

I.O.O.F. Investment Management Limited

ABN 53 006 695 021

Annual Report - 30 June 2025

I.O.O.F. Investment Management Limited
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30 June 2025

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I.O.O.F. Investment Management Limited
Directors' Report
30 June 2025

The Directors present their report, together with the financial statements of I.O.O.F. Investment Management Limited ("the Company") for the year ended 30 June 2025 and the auditor's report thereon. The ultimate parent entity is Insignia Financial Ltd.

Directors

The following persons were Directors of the Company during the entire financial year and up to the date of this report, unless otherwise stated:

Danielle Press (appointed 19 September 2024)
Beth McConnell
Marianne Perkovic
Mario Pirone
Steven Schubert
Lindsay Smartt (ceased 31 December 2024)
Karen Gibson (ceased 31 March 2025)

Principal activity

The Company is a for-profit entity and its principal activity during the course of the year was to act as a corporate trustee for the following Registrable Superannuation Entities (RSEs) under an instrument of approval granted by the Australian Prudential Regulation Authority ("APRA"):

- AvWrap Retirement Service
- IOOF Portfolio Service Superannuation Fund

There were no significant changes in the nature of the activities of the Company during the year.

Dividends

Dividends of \$6,000,000 (2024: \$1,000,000) were paid during the year ended 30 June 2025.

Review of operations

The profit after income tax of the Company was \$4,574,000 (2024: \$109,000).

The increase in profit for the year is driven by the increase in management fee revenue following the Successor Fund Transfer (SFT) of MLC Wrap in March 2024 and higher fund expense recoveries, partially offset by the increase in operating expenses as a result of the SFT.

Effective 1 October 2024, Oasis Asset Management Limited, a wholly owned subsidiary of Insignia Financial Ltd, became the administrator of the IOOF Portfolio Service Superannuation Fund which the Company is a Trustee of.

State of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the reporting period

On 22 July 2025, Insignia Financial Ltd (Insignia Financial), the Company's ultimate parent entity announced that it had entered into a Scheme of Implementation Deed (SID) under which CC Capital has agreed to acquire all of the issued shares in Insignia Financial pursuant to a scheme of arrangement (Scheme) for cash consideration of \$4.80 per share.

The Insignia Financial Board has unanimously recommended that shareholders vote in favour of the Scheme in the absence of a superior proposal, and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Insignia Financial shareholders.

The Scheme is subject to various conditions, including approval by Insignia Financial shareholders and regulatory approvals from the APRA, the Foreign Investment Review Board and the Australian Competition and Consumer Commission.

Subject to Insignia Financial shareholders approving the Scheme and the other conditions being satisfied (or, if applicable, waived), Insignia Financial expects that the Scheme will be implemented in the 1st half of calendar year 2026.

There were no other material events subsequent to 30 June 2025 and up to the date of signing the report.

Future developments

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report because disclosures of the information would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Environmental, social and governance ("ESG") risks can have a material impact on the Company's ability to deliver sustainable long-term outcomes for clients, investors and the community.

To ensure the Company fulfils its purpose, the Insignia Financial Ltd and its subsidiaries (collectively referred to as the "IFL Group"), considers a broad range of ESG considerations. The IFL Group's ESG activities are discussed in the ESG section of its Directors' Report and the Sustainability Report included in the annual report.

Company secretaries

The following persons were company secretaries during the entire financial year and up to the date of this report, unless otherwise stated:

Christopher Tay
Sharyn Cowley

Indemnification and insurance of officers

During the financial year, Insignia Financial Ltd and its controlled entities paid a premium to insure the Directors, secretaries, and general officers of the Company.

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

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars unless otherwise indicated.

Auditor's independence declaration

The lead auditor's independence declaration is set out on page 3 of the annual report and forms part of the Directors' report.

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



Mario Pirone
Director

19 August 2025



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

To the Directors of I.O.O.F. Investment Management Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of I.O.O.F. Investment Management Limited for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Dean Waters', with a stylized flourish at the end.

