



## Market Release

11 November 2021

# ClearView Wealth Limited 2021 Annual General Meeting addresses to shareholders

ClearView Wealth Limited (ASX: CVW, ClearView) will address shareholders today at its virtual Annual General Meeting (Meeting) to be held at 10.00am.

In accordance with Listing Rule 3.13.3, attached is a copy of the Chairman's address and Managing Director's address that will be delivered at the Meeting.

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#### Approval of Announcement

The Continuous Disclosure Committee of ClearView have authorised the release of this announcement to the market.

#### About ClearView

ClearView is an ASX-listed diversified financial services company which partners with financial advisers to help Australians protect and build their wealth, achieve their goals and secure a comfortable financial future. The group's two business segments: Life Insurance and Wealth Management are focused on delivering quality products and services.

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**ClearView Wealth Limited**  
**Annual General Meeting 2021**

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# Chairman's address

## Mr Geoff Black, Chairman

On behalf of the Board, welcome to ClearView's Annual General Meeting.

A year ago when I stood here, Australia was emerging from the first bout of lockdown. In Sydney, shops and restaurants were reopening, people were returning to the office and there was a sense of optimism.

Ironically, we're back in the same position, after an unexpected setback.

Thankfully, Australia is successfully managing the spread of COVID-19 with relatively few deaths compared to other countries, and a clear roadmap to freedom.

While there is still a lot of uncertainty, particularly around the Delta variant, we can be proud of this achievement.

In 2021, ClearView maintained day-to-day operations with minimal disruption to advisers and customers, despite the majority of staff working remotely for an extended period of time.

ClearView continues to support flexible working arrangements, as staff currently prepare to return to the office.

The health and safety of our staff, customers and the impact on the business of partners is our top priority and we remain vigilant about further COVID-19 mutations and associated illnesses such as Long COVID and related mental health conditions.

At last year's AGM, I outlined ClearView's key strategic projects including initiatives to:

- Improve Life Insurance claims management and customer retention outcomes;
- Simplify the Wealth Management business;
- Drive scale in the Financial Advice business; and
- Progress the Group's a multi-year transformation journey.

ClearView's full year result reflected a significant improvement in financial performance, due largely to a material improvement in claims and lapse experience, and solid growth in inforce premiums.

The Life Insurance business reported a 166% increase in operating earnings after tax to \$23.5 million for the

year to 30 June, 2021, driven by underlying strong claims and lapse performance relative to assumptions.

Despite extremely challenging market conditions, ClearView continues to execute its strategy, leading to a steady share price recovery. That said, we believe the company remains materially undervalued given its strong growth profile and Embedded Value.

Touching briefly on Wealth Management and Financial Advice, before providing an update on ClearView's transformation program and the strategic review, ClearView today is a much simpler organisation.

The sale of the Financial Advice business to Centrepoint Alliance is significant for many reasons.

Firstly, advisers aligned to Matrix Planning Solutions, ClearView Financial Advice and LaVista Licensee Solutions are now part of one of Australia's largest advice networks.

The combined entity has scale; a dedicated management team; and best of breed technology.

The appointment of Simon to the Centrepoint Alliance Board adds further strength and experience.

The deal also allows ClearView to continue participating in the growth of the financial advice sector through our strategic interest in Centrepoint Alliance while effectively removing perceived conflicts of interest.

Importantly, it gives ClearView a clear mandate to focus on growing the Life Insurance and Wealth Management businesses.

In Wealth Management, the group's strategic partnership with HUB24 has delivered a high quality wrap platform, WealthSolutions 2, and the successful transfer of \$1.4 billion in funds under administration to HUB24.

ClearView is focused on building support for its funds and model portfolios on the HUB24 platform, and leveraging that relationship to collaborate on future investment and insurance product initiatives.

In Life Insurance, which remains ClearView's main profit driver, the focus is on accelerating growth, which underpins significant investment in product development and technology.

During the year, ClearView developed and implemented a robust product governance framework, under the new Design and Distribution Obligations regime, and last month, the business launched its new life insurance product series, ClearView ClearChoice.

Both achievements represent key milestones in the group's multi-year transformation program alongside the delivery of an efficient platform and Adviser Portal.

