APPENDIX 4D

Interim Financial Report

Insignia Financial Ltd (previously IOOF Holdings Ltd)

ABN 49 100 103 722

1. Reporting period — 31 December 2021

Previous corresponding period — 31 December 2020

2. Results for announcement to the market

	$'m	% change from prior year
Revenue from ordinary shareholder activities[1]	1,145.3	up 73%
Profit from ordinary activities after tax attributable to owners of the Company	36.3	down 33%
Underlying Net Profit After Tax (UNPAT)[2]	117.9	up 79%

	Amount per share (cents)	Franked amount per share (cents)
Final dividend for the year ended 30 June 2021		
Paid: 22 September 2021	9.5	9.5
Special dividend for the year ended 30 June 2021		
Paid: 22 September 2021	2.0	2.0
Interim dividend for the year ending 30 June 2022		
Record date: 11 March 2022	11.8	11.8
Payment date: 1 April 2022		

[1]Revenue from shareholder activities excludes those revenues attributable to the activities of the consolidated statutory funds of IOOF Ltd.

[2]UNPAT excludes the impact of certain non-operational financial items. An UNPAT reconciliation is provided on page 6.

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About Insignia Financial Ltd

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

The Insignia Financial Group has been helping Australians secure their financial future since 1846. During that time, the Insignia Financial Group has grown substantially to become one of the largest groups in the financial services industry. The Insignia Financial Group provides advisers and their clients with the following services: Platforms for advisers, their clients and hundreds of employers in Australia; Advice services via an extensive network of financial advisers; and Asset Management products that are designed to suit any investor's needs.

Effective 9 December 2021, the Company changed its name to Insignia Financial Ltd and commenced rebranding the corporate entity to Insignia Financial. The Insignia Financial name is a unifying brand for our people and represents our shared ambition of creating financial wellbeing for all Australians.

Financial highlights

Underlying net profit after tax for the half year ended 31 December 2021 was $117.9m (half year ended 31 December 2020: $65.9m), an increase of $52.0m driven by the inclusion of the MLC business, strong market performance as well as realisation of benefits and synergies from strategic initiatives. Net profit after tax was $36.2m for the half-year ended 31 December 2021 (half year ended 31 December 2020: $53.8m) a decrease of $17.6m driven by higher integration and simplification costs as synergy realisation accelerated, increase in provision for historical remediation costs and the inclusion in 1H21 of a one-off BT settlement ($59.2m pre-tax), partially offset by the inclusion of MLC.

Funds Under Management and Administration (FUMA)

At 31 December 2021, FUMA was $325.8 billion (30 June 2021: $318.7 billion). The growth is supported by targeted product enhancements and strong investment performance. FUMA includes $227.0 billion Funds under Administration (FUA) and $98.8 billion Funds under Management (FUM). FUA increased by $6.0 billion as a result of positive market movements and improved netflows into advised platforms. This was partially offset by pension payments and stabilising net outflows from the acquired MLC and ex-ANZ platforms which are showing signs of reducing following the delivery of product enhancements and strategic repricing initiatives. FUM increased by $1.1 billion driven by market gains, partially offset by mandate losses in MLC's global listed property capability.

Following the completion of the MLC acquisition, the Insignia Financial Group has revised the methodology used across the Group to calculate FUMA in order to ensure consistency of reporting across the business. In addition to consistency, the new methodology is to better align recognition of FUMA with the recognition of revenues. Under the previous FUMA methodology, the FUMA balance at 30 June 2021 was $453.4 billion[1].

Advice

The total number of advisers in the Insignia Financial network was 1,765 at 31 December 2021, a decrease of 183 since 30 June 2021. The decrease arose primarily through the loss of smaller practices in the self-employed channel that are not able to transition to the new sustainable model.

[1] FUMA has decreased by $134.7 billion to remove the impact of client monies being recognised as Master Trust FUA or Investment FUM and again as Portfolio Management FUM.

Significant changes in the state of affairs

In the opinion of the Directors, aside from matters as disclosed in this half year financial report, there were no significant changes in the state of affairs of the Insignia Financial Group that occurred during the half year.

