed accounts solution, vMAPs, which has now surpassed \$200m invested and seen the addition of new model managers Dimensional and Bennelong. We've also recently launched Compass Online, a new digital interface to give adviser clients full oversight of their portfolios at any time through their mobile phone, tablet or computer, as well as launching Centrepont Healthscreen, a new health initiative to improve the life insurance underwriting process for clients and advisers.

In October we acquired a minority interest in advice and accounting business R Financial Educators who aim to assist mortgage brokers and accountants provide wealth advice to clients. The investment highlights Centrepont Alliance's willingness to support the growth of professional advice firms within the industry.

This month we have launched the Centrepont Alliance Foundation which will bring together our community of advisers and staff to support worthy causes. This acknowledges Centrepont's and advisers desire to increase our corporate social responsibility and give back to the community.

The Group rebranding has seen further strengthening of the overall Centrepoint Alliance brand and also seen the generation of leads directly through the new and improved website. The rebrand of Alliance Wealth & Protection to xseedwealth and new website launch is also expected to significantly benefit the salaried advice business within the Group.

The year has seen significant investment in people, technology and client solutions and is an integral part of the Group's strategy to achieve sustainable, long-term growth by delivering innovative solutions to meet customers' needs. In my past year with Centrepoint I have been encouraged and impressed by the progress within the business and its emergence as a leader in the financial services industry. Thank you to our staff, advisers, brokers, clients and business partners, and you, our shareholders, for your continued support as we strive to become one of the leading and the most highly trusted and respected financial services business in Australia.

I will now pass to Managing Director, John de Zwart to provide a further update on the operational areas of the business and financial performance during the current financial year.

CEO and Managing Director's Address

OVERVIEW

As Alan stated, our vision is to be Australia's most trusted and respected financial services business and we are progressing well on this path.

We are in the business of improving the financial wellbeing of Australians. So often our heavily institutionalised industry has forgotten our clients. Not purposely, but by their sheer size they have disconnected themselves.

We are taking advantage of new technologies, increasing consumers' activism and regulation to deliver better services and solutions which are aimed at helping our clients first.

Our core businesses finished FY16 strongly and this momentum has continued into the new financial year.

We are also seeking to take advantage of our scale and capability to accelerate growth, primarily organically however we are also open to considering inorganic opportunities such as our recent involvement with R Financial Educators.

We have a strong team and good business momentum gaining market share in highly attractive markets. We see a very positive future for Centrepoint.

OUR COMPETITIVE ADVANTAGE

For those new to the Centrepoint story, we have been on a journey of transformation, and as a result of the development of our contemporary business model we are uniquely placed to take advantage of disruptions that are occurring in the wealth market.

The global trend of the separation of advice and product is taking rapid hold both in Australia and overseas. The new world of advice starts with trust. Trusted professionals, services and solutions designed to ensure our clients feel financially secure now and into the future.

The impact of clients paying fees is changing the client experience. Clients are getting what they need, and quality time and advice with their adviser.

This new world of client best interest, trust and the client experience requires a new suite of tools and services, designed to build understanding, transparency, simplicity, ease and confidence.

Centrepont's strategy is to use its scale and expertise to design, source and deliver world class services and solutions to help professional advisers thrive. We have an open product architecture, best in class community oriented model which will continue to benefit clients and advisers as they seek out trusted solutions.

We support the largest community of non-institutional advisers with our service offering including salaried, licenced and self-licenced business models. The adoption of our contemporary business model has strengthened our relationship with our target community of professional advisers and exiting of the small part-time adviser segment.

There is no doubt the strategic direction we have adopted is gaining mainstream traction and we will benefit by being ahead of the curve in terms of adoption and momentum.

Our Lending business is also targeting specific market segments and as a result continues to attract brokers and grow.

We have always seen the opportunity from being strategically well positioned to take advantage of the dramatic shifts occurring in all sectors of the market globally. We are pleased to see the transformation which we undertook over the last 3 years deliver results and market recognition.

HIGHLIGHTS – FY16

To a review of our highlights for the 2016 financial year.

We have traditionally used Underlying Profit as our core measure of financial success. Following the successful turnaround of the business and investor feedback we have moved to EBITDA as our core measure of financial success.