Dean Waters

Partner

Melbourne

19 August 2025

I.O.O.F. Investment Management Limited
Statement of comprehensive income
For the year ended 30 June 2025

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Revenue			
Management fee revenue	4	214,347	152,470
Interest income		711	1,008
Other revenue	5	3,250	2,383
Expenses			
Service fee and other direct costs	6	(2,964)	(1,718)
Operating expenses	7	(206,342)	(152,921)
Other expenses		(2,461)	(1,075)
Profit before tax		6,541	147
Income tax expense	8	(1,967)	(38)
Profit after tax		4,574	109
Other comprehensive income		-	-
Total comprehensive income		4,574	109

The above Statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements

I.O.O.F. Investment Management Limited
Statement of financial position
As at 30 June 2025

	Note	30 June 2025	30 June 2024
		\$'000	\$'000
Assets			
Cash and cash equivalents	9	10,649	19,076
Receivables		55,653	49,694
Financial assets measured at fair value through profit or loss	10	345	574
Deferred tax assets	11	892	815
Total assets		67,539	70,159
Liabilities			
Payables	12	57,173	58,578
Provisions		211	-
Total liabilities		57,384	58,578
Net assets		10,155	11,581
Equity			
Share capital	13	31,634	31,634
Reserves	15	(12,164)	(12,164)
Accumulated losses		(9,315)	(7,889)
Total equity		10,155	11,581

The above Statement of financial position should be read in conjunction with the accompanying notes to the financial statements

I.O.O.F. Investment Management Limited
Statement of changes in equity
For the year ended 30 June 2025

	Note	Share Capital \$'000	Common Control Reserve \$'000	Accumulate d losses \$'000	Total Equity \$'000
Balance at 1 July 2023		31,634	(12,164)	(6,998)	12,472
Profit after tax		-	-	109	109
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	109	109
Dividend paid	14	-	-	(1,000)	(1,000)
Total capital transactions		-	-	(1,000)	(1,000)
Balance at 30 June 2024		31,634	(12,164)	(7,889)	11,581

		Share Capital \$'000	Common Control Reserve \$'000	Accumulated losses \$'000	Total Equity \$'000
Balance at 1 July 2024		31,634	(12,164)	(7,889)	11,581
Profit after tax		-	-	4,574	4,574
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	4,574	4,574
Dividend paid	14	-	-	(6,000)	(6,000)
Total capital transactions		-	-	(6,000)	(6,000)
Balance at 30 June 2025		31,634	(12,164)	(9,315)	10,155

The above Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements

I.O.O.F. Investment Management Limited
Statement of cash flows
For the year ended 30 June 2025

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Cash flows from operating activities			
Receipts from customers and related parties		232,337	154,465
Payments to suppliers and related parties		(233,508)	(148,375)
Interest income received		711	1,008
Income tax paid		(1,967)	(38)
Net cash from operating activities	19	(2,427)	7,060
Cash flow from financing activities			
Dividend paid	14	(6,000)	(1,000)
Net cash from financing activities		(6,000)	(1,000)
Net (decrease) / increase in cash and cash equivalents		(8,427)	6,060
Cash and cash equivalents at the beginning of the year		19,076	13,016
Cash and cash equivalents at the end of the year		10,649	19,076

The above Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements

Note 1. General information

I.O.O.F. Investment Management Limited ("the Company") is a company limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity. The address of the Company's registered office and principal place of business are:

Registered office
Level 1
800 Bourke Street
Docklands VIC 3008

Principal place of business
Level 1
800 Bourke Street
Docklands VIC 3008

Principal activities

The Company's principal activities during the course of the financial year were to act as the corporate trustee for Registrable Superannuation Entities (RSEs) under an instrument of approval granted by the Australian Prudential Regulation Authority (APRA).

These financial statements are prepared for the Company as an individual entity. The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 19 August 2025.

Note 2. Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Certain comparative amounts have been reclassified to conform with the current year's presentation.