Principal activities

The principal activities of the Insignia Financial Group are:

- **Platforms:** Offering a wide range of financial services solutions on superannuation, investments, and trustee and estate management services to clients including investors, members, employers and advisers.
- **Advice:** Providing quality financial advice that is accessible, affordable and engaging for Australians, and helping clients navigate their way through a range of financial products and services and educating clients to improve their financial literacy.
- **Asset Management:** Delivering strong and consistent returns to clients with access to world-leading investment managers across a broad range of highly rated single and multi-manager funds and other attractive investment opportunities.

Purpose and strategy

The purpose of the Insignia Financial Group is to understand clients' needs, look after clients and secure the financial future for clients. The Insignia Financial Group intends to achieve this through delivering what matters to clients, continuing to promote a ClientFirst culture amongst our people and building a better tomorrow for the community and shareholders.

Key strategic initiatives

Progress against the Insignia Financial Group's key strategic initiatives is set out below:

Evolve 21

In December 2021, the Insignia Financial Group reached an important milestone in simplifying its platform suite with the completion of the Evolve21 programme, migrating $22.1 billion of FUA and 93,000 client accounts to the contemporary, client centred Evolve platform.

Evolve is Insignia Financial Group's proprietary, scalable technology platform that is well positioned to continue to adapt and support the changing needs of clients, advisers and employers, helping transform the wealth management industry. It now administers over $42 billion of client assets across 298,000 accounts and enables the ClientFirst service proposition across adviser, employer, member and investor segments.

Evolve Next migration project has been established to deliver next phase of platform consolidation.

Advice 2.0

The key strategic priority to make advice more affordable, accessible and engaging for Australians while helping businesses become more sustainable and profitable. It consists of three pillars:

- **Client Engagement** includes goals-based advice that is accessible, affordable and engaging to Australians supported by clear and relevant client value propositions.
- **Adviser efficiency** includes market leading, next generation best practice advice models that streamlines advice generation, servicing and governance making advisers more efficient while uplifting advice quality.
- **AFSL (Australian Financial Services Licence) sustainability** involves offering compelling discrete value propositions across each advice channel, which are profitable without the need for cross-subsidisation, and provide advisers with choice reflecting value and risk.

Progress during the period against Advice 2.0 includes:

- The financial advice offering continues to transform under the new sustainable advice model to improve the efficiency of advice practices, reduce our cost-to-serve and support the path to break-even of the Advice business. As at 31 December 2021, the Insignia Financial Group holds active advice service relationships with 1,765 financial advisers, a reduction of 183 advisers from 30 June 2021, mainly from the self-employed channel. Adviser departures in the self-employed channel largely came from small practices that were not able to transition to the new sustainable model. The reduction in adviser numbers reflects the necessary changes required to ensure the financial advice profession can prosper after a period of change, while supporting continued investment in technology and process improvements.
- Integration between Bridges and MLC Advice is well underway for implementation of better ways of working (simplified and enhanced) for the combined business in FY22. This includes the go forward brand strategy for the new combined business, being the Bridges brand, which is most aligned to our future vision and strategy and will resonate most strongly with our current and future clients.
- Wealth Central is the digital engagement platform that is designed to help advisers deliver advice in a more efficient and engaging way, making it a unique differentiator and advantage for our adviser network. Wealth Central has now been rolled out to the employed channel (Shadforth and Bridges) and for self-employed practices in RI Advice, Millennium 3, Lonsdale and Consultum via a comprehensive adoption and implementation program. Plans are also underway to commence roll out to MLC Advice, TenFifty and the Godfrey Pembroke Group in the second half of FY22.

Integration, simplification and synergies

The Insignia Financial Group made further progress in 1H22 executing its integration and simplification priorities and synergy realisation, including the following:

- **Strategic priority refresh:** Articulation of the Insignia Financial Group's strategic ambition which is to provide financial wellbeing to every Australian. This is consistent with the Insignia Financial Group's purpose and ClientFirst foundation and aligned to the pursuit of that ambition. During the period, the Insignia Financial Group conducted a refresh of the governance model to oversee the execution of the strategic priorities: integration and operating model simplification, client engagement and financial wellbeing, product simplification, Advice 2.0, ESG uplift and cultural integration.
- **Organisational design:** Continued work to simplify and optimise the organisational structure. As part of this work, the Technology division was repointed to the Chief Operating & Technology Officer. This new operating model more closely aligns technology with the integration and simplification agenda and allows technology capabilities to be more deeply embedded in Insignia Financial Group's ClientFirst thinking, principles and ways of working.