Group EBITDA is up 56% to \$6.4m. Wealth was up 57% to \$7.4m and Lending up 13% to \$2.7m. When we began the turnaround, EBITDA was a loss of \$13m in 2012, and \$6m in 2013. As you can see the team have been hugely successful.

This year Centrepont has had great success in recruiting 59 professional advice firms to Centrepont. This reflects an inflection point highlighting the strength of the Centrepont offer and an increased focus on recruiting quality firms and advisers to our community.

As well as strongly growing the number of advisers we have also grown inflows into our managed account solution. We are seeing more advisers recognising the benefits for their clients and adopting these solutions. The strategic decision to invest in designing and building this solution nearly 3 years ago is paying off.

The Lending business improved its results with EBITDA up 13%. This downplays the team's efforts during the period to maintain volumes when commercial general insurance premiums were declining. They also delivered significant cost savings and pricing improvements which is now being seen in 1H17.

The Centrepont brand awareness is increasing. Our new website was launched and we are now investing into continuing to raise recognition amongst our target market. We see this as a 2 year journey and already we are seeing the benefits with better quality leads, faster recruitment cycle times and lower recruitment costs.

GROUP FINANCIAL RESULTS

Our profit performance continues to strengthen as a Group and in each of the business lines.

EBITDA was up 56% to \$6.4m. Revenue growth is emerging reflecting the transformation of the Wealth business and the strong performance of the premium funding team to offset premium falls with market share and margin growth.

Legacy claims settlements were well down in FY16. The year-end provision of \$4.7m was unchanged from last year after adjusting for payments and discount unwind. We continue to manage these closely and fairly. We have a number of court cases expected to finalise in the current financial year. These can have unexpected outcomes and we await the findings.

The NPAT included an onerous lease provision of \$1m. We also recognised a further \$1.3m in deferred tax assets compared to \$4.3m last year. The lower deferred tax recognition this year resulted in the NPAT being lower.

The half on half figures are all showing positive trends and we started FY17 with strong momentum.

FY17 STRATEGIC PRIORITIES

We have always had an aggressive change agenda; 2017 is no different.

We will continue to invest in enhancing the items most important to our clients – support in running and growing their businesses and creating a wonderful community of advisers and staff focused on delivering excellent client experiences.

Our salaried advice business launched in FY15 is now at a stage where the business is performing well and we are seeking to accelerate its growth. We are investing in a range of lead generation activities and offers to clients, to both grow the business and also to build our insights and expertise.

We are also investing in growing product solutions designed to improve the client and adviser experience, and to improve margins. We have added Bennelong as a model manager, following on from Russell Investment Management and Dimensional Funds Management being added in the 2H16.

We will complete our strategic review of the premium funding business. This is targeted to complete in the short-term and before our half year results announcement. The purpose of this review is to ensure we maximise the market opportunity and strategic value of this exceptional business.

OUTLOOK

In summary, we are pleased with the progress the business is making in executing on its strategy. The improvement in performance is a result of the previous year's team efforts and we continue to invest more and more in strengthening our offer and our market position.

We are pleased with the start to FY17. Our EBITDA is well ahead of pcp with all business lines contributing strongly with a combination of revenue growth and expense management. We are also seeing continued steady recruitment of new advice firms and growth in premium funding volumes year to date.

Just as importantly, we are increasingly seeing advice firms adopting new professional advice philosophies and improving their client experience. This is seeing the increasing adoption of Centrepoint services and

solutions for which they were designed. As a result, we are seeing strong take up of our managed account solutions as advisers increasingly recognise the significant benefits to their clients and their firms.

We believe we are well placed to benefit from our ongoing improvements and the ongoing disruption in the market. All sectors of the wealth space are being disrupted and the range of opportunities are vast. We are taking a considered approach as to where the greatest value can be created from enhancing the client experience and taking advantage of market disruption.

We look forward to another dynamic year of transformation and growth, both organic and inorganic. I would like to once again thank the team at Centrepoint for another fabulous year of change. The team has evolved considerably over the past year and we now have, in my mind, the best performing team in the market. This is evidenced by the sustainable growth in all areas of our business.

Thank you for your support and we look forward to continuing to grow the value of your business.