Basis of preparation

These general purpose tier one financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis of measurement

The financial information has been prepared in accordance with the historical cost convention except for certain assets and liabilities as described in the accounting policies below.

Rounding

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

Functional and presentation currency

The financial statements are presented in Australian dollars ("AUD"), which is the Company's functional and presentation currency.

New accounting standards and amendments to accounting standards issued but not yet effective

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

AASB 18 Presentation and Disclosure in Financial Statements

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

Note 2. Material accounting policies (continued)

Basis of preparation (continued)

Revenue

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

Management fee income

The Company provides superannuation fund management and administration services. Fees from these services are predominantly calculated based on an agreed percentage of the respective funds under administration, as disclosed in the respective product disclosure statements. The provision of these services is typically a single performance obligation and fees are earned on a daily basis and generally collected monthly.

Management fee income is recognised in the profit or loss over the period in which the service is provided, net of any rebates.

Other fees principally comprise revenues for other services and are recognised as the relevant service is provided and it is probable that the fee will be collected.

There are no judgements that significantly affect the determination of the amount and timing of revenue from contracts.

Interest income

Interest income includes interests earned on bank deposits and coupon interests on fixed income financial assets measured at FVTPL.

Net gains or losses on financial assets measured at fair value

Gains and losses from changes in the fair value of investments recognised at fair value through profit or loss are recognised in the profit and loss in the period they occur.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment (including fund expense recoveries) is established.

Expenses

Service fees and other operating expenses are recognised in profit and loss on an accrual basis.

Income tax

Income tax expense comprises current and deferred tax.

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset only if certain criteria are met.

The Company is a member of a tax consolidated group. The head entity of the tax consolidated group is Insignia Financial Ltd. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts.

Note 2. Material accounting policies (continued)

Income tax (continued)

The Company and other members of the tax consolidated group have entered into a tax sharing and funding agreement. Assets or liabilities arising under the agreement are recognised as amounts receivable from or payable to the head entity.

Assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Receivables

Receivables are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Receivables are initially measured at the transaction price.

The Company holds receivables with the objective of collecting the contractual cash flows and subsequently measures these receivables at amortised cost.

Loss allowances are recognised for expected credit losses on receivables. Loss allowances are measured at an amount equal to lifetime expected credit losses as these receivables do not contain a significant financing component.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to the credit risk.

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

Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial assets measured at FVTPL includes fixed income securities and derivatives the Company holds as part of the operational risk financial requirements (ORFR).

A financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets measured at FVTPL are measured at fair value and net gains and losses are recognised in profit or loss. Coupon interests on fixed income investments are presented as interest income.

A financial asset is derecognised when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred.

Liabilities

Payables

Payables represent liabilities for services provided to the Company prior to the end of the financial year and which are unpaid. They are short term in nature and are subsequently measured at amortised cost. The amounts are unsecured and are paid within commercial terms.

Note 2. Material accounting policies (continued)

Equity

Ordinary shares

Ordinary shares in the Company are recognised at the amount paid per ordinary share net of directly attributable issue costs.

Reserves

Common Control Reserve

This reserve is used in the event that intangibles or goodwill are impaired at the legal entity level but associated cash flows from the acquisitions continue to reside within the consolidated group. As no external loss should be recognised through the Statement of comprehensive income, the impairment impact is recognised in the reserve and reversed on consolidation of the IFL Group.

Presentation

Offsetting of income and expenses

Income and expenses are not offset unless required or permitted by an accounting standard. This generally arises in the following circumstances:

- where income and expense arise from a group of similar transactions, such as rebates on management fee income;
- where amounts are collected on behalf of third parties, where the Company is, in substance, acting as an agent only, such as adviser service fees; or
- where costs are incurred on behalf of customers from whom the Company is reimbursed.

Offsetting assets and liabilities

Assets and liabilities are offset and the net amount presented in the statement of financial position only where there is:

- a current enforceable legal right to offset the asset and liability; and
- an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Goods and services tax

Income, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is paid by a related entity within the wholly owned group with a corresponding intercompany balance recognised by the Company.