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- **Separation:** Continued progress on the separation of the ex-ANZ Pensions and Investments (P&I) and MLC businesses, which the Insignia Financial Group is managing as a single program of work. Separation of the P&I business is expected to be completed in 2022, and until this milestone is achieved, ANZ will continue to provide services to Insignia Financial Group under a transitional services agreement. The Insignia Financial Group expects to finalise, by 30 June 2022, plans and timeframes for the separation of the MLC business and until that separation milestone is achieved, NAB will continue to provide services to the Insignia Financial Group under a transitional services agreement.
- **Product simplification:** Platform, product and entity simplification (‘product simplification’) is one of the Insignia Financial Group’s strategic priorities and the key to unlocking benefits of scale for all stakeholders by creating opportunities for growth by investing in and focusing on what matters to clients, reducing risk by reducing complexity and cost to serve, thereby allowing the Insignia Financial Group to create improved outcomes for clients that are economically sustainable. A fundamental part of this simplification is Evolve, a cross functional program of work focused on the delivery of a single contemporary integrated platform for all products. As described above, the first phase of this work, Evolve21, which involved the integration of all heritage Insignia Financial Group proprietary products into Evolve, was completed on schedule in December 2021. During the six months to 31 December 2021, the Insignia Financial Group continued its work to simplify governance structures and processes which will provide a foundation for future production.
- **Synergy targets:** During the interim period to 31 December 2021, the Insignia Financial Group achieved in-period synergies of $22m and annualised saving of $66m. The Insignia Financial Group is ahead of its original plan to achieve the previously announced synergy goal of $218m per annum with cumulative run-rate saving of $122m achieved in the period. Having identified the next platform simplification opportunity, the Insignia Financial Group is continuing to invest in our technology with a new $40-$50 million investment to support planned future platform simplification initiatives and to enhance functionality, expected to be complete by the end of FY23.

Key performance indicators

Underlying net profit after tax

The following table, which has not been audited, provides a reconciliation between the reported results of the Insignia Financial Group and underlying net profit after tax (UNPAT). UNPAT is a non-IFRS metric that is used by management to monitor the performance of the Insignia Financial Group. In calculating UNPAT, the Insignia Financial Group reverses the impact on profit of certain, predominantly non-recurring, items to enable a better understanding of its operational result. It is the UNPAT result which will be analysed in detail in this section of the Directors' Report. During the period, the Insignia Financial Group implemented new principles governing which items qualify for reversing their financial impact on profit. These changes have been implemented prospectively from 1 July 2021. To simplify presentation and improve comparison, certain items have been grouped together in the 31 December 2020 period. There is no change to total UNPAT in the prior comparative period. The items reversed, and the rationale for the reversal, is addressed below.

The current period result includes the performance of the MLC businesses acquired on 31 May 2021. MLC businesses were not part of the Insignia Financial Group for the comparative period.

Shareholders can review the more detailed results presentation by visiting the Company website.

For the six months ended	Note	31 Dec 21	31 Dec 20
		$'m	$'m
Profit for the period		**36.2**	**53.8**
UNPAT adjustments:			
Amortisation of intangible assets		30.0	28.8
Unwind of deferred tax liability recorded on intangible assets		(7.7)	(7.6)
Transformation and integration costs	1-2	47.2	21.8
Project Evolve costs	1-2	7.5	6.4
BT settlement income	1-1	-	(59.2)
Remediation costs	1-2	27.5	-
Legal expenses	1-2	5.0	22.0
Unrealised gain on revaluation of financial instruments		(4.9)	-
Other		-	3.9
Income tax attributable		(22.9)	(4.0)
UNPAT		**117.9**	**65.9**

UNPAT adjustments:

Amortisation of intangible assets: Intangible assets are recognised upon acquisition and other than goodwill are amortised over the expected useful life of the asset. The amortisation of acquired software development costs is not reversed in calculating UNPAT.

