

September 2019 Quarterly Business Update

ASX Release – 10 October 2019

Record Q1 Net Inflows - FUA exceeds \$25 billion

Highlights

- Funds Under Administration (FUA) of \$25.3 billion at 30 September 2019, an increase of \$2.0 billion (8.5% increase) for the September quarter and \$6.0 billion (31.3% increase) compared to 30 September 2018.
- FUA net inflows in the September 2019 quarter of \$1.5 billion increased by \$0.4 billion (39.6%) against PCP. Market movement in the quarter accounted for a further \$0.5 billion increase in FUA. The net inflows were well diversified with no single client group representing more than 8%.
- Funds Under Management at 30 September 2019 of \$4.4 billion, an increase of \$0.5 billion (12.6% increase) for the quarter.
 - Managed Account at 30 September 2019 of \$3.1 billion, an increase of \$0.3 billion (12.5% increase) for the quarter. Net inflows of \$287 million.
 - Managed Funds at 30 September 2019 of \$1.3 billion, an increase of 12.7% for the quarter. Net inflows of \$170 million.
- In the latest June 2019 *Strategic Insights* quarterly platform market update, Netwealth achieved the highest platform inflows for the June 2019 quarter of \$1.5 billion and \$4.3 billion for the 12-months ended 30 June 2019. Netwealth's market share increased to 2.6%¹ at 30 June 2019.
- In July 2019, Netwealth was awarded the SMSF platform provider of the year at Momentum Media SMSF awards.
- Effective from the 23 September 2019 NWL was included in the S&P ASX200 index.

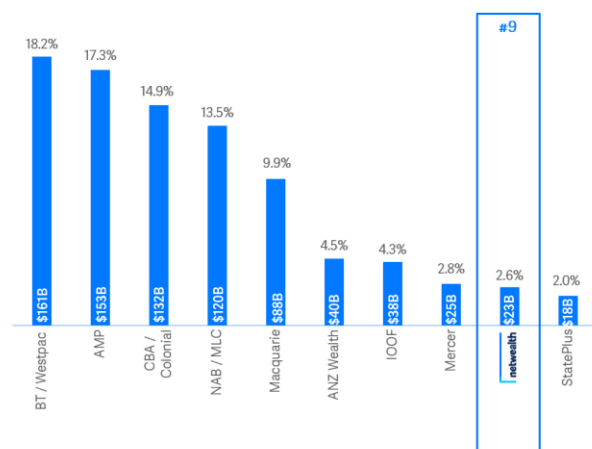
1. Strategic Insights: Master Trusts, Platforms and Wraps (June 2019)
PCP reference to September 2018 quarter

Platform growth and performance

Netwealth's annual growth of FUA at 29.9% for FY2019 was nearly seven times the annual industry growth of 4.4%². Substantial growth was achieved as specialist platforms led by Netwealth continued to dominate market net inflows.

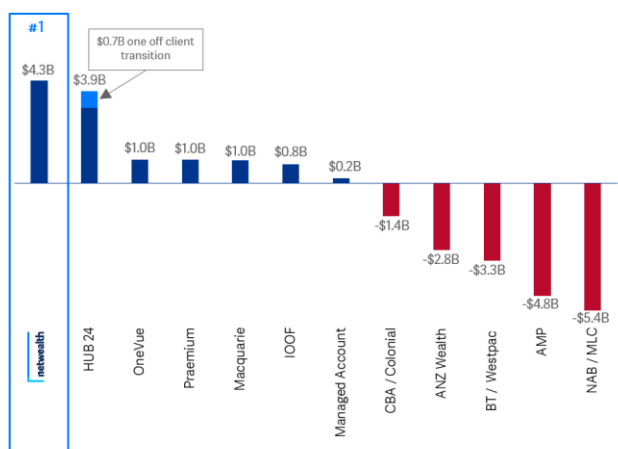
Netwealth achieved the highest FUA net inflows in the industry as many advisers and clients continued to transition to Netwealth and/or increased their funds on the platform.