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

Note 3. Critical estimates, judgements and assumptions used in applying accounting policies

In preparing these financial statements, management has made judgements and estimates about the future that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Other than those discussed below or elsewhere in the financial statements, management have not made any significant accounting judgements, estimates or assumptions in preparing these financial statements.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Management fee revenue

	30 June 2025	30 June 2024
	\$'000	\$'000
Management fees	202,013	140,074
Other fee income	12,334	12,396
Total management fee revenue	214,347	152,470

Note 5. Other revenue

	30 June 2025	30 June 2024
	\$'000	\$'000
Fund related expense recovery	3,244	2,337
Fair value (loss)/ gain on financial assets	(5)	28
Sundry income	11	18
Total other revenue	3,250	2,383

Note 6. Service fee and other direct costs

	30 June 2025	30 June 2024
	\$'000	\$'000
Custody fees	(2,676)	(1,691)
Other direct costs	(288)	(27)
Total service fee and other direct costs	(2,964)	(1,718)

Note 7. Operating expenses

	30 June 2025	30 June 2024
	\$'000	\$'000
Administration expenses	(3,063)	(2,273)
Operating expenses paid to related parties	(202,481)	(148,689)
Fund related expenses	(798)	(1,959)
Total operating expenses	(206,342)	(152,921)

Note 8. Income tax expense

	30 June 2025	30 June 2024
	\$'000	\$'000
Recognised in profit or loss		
Current tax	(2,042)	(44)
Adjustment for prior year	(2)	-
	<u>(2,044)</u>	<u>(44)</u>
Deferred tax	80	6
Adjustment recognised in the current year in relation to the deferred tax of prior year	(3)	-
	<u>77</u>	<u>6</u>
Income tax expense	<u>(1,967)</u>	<u>(38)</u>
<i>Reconciliation of income tax expense and tax at the statutory tax rate</i>		
Profit before income tax	6,541	147
Tax at the statutory tax rate of 30% (2024: 30%)	(1,962)	(44)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Accounting distribution from unlisted unit trusts	-	6
Adjustment recognised for prior periods	(5)	-
Income tax expense	<u>(1,967)</u>	<u>(38)</u>

Note 9. Cash and cash equivalents

	30 June 2025	30 June 2024
	\$'000	\$'000
Cash at bank	7,275	15,846
Cash held as Operational Risk Financial Reserve*	3,374	3,230
Total cash and cash equivalents	<u>10,649</u>	<u>19,076</u>

*Refer to Note 16 for further details.

Note 10. Financial assets measured at fair value through profit or loss

	30 June 2025	30 June 2024
	\$'000	\$'000
Unlisted unit trusts*	345	574
Balance at the end of the year	<u>345</u>	<u>574</u>
Current	-	-
Non-current	345	574
Total	<u>345</u>	<u>574</u>

*Unlisted unit trusts are investments in an unlisted unit trust related managed by a related entity in the IFL Group.

Note 11. Deferred tax assets

	30 June 2025	30 June 2024
	\$'000	\$'000
Deferred tax assets / (liabilities) comprise temporary differences attributable to:		
Change in market value of investments	(86)	(104)
Intangibles and fixed assets	915	919
Provisions	63	-
Total deferred tax assets	892	815

Reconciliation of movements

Net carrying amounts at the beginning of the year	815	809
Recognised in profit or loss	77	6
Carrying amount at the end of the year	892	815

Note 12. Payables

	30 June 2025	30 June 2024
	\$'000	\$'000
Fees payables	27,512	24,175
Payables to related parties	29,661	34,403
Total payables	57,173	58,578

Note 13. Share capital

	30 June 2025 Shares	30 June 2024 Shares	30 June 2025 \$	30 June 2024 \$
Ordinary shares - fully paid	31,633,832	31,633,832	31,633,832	31,633,832

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There were no changes in share capital during the year (2024: Nil).