Unwind of deferred tax liability recorded on intangible assets: Acquired intangible asset valuations have a higher accounting base than the tax cost base. A deferred tax liability (DTL) is recognised as there is an embedded capital gain should the assets be divested which represents the difference between accounting values and tax bases at 30%. The recognition of DTL and subsequent reductions are not part of recurring operating activities and are regarded as highly unlikely to be realised due to the Insignia Financial Group's intention to hold these assets long term.

Transformation and integration costs: As the Insignia Financial Group implements its transformation agenda post completion of the MLC and ANZ P&I acquisitions, this category includes transaction costs associated with external advisers, upfront costs of securing finance and internal staff and specialist contractor costs relating to integration. Costs include project labour costs, redundancy and termination costs, IT and other consultancy fees, outsourced hosting services and Adviser recognition program costs which are not part of recurring operating activities.

Project Evolve: Project labour costs and IT consultancy fees associated with the Insignia Financial Group's proprietary Evolve platform project. It is considered to be a one-off cost to bring multiple heritage platforms together in preparation for integration and simplification of acquisitions.

BT settlement income: One-off settlement revenue in connection with the termination of the platform relationship with BT Portfolio Services Ltd in the first half of FY21.

Remediation costs: Movements in remediation provisions relating to the Insignia Financial Group's various remediation programs other than payments to customers or external providers.

Legal expenses: Expenditure relating to defending and settlement of judgments from legal proceedings.

Unrealised (gains)/losses on revaluation of financial instruments: Movements in the valuation of the embedded derivative that forms part of the Subordinated Loan Notes, and other financial instruments that have derivative components.

Other: In the prior period, includes Advice 2.0 costs, regulatory and governance costs, impairment losses and non-recurring professional fees paid.

Income tax attributable: This represents the income tax applicable to certain adjustment items outlined above.

Key financial results

For the six months ended	31 Dec 21	31 Dec 20	Movement	
	$'m	$'m	$'m	%
Gross margin	778.4	350.8	427.6	121.9%
Operating expenditure	(569.2)	(239.8)	(329.4)	137.4%
Net financing	(15.2)	(3.4)	(11.8)	347.1%
Net non-cash items	(28.9)	(15.0)	(13.9)	92.7%
Income tax expense and non-controlling interest	(47.2)	(26.7)	(20.5)	76.8%
UNPAT	**117.9**	**65.9**	**52.0**	**78.9%**

Gross margin

Increase in gross margin is primarily driven by the inclusion of the MLC business, further supported by the growth in FUMA underpinned by market performance and re-pricing initiatives.

Operating expenditure

Increase in operating expenditure is due to the inclusion of MLC business, partially offset by the emergence of synergy benefits.

Net financing costs

Increase in net financing costs is largely driven by the funding costs as a result of the MLC acquisition.

Net non-cash items

Increase in net non-cash items is largely driven by an increase in amortisation of right of use assets associated with the MLC acquisition and a $7.8m impairment of assets in the first half of FY22.

Shareholder returns

The Insignia Financial Group dividend is determined based on financial performance. The Insignia Financial Group seeks to offer an attractive yield when assessed against other investment options. The Board also understands that dividend payments should not hinder future organisational plans. The Board has therefore determined that a pay-out ratio range of 60% - 90% of UNPAT is generally appropriate, but not binding, in relation to ordinary dividends.

Total Shareholder Return (TSR) measures the change in share value over a specified period together with the return by way of dividends received. The Insignia Financial Group's TSR in the 5-year period from 1 January 2017 was -40.3% in total and -9.8% on a compounding annualised basis. The TSR for the 12 months to 31 December 2021 was 9.4% with a share price increase of 2.8% and a dividend yield of 6.6%.