Platform providers by FUA market share¹
% market share (June 2019)



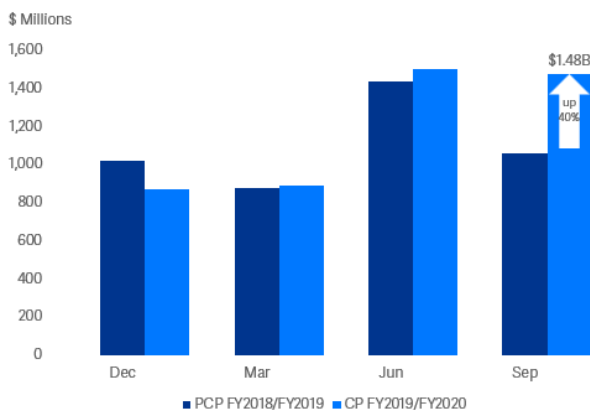
Source: Strategic Insight: Master Trusts, Platforms & Wraps (Jun 2019)
1. Total industry retail FUA of \$885.9B (as at Jun 2019)

Platform provider net funds flows²
\$'Billions (12 months to June 2019)



Source: Strategic Insight: Master Trusts, Platforms & Wraps (Jun 2019)
2. Total net flows of negative \$-6.8B. (12 months to Jun 2019) (Not included above - Others of -\$1.4B)

FUA net inflows per quarter V's PCP



PCP - prior corresponding period (FY2018/FY2019)
CP - current period (FY2019/FY2020)

Source: Netwealth

Growth in FUA, FUM & Member Accounts



2. Strategic Insights: Master Trusts, Platforms and Wraps (June 2019)

Quarterly platform statistics

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Growth *
Funds Under Administration						
Funds Under Administration	19,277	18,988	21,055	23,337	25,320	31.3%
Fee Paying FUA %	60.9%	62.3%	61.0%	61.0%	61.2%	0.3%
FUA net inflows	1,060	876	890	1,507	1,481	39.6%
Funds Under Management						
Managed Account	2,050	2,114	2,409	2,760	3,105	51.5%
Managed Funds	1,041	1,025	1,110	1,186	1,336	28.3%
Total FUM	3,091	3,139	3,519	3,946	4,442	43.7%
Managed Account net inflows	162	166	159	263	287	76.5%
Managed Funds net inflows	52	39	20	38	170	225.9%
FUM net inflows	215	205	178	301	457	112.9%
Member Accounts (number)	63,871	65,688	68,511	71,424	72,711	13.8%

All figures in \$millions unless otherwise stated

All figures provided are unaudited & net flows do not include market movement

* Growth is the percentage increase on prior year corresponding quarter

Commentary and outlook

- Industry trends continue to support strong and sustainable growth with many major banks and institutions exiting or rationalising advice businesses.
- Strong pipeline of new business won (yet to transition) and new opportunities.
- Pricing remains competitive; however, our pricing strategy remains effective with advisers focused on demonstrating best interest obligations and value to their client.
- As highlighted in our annual results presentation, we are continuing to increase our investment in technology and people to maintain our market leading technology and service proposition.

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About Netwealth

Netwealth is a financial services company listed on the Australian Stock Exchange (ASX: NWL). Netwealth was created with an entrepreneurial spirit to challenge the conventions of Australia's financial services.

We are a technology company, a superannuation fund and an administration business. Above all we exist to inspire people to see wealth differently and discover a brighter future.

Founded in 1999, Netwealth is one of the fastest growing wealth management businesses in Australia.

We are rated No.1 by our clients for providing exceptional service and independent researchers continue to rate our technology as best in class*.

Our financial products are:

- Superannuation including accumulation and retirement income products;
- Investor directed portfolio services for self-managed super and non-super investments
- Managed Accounts and
- Managed Funds

Netwealth's digital platform supports how our financial products are delivered to market. For instance, via the platform, financial intermediaries and clients can invest and manage a wide array of domestic and international products.

The platform is built, developed and maintained by Netwealth's technology team. It is continuously enhanced using feedback from financial intermediaries, clients and other users and receives wide industry recognition as having market-leading functionality.

Supporting our financial products and technology platform is a significant investment in our people and resources to administer support, risk and governance and our custodial services.

*Investment Trends; December 2018 Platform Competitive Analysis and Benchmarking Report & Investment Trends, April 2019 Planner Technology Report.