Early adviser feedback is that ClearView ClearChoice has strong features and benefits.

In a sea of new life insurance solutions, which form a key part of APRA's income protection sustainability measures, ClearChoice has already been highly rated by research houses and stands out as a flexible, fair and unique solution.

Last financial year, as ClearView's transformation agenda ramped up, the business strengthened its senior management team with the appointment of Gerard Kerr as General Manager, Life Insurance, and Nadine Gooderick as General Manager, Transformation.

It also made a number of key appointments in product, technology and risk management.

In relation to governance and risk management, the Board is pleased with the progress that has been made to update and monitor our risk framework to ensure it remains robust and to embed a strong risk culture across the organisation. The strong commitment to this and the transformation project as demonstrated by our staff, gives us confidence in the strength of the culture at ClearView.

We are also pleased with ClearView's approach to cyber security management.

The Board continues to closely monitor the group's capital position and is pleased to recommence dividend payments. The Board seeks to pay dividends at sustainable levels with a target payout ratio of between 40% and 60% of operating earnings after tax.

Going forward, ClearView is focused on business transformation to ensure it delivers fit-for-purpose solutions, remains easy to do business with and lays a solid platform for future growth.

The successful execution of our transformation program will entail:

- Expanding our distribution network and increasing sales of ClearView ClearChoice;
- Delivering an efficient, functionality rich life insurance platform;
- Enhancing the customer experience by delivering a dynamic digital front-end; and
- Extending our position as a leader in adviser support.

As I noted earlier life insurance industry has seen significant regulatory change including the introduction of IFRS17. This of course will have an impact on our reporting in future years. ClearView is on track to implement the requirements of IFRS17 by the 2023 commencement date.

ClearView is also committed to pursuing better Environmental Social and Governance practices to drive long-term sustainable value for all stakeholders.

In a moment, Simon will expand on ClearView's ESG initiatives, but first I'd like to touch on the strategic review.

In September, the Board announced a strategic review to maximise shareholder value, determine the optimal future direction of the Company to protect and enhance customer and policyholder outcomes, and achieve a long term shareholding base.

We expect to be in a position to provide further information on the strategic review at ClearView's half year results in February.

Finally, I'd like to thank my fellow Board members for their counsel and support as ClearView chairman. I would also like to thank Simon and the Senior Management Team for successfully leading the business during one of the most disruptive periods in history. ClearView and its staff continue to display incredible resilience, in the face of ongoing uncertainty and unprecedented regulatory and structural change.

Thank you.

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# Managing Director's address

## Mr Simon Swanson, Managing Director

Thank you Geoff.

Today, I will provide a general business update, covering the impact of COVID-19 and APRA's income protection sustainability measures; ClearView's transformation program; and current market conditions.

I will also touch on new customer engagement and corporate social responsibility initiatives, before closing with an update on the Centrepoint Alliance transaction and strategic review.

ClearView has had a solid start to financial year 2022.

Building on the momentum created in 2021, the group's claims and lapse performance continues to track to our plan.

As highlighted at our August results briefing, ClearView's FY21 claims experience profit was due to strong claims management outcomes and limited COVID-19 impacts, relative to assumptions.

Again, so far this year, we are not seeing an increase in claims due to COVID-19, although we continue to monitor the longer-term impact of COVID-19 including mental health related conditions and Long COVID.

Similarly, ClearView's FY21 result was buoyed by lower than expected lapses, reflecting the positive impact of ongoing actions to drive customer retention and loyalty. These include the creation of a Retention Working Group; simplified customer communications to remove jargon; and targeted campaigns to promote the value of life insurance and boost customer engagement.

Increasing customer engagement in Life Insurance and Wealth Management is high on our list of strategic priorities for FY22.

We are in the process of developing a formal customer engagement strategy, which will include a staff training program; a rich, digital front-end to facilitate self-service; and a range of practical tools and benefits.

Of course, the foundation of customer loyalty and engagement must be compelling fit-for-purpose products and excellent customer service.

The launch of our new life insurance product series, ClearView ClearChoice, and new life insurance platform, in beta last month and a full release from 1 November,

will assist ClearView to meet the evolving needs of customers, advisers and regulators.