	Six months ended		
	31 Dec 21	31 Dec 20	% change
Profit after tax attributable to owners of the Company ($'m) (1)	36.3	53.8	(32.5%)
Profit after tax for the period ($'m)	36.2	53.8	(32.7%)
Basic EPS (cents per share)	5.6	10.1	(44.6%)
Diluted EPS (cents per share)	5.6	10.1	(44.6%)
UNPAT ($'m)	117.9	65.9	78.9%
UNPAT EPS (cents per share)	18.2	12.4	46.8%
Dividends declared ($'m) (2)	76.6	74.7	2.5%
Dividends per share (cents per share) (2)	11.8	11.5	2.6%
Opening share price	$4.27	$4.53	(5.7%)
Closing share price	$3.62	$3.52	2.8%
Return on equity (non-statutory measure) (3)	9.44%	5.70%	65.6%

(1) Profit attributable to owners of the Company has been calculated in accordance with Australian Accounting Standards.

(2) Dividends declared and dividends per share are on an accruals basis.

(3) Return on equity is calculated by dividing UNPAT by average equity during the period on an annualised basis.

Segment analysis

For the six months ended	31 Dec 21	31 Dec 20	Movement	
Platforms	**$'m**	**$'m**	**$'m**	**%**
Gross margin	540.7	227.4	313.3	137.8%
Operating expenditure	(321.1)	(136.9)	(184.2)	134.6%
Net financing	(1.0)	0.5	(1.5)	(300.0%)
Net non-cash items	(8.1)	(8.8)	0.7	(8.0%)
Income tax expense and non-controlling interest	(63.2)	(24.9)	(38.3)	153.8%
UNPAT	**147.3**	**57.3**	**90.0**	**157.1%**

- Gross margin increased as a result of inclusion of the MLC platform business. Excluding MLC, the increase was driven by improved market performance over the last 18 months and an uplift from Smart Choice re-pricing. These were partially offset by re-pricing of OneAnswer Frontier index options in September 2021.
- Operating expenditure increased as a result of inclusion of the MLC business, partially offset by the realisation of synergy benefits.

For the six months ended	31 Dec 21	31 Dec 20	Movement	
Advice	**$'m**	**$'m**	**$'m**	**%**
Gross margin	114.2	91.5	22.7	24.8%
Operating expenditure	(145.2)	(74.4)	(70.8)	95.2%
Net financing	(0.7)	(0.3)	(0.4)	133.3%
Net non-cash items	(10.2)	(5.1)	(5.1)	100.0%
Income tax expense and non-controlling interest	13.6	(3.8)	17.4	(457.9%)
UNPAT	**(28.3)**	**7.9**	**(36.2)**	**(458.2%)**

- Gross margin increased as a result of inclusion of the MLC Advice businesses and re-pricing in the self-employed channel. Excluding MLC Advice businesses, net operating revenue reduced slightly due to the termination of the BT contract in December 2020 and the cessation of grandfathered commissions.
- Operating expenditure increased as a result of inclusion of the MLC business, partially offset by synergy benefits realised from the Advice 2.0 strategic initiative, largely attributable to rationalisation of back-office functions and licensees.
- Net non-cash items increased as a result of $4.4m impairment of assets.

For the six months ended	31 Dec 21	31 Dec 20	Movement	
Asset Management	**$'m**	**$'m**	**$'m**	**%**
Gross margin	123.0	30.8	92.2	299.4%
Operating expenditure	(69.1)	(7.0)	(62.1)	887.1%
Net financing	(0.2)	-	(0.2)	large
Net non-cash items	(1.8)	(0.7)	(1.1)	157.1%
Income tax expense and non-controlling interest	(13.7)	(7.0)	(6.7)	95.7%
UNPAT	**38.2**	**16.1**	**22.1**	**137.3%**

- Gross margin increased as a result of inclusion of the MLC business which includes performance fees and share of associates profits. Excluding MLC, increase in gross margin is driven by a higher FUM due to strong investment markets.
- Operating expenditure increased as a result of the inclusion of the MLC business. Excluding MLC, operating expenditure remains broadly in line with prior comparative period.