Note 14. Dividends paid

	30 June 2025	30 June 2024
	\$'000	\$'000
Dividend on ordinary shares		
Final dividend for 2023: 3 cents per share	-	1,000
Interim dividend for 2025: 19 cents per share	6,000	-
Total dividends paid by the Company during the year	6,000	1,000

Note 15. Reserves

	30 June 2025 \$'000	30 June 2024 \$'000
Common control reserve	(12,164)	(12,164)
Total reserves	(12,164)	(12,164)

Common control reserve

The common control reserve recognises that cash flows from former acquisitions continue to reside within the consolidated group and therefore there has been no external loss which should be recognised through the Statement of comprehensive income. This reserve is used in the event that intangibles or goodwill are impaired at the legal entity level. The impairment impact is then reversed on consolidation of the IFL Group.

Note 16. Capital management

The Company is capitalised with share capital and retained earnings. This capital is held to meet regulatory and operational requirements that reflect the risk of the Company. The level of capital is actively managed to maintain capital adequacy and efficiency with reference to these requirements.

The Company must remain solvent at all times in accordance with the *Corporations Act 2001*.

The Company is also regulated by APRA and has been issued a Registrable Superannuation Entity ("RSE") Licence and therefore must comply with APRA's prudential standards and practice guides associated with an RSE Licence.

In complying with APRA's Prudential Standard SPS 114 "Operational Risk Financial Requirement" (ORFR), the Company has continued to operate within its Board approved ORFR Target and tolerances. As at 30 June 2025, the ORFR requirement had been met through operational risk reserves of \$183m within the IOOF Portfolio Service Superannuation Fund (30 June 2024: \$164.3m), \$1.2m within AvWrap Retirement Service (30 June 2024: \$1.2m) and \$3.4m within the Company for AvWrap Retirement Service (30 June 2024: \$3.2m).

The Company has complied with APRA capital requirements during the year.

Note 17. Risk management

The Company is a wholly owned subsidiary of Insignia Financial Ltd and operates in accordance with the Insignia Financial Group's Risk Management Policy. Risk management processes and activities are integrated with strategic planning, appetite, policies, reporting and governance to ensure that risk is managed effectively throughout Insignia Financial Ltd and its subsidiaries (collectively referred to as the "IFL Group").

The Board has delegated the responsibility of monitoring and oversight of management's compliance with the Company's Risk Management Framework ("RMF") to the RSEL Risk & Compliance Committee.

The RMF constitutes a clearly defined framework of proactive risk identification, assessment, response, monitoring and reporting across all Insignia Financial's business operations in managing material risks. The key pillars of the RMF include:

- The Company Risk Management Strategy (RMS) which articulates the Company's approach to the implementation of its strategic objectives and the key elements of the RMF that give effect to the strategy. It also includes a description of each material risk, including key roles and responsibilities for managing the risk;
- The Company Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Company is prepared to accept in pursuit of strategic and business objectives, giving consideration to the interests of customers, shareholders and other stakeholders;
- The Company Risk Management Policy (RMP) which sets out the methodology to identify, assess, respond, monitor and report on those risks that could impact the achievement of strategic objectives, impact core processes and/or result in non-compliance with obligations;

Note 17. Risk management (continued)

- A Three Lines of Accountability (3LoA) model to govern risk management and compliance activities across the Group. The 3LoA model represents the three levels of risk management that facilitate the effective operation of the RMF. The overarching principle is that the management of risk is primarily a business accountability; and
- The Risk Culture principles, which are essential for effective risk management outcomes that support the Group's financial and operational resilience.

In addition to adhering to the RMF, Registrable Superannuation Entity Licensees (RSEs) within the Group have additional regulatory and compliance requirements. In November 2022, APRA imposed the following additional licence conditions on the RSEs:

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

A Rectification Action Plan (RAP) was developed and the Company has made significant progress in addressing rectification activities. The RAP has considered changes broader than the Independent Expert findings and is expected to be completed in December 2026.