Annual General Meeting

29 November 2016



Board Members:

- Alan Fisher – Chairperson
- John de Zwart – Managing Director
- John O’Shaughnessy – Non-executive Director
- Martin Pretty – Non-executive Director
- Hugh Robertson – Non-executive Director
- Georg Chmiel – Non-executive Director

Senior Executives:

- John Cowan – Chief Financial Officer
- Marty Carne – General Counsel
- Soula Cargakis – Distribution & Marketing Executive
- Paul Cullen – Advice Solutions Executive
- Mat Walker – Wealth Solutions Executive
- Debra Anderson – Company Secretary & Senior Corporate Lawyer
- Linda Markwell – Assistant Company Secretary

Company Update

Alan Fisher (Chairman)

The Year In Review

- Shift towards growth & strong FY16 financial performance
- Scale and expertise to design and deliver world class services and open architecture investment solutions to our clients
- Leading the industry through managed accounts solutions and digital innovation
- Investment in the growth of professional advice firms
- Launch of Centrepoint Alliance Foundation
- New and improved Centrepoint brand launched
- Investment in people, technology and client solutions

Company Update

John de Zwart (Managing Director)



Overview

- Centrepont well positioned as a leading Australian wealth firm
- Trusted and respected brand; awareness increasing
- Growth strategy resulting in good growth of new clients and funds
- Premium funding performing strongly
- Entrepreneurial, experienced, capable Board and management team
- Organic and inorganic growth initiatives underway or investigation
- Highly attractive markets

Our Competitive Advantage

- **Centrepont Alliance is uniquely positioned as a leader in Australia's contemporary financial advice industry**
 - early mover to a client centric professional advice services business
 - capturing the benefits from industry disruption
- **A trusted partner to its community of around 500 financial planning firms comprising over an estimated \$25bn in funds under advice**
 - Centrepont uses its scale and expertise to design and deliver world class services and open architecture solutions
- **Centrepont continues to benefit and grow as financial planning clients and their advisers seek trusted solutions**

Highlights – FY16

- Group EBITDA up 56% to \$6.4m. Wealth EBITDA up 54% to \$7.4m and Lending up 13% to \$2.7m
- 59 professional wealth advice firms recruited, up 34% on the prior year
- Centrepoint's Managed Account solution (vMAPs) launched in FY15 continues to gain solid momentum
- Premium funding cost base restructured and growing market share
- Continued enhancement of services, technologies and solutions
- Rebranding and new website successfully completed

Group Financial Results

\$m	2H15	1H16	2H16	2H16 v	FY15	FY16	FY16 v
				2H15			FY15
				(%)			(%)
Revenue	63.6	64.6	65.8	3%	132.9	130.4	-2%
Gross profit	19.1	21.4	20.1	5%	41.8	41.5	-1%
EBITDA	(0.2)	2.4	4.0	21x	4.1	6.4	56%
Underlying Profit before tax	2.7	3.2	4.3	59%	7.0	7.5	7%
NPAT	3.0	0.7	3.6	20%	5.9	4.3	-27%
ROCE p.a.	-6%	12%	18%	4x	6%	14%	133%

- Revenue growth, gross profit and cost to income ratios steadily improving each half year period
- Operating efficiencies continue to be delivered and significant reinvestment occurring in launching new solutions, services and salaried advice
- FY16 NPAT includes deferred tax asset recognition of \$1.3m (FY15 \$4.3m) and an onerous lease provision of \$1.0m (FY15 nil)

FY17 Strategic Priorities

- Continue to leverage our scale to extend the gap between ourselves and our competitors
 - Best in market consulting, service and solutions to empower advice firms
 - Strong community and culture amongst staff and advisers
 - Enhance the use of digital and improve the client experience
- Grow xseedwealth, our direct to market wealth offer
- Explore new client centric product solutions
- Complete strategic review of premium funding
- Deliver year on year revenue and EBITDA growth

Outlook

- Wealth and Funding businesses performing strongly
- Revenue growth coming from increasing market share
- 1H17 profitability is expected to be well ahead of pcg
- Strong growth in new advice firms and funds
- xseedwealth relaunched and moved from loss (investment) to profit
- Complete strategic review of Funding 1H17
- Approve and begin to build new organic initiatives. Launch in 2017
- Centrepoint well positioned and benefitting from being trusted and client centric