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For the six months ended	31 Dec 21	31 Dec 20	Movement	
Corporate	**$'m**	**$'m**	**$'m**	**%**
Gross margin	0.5	1.1	(0.6)	(54.5%)
Operating expenditure	(33.8)	(21.5)	(12.3)	57.2%
Net financing	(13.3)	(3.6)	(9.7)	269.4%
Net non-cash items	(8.8)	(0.4)	(8.4)	2,100.0%
Income tax benefit and non-controlling interest	16.1	9.0	7.1	78.9%
UNPAT	**(39.3)**	**(15.4)**	**(23.9)**	**155.2%**

- Increase in operating expenditure is due to inclusion of the MLC business and an increase in employee expenses.
- Decrease in UNPAT is impacted by the increase in funding costs and as result of the MLC acquisition, depreciation of property and equipment and impairment of investments.

Capital and liquidity management

Capital and liquidity are assessed on a monthly basis to ensure license requirements and lending covenants are currently, and will continue to be, met. As part of this process any capital or liquidity surplus or needs are identified across the Insignia Financial Group. Existing balance sheet capacity is expected to remain sufficient for the near future.

Risk management

The Insignia Financial Group manages a number of risks in conducting its operations and implementing its strategy. Material risks faced by the Insignia Financial Group include, but may not be limited to:

Key risk categories	Our response to manage this risk
Strategic and tactical	
(i) Competition The risk that the Insignia Financial Group does not keep pace with developments in the markets in which we operate may result in competitive conditions adversely impacting the level of assets managed and earnings available to us.	Continuously investing in client service, product design and stakeholder relationships, among other improvements.
(ii) Dependence on key personnel The risk that the Insignia Financial Group's continued ability to compete effectively is impacted by our capacity to attract, retain and motivate our people. The loss of key personnel without suitable replacement could disrupt our operations in the short term.	Undertake succession planning and offer competitive employment conditions and benefits to manage this risk.
(iii) Dependence on financial advisers The success of the Insignia Financial Group's advice and platform business is dependent on the quality of our relationships with financial advisers and, in turn, the quality of their relationships with their clients.	Monitor and, where necessary, enhance our service levels, technological capability, product offerings and professional training.
(iv) Acquisitions The risk that any acquired business is not effectively managed which may negatively impact the potential benefits of the new business and adversely affect the Insignia Financial Group 's financial position.	We have a significant complement of people experienced in acquisitions and specialist advisers to support the assessment and management of the acquisition and implementation risks.
(v) Environmental, social and governance (ESG) ESG risks can have a material impact on our ability to deliver sustainable long-term outcomes for our clients, investors and the community.	To ensure we fulfil our purpose, we consider a broad range of ESG risks and opportunities. Our ESG activities are discussed in the ESG section of the 2021 annual report.
(vi) Integration of P&I and MLC businesses - Successful integration of the P&I and MLC businesses to realise the synergies and create an efficient business for the future. Failure to successfully integrate could give rise to unnecessary costs, increased complexity and regulatory burden and higher risks.	The Chief Transformation Officer role, as a direct report of the CEO, and the integrations will be managed as one joint program of work with appropriate governance structures. Detailed Integration plan with sufficient resourcing assigned to all business functions.