Note 18. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market variables such as interest rates, equity prices and foreign currency exchange rates. Market risk includes interest rate risk, currency risk and other price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Interest rate risk

Interest rate risk is the risk of loss arising from adverse changes in interest rates and the impact on the fair value of financial instruments. The Company has no material exposure to interest rate risk in the following financial assets: fixed income securities and derivatives.

Other price risk

Other price risk is the risk that the fair value of the financial instruments may increase or decrease as a result of changes in market price, whether these changes are caused by factors specific to an individual financial instrument or factors affecting all instruments, or classes of instruments in the market. The Company held investments in unit trusts which was exposed to price risk during the financial year. The following table sets out the Company exposure to other price risk at the balance sheet date:

	30 June 2025	30 June 2024
	\$'000	\$'000
Unlisted unit trusts	345	574
Total	345	574

At 30 June 2025, had the price of the units held by the Company in unlisted unit trusts in other entities increased / decreased by 10% with all other variables held constant, post-tax profit for the year would increase / decrease by \$24,118 (2024: \$40,156) as a result of gains / losses recorded through the Statement of comprehensive income.

Other market risks

The Company has no material exposure to price or foreign exchange risk.

Note 18. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, receivables and financial assets measured at fair value through profit or loss.

The Company mitigates its credit risk by ensuring cash deposits and term deposits are held with high quality financial institutions.

Credit quality

The following table sets out the Company's exposure to credit risk and the credit quality of financial instruments at the balance sheet date:

30 June 2025	AAA	AA+ to A	A- or Lower	No credit rating	Total
	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	-	10,649	-	-	10,649
Unlisted unit trusts	-	-	-	345	345
Receivables	-	-	-	55,653	55,653
Total	-	10,649	-	55,998	66,647

30 June 2024	AAA	AA+ to A	A- or Lower	No credit rating	Total
	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	-	19,076	-	-	19,076
Unlisted unit trusts	-	-	-	574	574
Receivables	-	-	-	49,694	49,694
Total	-	19,076	-	50,268	69,344

Receivables consist of management fees receivable, service fees receivable and other amounts receivable from related parties. These counterparties generally do not have an independent credit rating, and the Company assesses the credit quality of the debtor taking into account its financial position, past experience with the debtor, and other available credit risk information.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets. No financial assets are considered past due and management does not expect any counterparty to fail to meet its obligations. The Company does not hold any collateral as security over its receivables.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or damage to reputation.

Liquidity risk is managed collectively under a combination of treasury, investment and asset-liability management guidelines. The Company regularly assesses and monitors the liquidity risk profile of liabilities and investment portfolios and performs analysis of the expected cash flows of assets and liabilities. All liabilities are expected to be settled within one year.

The Company is one of the guarantors for Insignia Financial Ltd in relation to a Syndicated Facility Agreement ("SFA") between IFL and a group of syndicated lenders. The guarantors jointly provide guarantees to the syndicated lenders in relation to the financial obligations associated with the SFA. The Company's ORFR is segregated and held outside of the security net set out in the SFA. The fund assets which are held on behalf of members are unavailable to the syndicated lenders. As IFL is the ultimate parent of the Company it is not likely that IFL will fail to meet its obligations under the SFA. The possibility of an outflow of resources embodying economic benefits as a result of the Company providing the guarantee, is unlikely.

Note 18. Financial risk management (continued)

Fair value measurement

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or the most advantageous market to which the Company has access to at that date.

Quoted prices are used to determine fair value where an active market exists. If there is no quoted price in an active market, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing at the measurement date. The fair values of fixed income securities are based on a discounted cash flow model using a yield curve appropriate to the remaining maturity of the instruments and appropriate credit spreads.

Fair value hierarchy

Assets and liabilities measured at fair value are categorised in accordance with the levels of the fair value hierarchy as outlined below:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement as at 30 June 2025

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets measured at fair value through profit or loss	-	345	-	345
Total	-	345	-	345

Fair value measurement as at 30 June 2024

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets measured at fair value through profit or loss	-	574	-	574
Total	-	574	-	574

There were no transfers between risk levels during the current or prior financial years.