They also position ClearView strongly to continue growing and supporting advisers to achieve practice efficiencies, as we strive to be easy to do business with.

ClearChoice is a key plank in our response to APRA's income protection sustainability measures.

We remain highly supportive of APRA's intervention to return income protection insurance to a profitable and sustainable state.

Early adviser feedback is that ClearChoice is a flexible, fair and competitive solution, with attractive features and benefits. We are encouraged by the reception it has received and the strong ratings it currently has from several independent research platforms.

ClearChoice is backed by one of the highest performing claims, underwriting and adviser support teams in the country, as reflected in recent surveys by both Beddoes and Investment Trends.

In Wealth Management, our strategic partnership with HUB24 has delivered a competitive wrap platform and the potential to collaborate on new products in the future.

We are also investigating opportunities to develop retirement income solutions for our customers.

In the short-to-medium term, ClearView remains focused on driving our transformation agenda. We will continue investing in technology, risk management and our people.

We believe that the industry has passed the inflection point in terms of regulation as there is an emerging public policy bias towards the simplification of regulation. This has come about as a consequence of both consumer detriment from complexity of regulation and increases in the cost of advice from non-consumer centric processes to manage regulation.

ClearView continues to advocate for the simplification of advice processes, steady life insurance commission rates, and the ability for consumers to claim a tax deduction on advice fees and life insurance premiums.

These will go a long way to solving the advice affordability crisis and the underinsurance gap.

Ultimately, ClearView's success is inextricably linked to the success of our business partners.

We cannot achieve our mission to help Australians protect, manage and grow their wealth, without a thriving advice profession.

As for the second half of our mission, "to be a positive force for our staff, community and the environment", this year ClearView will undertake a range of Corporate Social Responsibility initiatives.

Recently, we established a Corporate Social Responsibility Committee, which I chair. This committee oversees ClearView's CSR goals and commitments including the effective application of Environmental, Social and Governance filters to investment processes; promoting positive workplace mental health; establishing a philanthropy statement and formal charitable giving program; and reducing ClearView's carbon footprint.

I am pleased that ClearView is in the final stages of obtaining Climate Active Certification, under the Carbon Neutral Standard for Organisations for the reporting period 1 July 2020 to 30 June 2021.

Linked to our Climate Active Certification, ClearView participated in climate action projects in South Australia, New Caledonia and Indonesia.

Before I close with some brief comments on the outlook for ClearView, including an update on the strategic review, I'd like to echo Geoff's comments about the sale of the Financial Advice business to Centrepoint Alliance. We believe this transaction is a win/win/win. It is good for ClearView, good for Centrepoint Alliance, and - most importantly - good for our financial advisers and customers.

ClearView's motivation for originally being in advice, and subsequently, selling to Centrepoint Alliance, has always been about supporting advisers to run more efficient, profitable businesses, enabling them to effectively deliver to customers.

In the current environment, it is increasingly clear that advice businesses need scale to succeed. Our strategic partnership with Centrepoint Alliance delivers immediate scale; an experienced and dedicated management team; and best-of-breed technology.

For the former ClearView-aligned advisers, it removes the stigma often attached to being linked to a product manufacturer.

ClearView supports the need for a strong stand alone advice industry. I am excited to join the Centrepoint Alliance Board and continue advocating for a strong advice profession.

I believe that the fundamental themes that have underpinned the sector's growth to date remain intact.

Australia's complex tax, retirement and social security system; the complexities of life in general; soaring property prices and rising levels of household debt; and Australia's impending intergenerational wealth transfer guarantee ongoing demand for professional advice.

Add to the mix ongoing fear and uncertainty surrounding COVID-19 and NMG, a global consultancy, estimates 40% of consumers intend to seek advice, particularly on life insurance, in the next 12 months. This is up from 25% in 2019.

Finally, as you know, the Board is in the middle of a strategic review, with a view to maximise value for all shareholders, determine the optimal future direction of the Company and achieve a long term, stable shareholding base.

The Board is mindful of its continuous disclosure obligations and can't provide any further commentary on the strategic review at this stage.

We will provide a more detailed update on this matter at ClearView's half year results in February.

I'd like to thank Geoff and the Board, the entire team at ClearView and our business partners for their support, during one of the most disruptive periods in history.

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