Key risk categories	Our response to manage this risk
Governance	
(vii) Governance The risk that the governance framework is not adequate to manage conflicts of interest, member interests or our legal and regulatory obligations in line with regulatory and community expectations.	The Insignia Financial Group continues to strengthen the quality of its governance frameworks. This is supported by corporate structures with independent Boards and Committees aligned with their regulatory obligations. The Member Office and Office of the Responsible Entity aligned with the Insignia Financial Group's RMF's three lines of defence model govern risk management and compliance activities across the Insignia Financial Group.
(viii) Volume and complexity of regulatory change – the Insignia Financial Group is required to implement large volumes of complex regulatory changes, at times within relative short time frames.	A dedicated team within Enterprise Risk & Compliance to oversee all regulatory change activities. This team is supported by the Corporate Affairs teams for change activities as well as Transformation Office and dedicated business implementation teams.
Reputation	
(ix) Brand and reputation Actions which damage the Insignia Financial Group's brand and reputation may impact our ability to attract and retain the support of clients, people, financial advisers, and employers, as well as our future profitability and financial position.	We have controls, processes and procedures in place to mitigate this risk. In particular we have a Complaints policy and procedure in place for our clients, and a Whistleblower policy to protect our people. We also proactively promote the value of our services, products and community initiatives and focus on building a ClientFirst culture.
Conduct	
(x) Misconduct The risk of our conduct intentionally or unintentionally delivering poor outcomes for stakeholders (including clients, people and shareholders). It is about how we treat our stakeholders (including fairness of outcomes) and whether our products and services meet our stakeholders' needs and expectations.	Our management of conduct risk is supported by the Insignia Financial Group Code of Conduct, which sets out the values of professional and personal conduct which apply to all our people. These include acting within the law and in the best interests of our members, clients, shareholders and the Insignia Financial Group at all times.
(xi) Provision of investment advice The Insignia Financial Group's financial advisers and authorised representatives provide advice to clients and may be exposed to regulatory action or litigation if the advice is judged to be incorrect, if the authorised representative otherwise becomes liable for client losses, and in certain other circumstances.	This risk is managed by having high professional, educational, compliance, assurance and training standards for our advisers and authorised representatives. The potential financial impact is mitigated by appropriate levels of insurance cover. The Insignia Financial Group also undertakes a rolling program of compliance reviews of advisers.

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Key risk categories	Our response to manage this risk
Financial and liquidity	
(xii) Interest rate and cash flow This is the risk to the Insignia Financial Group's earnings and capital arising from changes in market interest rates. Financial instruments that may be impacted by interest rate risk include cash and cash equivalents, certificates of deposit, loans and borrowings. Short and long-term investment mixes and loans to related entities are influenced by liquidity policy requirements.	Interest rates (both charged and received) are based on market rates and are closely monitored by management. They are primarily at variable rates of interest and may expose the Insignia Financial Group to cash flow interest rate risk.
(xiii) Liquidity Liquidity risk relates to the Insignia Financial Group having insufficient liquid assets to cover cash flow requirements.	We manage liquidity risk by maintaining sufficient liquid assets and an ability to access a committed line of credit. The liquidity requirements of our licensed entities are regularly reviewed and carefully monitored in accordance with their licence requirements.
(xiv) Financing Financing risk refers to the Insignia Financial Group's inability to refinance debt facilities or to secure new financing on satisfactory terms which could adversely affect our financial performance and prospects. To the extent that this occurs, we may not be able to take advantage of acquisition and other growth opportunities, develop new ideas or respond to competitive pressures, which may have an adverse impact on our financial position and performance.	This risk is minimised through oversight by a dedicated Treasury function with established policies and procedures which are subject to continuous monitoring and review. Banking covenants are regularly reviewed to ensure any potential issues are identified and mitigated to the extent necessary well in advance.
Investment governance	
(xv) Changes in investment markets The Insignia Financial Group derives a significant proportion of its earnings from fees and charges based on the level of funds under management, administration and advice (FUMA). Among other factors, the level of FUMA reflects the performance of investment markets. Changes in domestic or global investment market conditions could lead to a decline in FUMA, adversely impacting the amount we earn in fees and charges, as well as reduced client interest in our financial products and services.	To manage this risk, we offer a range of products and services suitable for different investment markets and establish comprehensive investment governance committees, policies and procedures that are subject to continuous monitoring and oversight.