Note 19. Notes to the Statement of cash flows

	30 June 2025	30 June 2024
	\$'000	\$'000
Reconciliation of cash flows from operating activities		
Profit after tax for the period	4,574	109
Non-cash items		
- Net loss / (gain) on fair value financial assets	229	(46)
Changes in operating assets and liabilities		
- Change in receivables	(5,959)	(23,000)
- Change in payables	(1,405)	30,003
- Change in provisions	211	-
- Change in deferred tax	(77)	(6)
Net cash from operating activities	(2,427)	7,060

Note 20. Remuneration of auditors

	30 June 2025	30 June 2024
	\$	\$
<i>Audit services - KPMG Australia</i>		
Audit and review of financial reports	47,278	46,125
Audit and review of financial reports – superannuation funds	462,275	425,375
<i>Other services - KPMG Australia</i>		
Regulatory assurance services	292,494	208,075

Auditor's remuneration is paid by a related entity in the IFL Group.

Note 21. Related party disclosures

(a) Immediate and ultimate controlling entity

The immediate parent entity and ultimate parent entity is Insignia Financial Ltd. Insignia Financial Ltd produces consolidated financial statements available for public use and is incorporated in Australia.

(b) Related party transactions that occurred during the period

(i) Transactions with related parties in the wholly owned group

Transactions and balances between the entities within the IFL Group are made up of non-interest bearing funds and have no fixed terms of maturity. Management services were provided by a commonly controlled entity, IOOF Service Co Pty Ltd, on a cost recovery basis. Management expenses incurred during the year amounted to \$50,925,290 (2024: \$148,689,438).

Effective 1 October 2024, administration services were provided by an entity of the wholly owned group, Oasis Asset Management Limited. Administration expenses incurred under this agreement, which is charged on commercial terms and conditions, amounted to \$151,556,080 (2024: Nil).

Custody fees incurred and paid to entities within the IFL Group during the year amounted to \$2,675,841 (2024: \$1,690,562).

There were no Service fees paid to IFL Group subsidiaries during the current year (2024: \$92,726).

Note 21. Related party disclosures (continued)

(b) Related party transactions that occurred during the period (continued)

At the balance date, the transactions with IFL Group subsidiaries comprised of the amounts below:

	30 June 2025	30 June 2024
	\$	\$
Payables to entities within the IFL Group	29,660,944	34,402,532

Payables to related parties include income tax and GST payables, which are payable under the tax-consolidated group agreement.

There have been no guarantees given or received. No outstanding amounts have been written down or recorded as allowances as they are considered fully collectible. All transactions were made on commercial terms and conditions and at market rates. No receivable from a related party was impaired during the year or prior year.

(ii) Transactions with the immediate and ultimate parent

Other than dividend payments, there have been no transactions with the ultimate parent entity for the year ended 30 June 2025 (2024: \$Nil).

(iii) Transactions with key management personnel

Key management personnel ("KMP") are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Directors

Beth McConnell
 Danielle Press (appointed 19 September 2024)
 Marianne Perkovic
 Mario Pirone
 Steven Schubert
 Lindsay Smartt (ceased 31 December 2024)
 Karen Gibson (ceased 31 March 2025)

Other key management personnel

Elizabeth McCarthy (CEO – MLC Expand) (appointed 29 July 2024)
 Mark Oliver (Chief Distribution Officer) (ceased 26 July 2024)

In July 2024, the IFL Group announced a new operating structure and appointed executives with end-to-end profit and loss accountabilities for the Wrap business that the Company operates within. Under the new operating structure, the Group Chief Executive Officer, Chief Financial Officer, Chief Operating & Technology Officer, Chief Risk Officer, Chief Member Officer, Chief Investment Officer, Chief People Officer and Chief Transformation Officer/Chief Client Officer are no longer considered KMP of the Company.