Key risk categories	Our response to manage this risk
Operational	
(xvi) Operational Operational risks may arise in the daily functioning of the Insignia Financial Group's businesses, in connection with investment management, tax and financial advice, legal and regulatory compliance, product commitments, process error, system failure, failure of security and unit pricing errors, among other functions.	This is managed through the Insignia Financial Group's Risk Management Framework which includes systems, structures, policies, procedures, and people to identify, measure, evaluate, monitor, report, control and mitigate internal and external risks.
(xvii) Remediation activities Remediation activities across various areas of the business - references the timely, effective and accurate execution of these remediation activities to ensure client detriment is resolved, meet the requirements of regulators and mitigate the risk of reputational damage.	To manage this risk, remediation exercises are adequately resourced. Governance structures are in place to consider and manage the issues and risks of remediation delivery. Regular updates are provided to regulators.
(xviii) Information technology The Insignia Financial Group relies heavily on information technology (IT). A significant or sustained failure in the core technology systems could materially affect our operations, which could impact our future profitability and financial position.	We have implemented a next-generation firewall, and pursue continuous improvements to protect user devices and impose segregation of duties between technology environments. More broadly, we apply controls (including disaster recovery testing) and procedures which are subject to continuous monitoring and oversight, while ensuring there are experienced people and specialist IT advisers.
(xix) Cyber security There is a risk of significant failure in the Insignia Financial Group 's operations or material financial loss as a result of cyber-attacks.	We have implemented measures and controls that address identification, detection, monitoring and response in relation to cyber threats. Cyber security controls are aligned with those employed to minimise IT risks.
(xx) COVID-19 could impact staffing levels and work capacity in the short term. The ongoing situation may also further delay the ability for staff to collaborate together physically.	Continued use of collaboration technology and working from home arrangements. Continued use of flexible working arrangements to enable caring if required. Our Work Life program set up to ensure a safe return to the office.

COVID-19

The COVID-19 pandemic has continued throughout the period. There is still uncertainty on the likely duration of the pandemic as well as the impact on the economy and domestic and global markets continue to experience volatility as a result. The Insignia Financial Group endeavours to maintain the service standards to clients and has been able to manage operations without impacting debt covenants or long-term viability.

Insignia Financial Ltd - Appendix 4D for the six months ended 31 December 2021

3. Net tangible assets

	31 Dec 21 (cents)	31 Dec 20 (cents)
Net tangible assets/(liabilities) per share*	(36.5)	122.3

*Net tangible assets/(liabilities) equate to net assets excluding goodwill, right-of-use assets, intangible assets, and deferred tax liabilities arising from acquisitions.

4. Entities over which control has been gained or lost

The Insignia Financial Group disposed the following entity during the period:

Name	Disposal date
Polaris Financial Solutions Pty Limited	23 November 2021

5. Dividends

	$'m	Amount per share (cents)	% Franked
Final dividend for the year ended 30 June 2021	61.7	9.5	100%
Special dividend for the year ended 30 June 2021	13.0	2.0	100%
Interim dividend for the year ending 30 June 2022	76.6	11.8	100%
Record date for determining entitlements to dividends		11 March 2022	
Payment date of interim dividend		1 April 2022	

6. Dividend reinvestment plans

On 24 February 2022, the Board approved the introduction of a Dividend Reinvestment Plan (DRP) effective from the FY22 interim dividend. The DRP will be offered at a 1.5% discount to the volume weighted average price of Insignia Financial shares over the pricing period in accordance with the DRP Rules. Eligible shareholders who wish to participate in the DRP must lodge a DRP Election Form / Notice of Variation with the Share Registry (or record the election online). The last date for the receipt of an election notice for participation is 14 March 2022.

7. Details of associates and joint venture entities

Associates	Ownership interest at the end of period		Share of profit/(loss)	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	%	%	$'m	$'m
Intermede Investment Partners Limited	40.0	-	3.9	-
JANA Investment Advisers Pty Ltd	45.0	-	1.8	-
Other associates			0.4	(0.7)
			6.1	(0.7)

8. Earnings per share

	31 Dec 21 (cents)	31 Dec 20 (cents)
Basic earnings per share	5.6	10.1
Diluted earnings per share	5.6	10.1
UNPAT earnings per share	18.2	12.4

	31 Dec 21 (No. 'm)	31 Dec 20 (No. 'm)
Weighted average number of ordinary shares		
Basic and UNPAT earnings per share	648.5	531.0
Diluted earnings per share	650.5	531.8

At 31 Dec 21, there were no options outstanding (31 Dec 20: nil).

9. Other

The information contained in this Appendix 4D is based on the 31 December 2021 condensed consolidated interim financial report of Insignia Financial Ltd (previously IOOF Holdings Ltd) which has been subject to review by KPMG. A copy of the financial report is attached.

Further information regarding the Insignia Financial Group and its business activities can be obtained at the Company's website.