KMP compensations are provided by a related entity within the IFL Group. The compensation disclosed below represents the portion of the compensation specifically related to the KMP responsibilities of the Company. The total of this compensation is as follows:

Note 21. Related party disclosures (continued)

(b) Related party transactions that occurred during the period (continued)

(iii) Transactions with key management personnel (continued)

	2025*	2024
	\$	\$
Short term employment benefits	1,097,950	1,347,160
Post-employment benefits	67,624	65,166
Share based payments	142,587	101,467
Other long-term benefits	5,855	-
Termination benefits	169,912	278,464
Total	1,483,928	1,792,257

*Composition of KMP has changed year on year.

Note 22. Contingent liability

The Company may from time to time be exposed to contingent liabilities and potential claims in respect of the activities of the underlying trusts for which it acts as the RSE Trustee. As at the date of this report, there are no contingent liabilities where the underlying fund is not expected to have sufficient assets to indemnify the RSE Trustee as appropriate.

As part of the operations of the business, the Company has been subject to various legal actions and claims. Outcomes in relation to these actions and claims are uncertain and no provisions are required at balance sheet date.

As identified in Note 18, the Company is one of the guarantors in relation to the Insignia Financial Group Syndicate Facility Agreement. At the date of this report, there is no financial liability for the Company under this agreement.

Remediation matters

There are a number of remediation matters currently under investigation within certain Wrap products. The potential outcomes and total costs associated with these matters remain uncertain and any provisions raised in relation to these matters have been recognised by the immediate parent entity or administrator where appropriate.

Note 23. Commitments

There were no capital or lease expenditure commitments as at 30 June 2025 (2024: Nil).

Note 24. Events since the end of the reporting period

On 22 July 2025, Insignia Financial Ltd, the Company's ultimate parent entity announced that it had entered into a Scheme of Implementation Deed (SID) under which CC Capital has agreed to acquire all of the issued shares in Insignia Financial pursuant to a scheme of arrangement (Scheme) for cash consideration of \$4.80 per share.

The Insignia Financial Board has unanimously recommended that shareholders vote in favour of the Scheme in the absence of a superior proposal, and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Insignia Financial shareholders.

The Scheme is subject to various conditions, including approval by Insignia Financial shareholders and regulatory approvals from the Australian Prudential Regulatory Authority, the Foreign Investment Review Board and the Australian Competition and Consumer Commission.

Subject to Insignia Financial shareholders approving the Scheme and the other conditions being satisfied (or, if applicable, waived), Insignia Financial expects that the Scheme will be implemented in the 1st half of calendar year 2026.

There have been no other significant events from 30 June 2025 to the date of signing this report.

Consolidated entity disclosure statement

The Company is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements and as a result, the requirement of subsection 295(3A)(a) of the Corporations Act 2001 to prepare a *Consolidated Entity Disclosure Statement* does not apply to the Company.

Directors' Declaration

The Directors of I.O.O.F. Investment Management Limited (the "Company") declare that:

- a) in the Directors' opinion, the financial statements of the Company and the notes thereto, have been prepared in accordance with the *Corporations Act 2001*, including that:
 - i. they comply with applicable Australian Accounting Standards and the *Corporations Regulations 2001*;
 - ii. they give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date;
 - iii. the financial statements and notes to the financial statements of the Company comply with International Financial Reporting Standards as described in Note 2;
 - iv. the Consolidated entity disclosure statement is true and correct.
- b) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, made pursuant to section 295(5)(a) of the *Corporations Act 2001* for the year ended 30 June 2025.



Mario Pirone
Director

19 August 2025

Independent Auditor's Report

To the shareholders of I.O.O.F. Investment Management Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of I.O.O.F. Investment Management Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2025;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement as at 30 June 2025
- Notes, including material accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in I.O.O.F. Investment Management Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the



aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our Auditor's Report.

A stylized, handwritten-style 'KPMG' logo in blue ink.

KPMG

A handwritten signature in blue ink, appearing to read 'Dean Waters'.

Dean Waters

Partner

Melbourne

19 August 2025