

## September 2021 Quarterly business update and outlook

ASX Release – 14 October 2021

**FUA Net Inflow guidance increased to \$12.5 billion following record \$4 billion quarter. FUA reaches \$52 billion.**

### Quarterly highlights

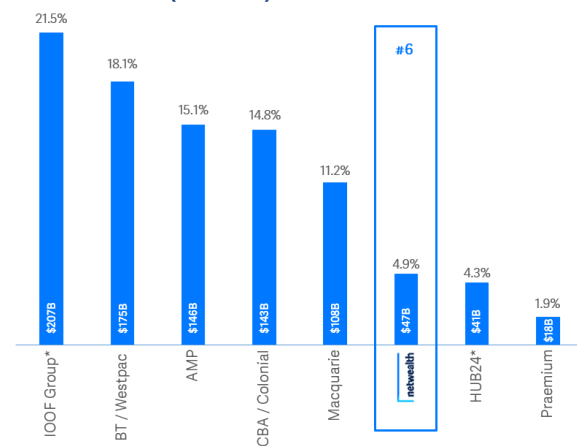
- Funds Under Administration (FUA) at 30 September 2021 of \$52 billion, an increase of \$4.8 billion (10.2% increase) for the September quarter including market movement of \$0.8 billion and an increase of \$17.9 billion (52.7% increase) to PCP<sup>1</sup> including positive market movement of \$6 billion.
- FUA net inflows of \$4.0 billion for the September quarter, an increase of 111% to PCP. Of the total FUA net inflows two clients contributed approximately \$0.9 billion, the balance was well diversified.
- Funds Under Management (FUM) at 30 September 2021 of \$12.6 billion, an increase of \$0.9 billion (7.7% increase) for the quarter and an increase of \$4.6 billion (56.9% increase) to PCP.
- FUM net inflows of \$0.9 billion for the September quarter, includes \$0.7 billion Managed Account net inflows.
- Managed Account balance of \$10.7 billion at 30 September 2021, an increase of \$4.1 billion (63.6% increase) to PCP.
- In July, Netwealth launched our new iOS and Android Mobile App for advisers and their clients as part of our client engagement “whole of wealth” strategy and roadmap.

1. PCP: prior comparative period Sep 2020 quarter

## Platform growth and performance

- Netwealth continued to lead the industry for FUA net inflows, as reported in the *Plan for Life* June 2021 quarter platform market update, recording the largest FUA net inflows of \$9.8 billion for the 12-month rolling period to 30 June 2021.
- Netwealth's market share increased to 4.9% at 30 June 2021 up 1.0% for the 12 months to 30 June 2021.
- Netwealth is the 6th largest and the fastest growing platform provider by net funds flows in Australia.

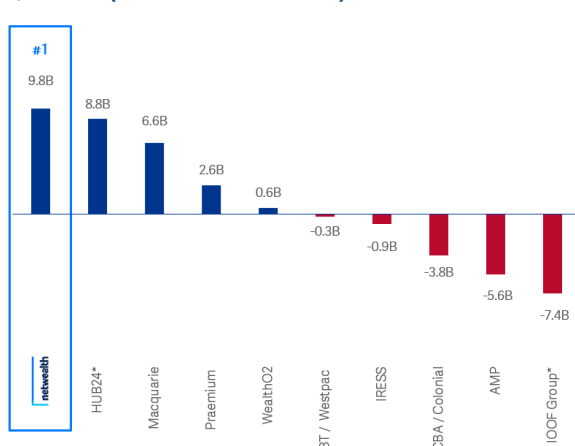
**Platform providers by FUA market share  
% market share (Jun 2021)**



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2021  
Total industry retail FUA of \$965.7B (as at Jun 2021)

\*IOOF Group includes acquisition of MLC, HUB 24 includes acquisition of Xplore Wealth

**Platform provider net funds flows  
\$'Billions (12 months to Jun 2021)**



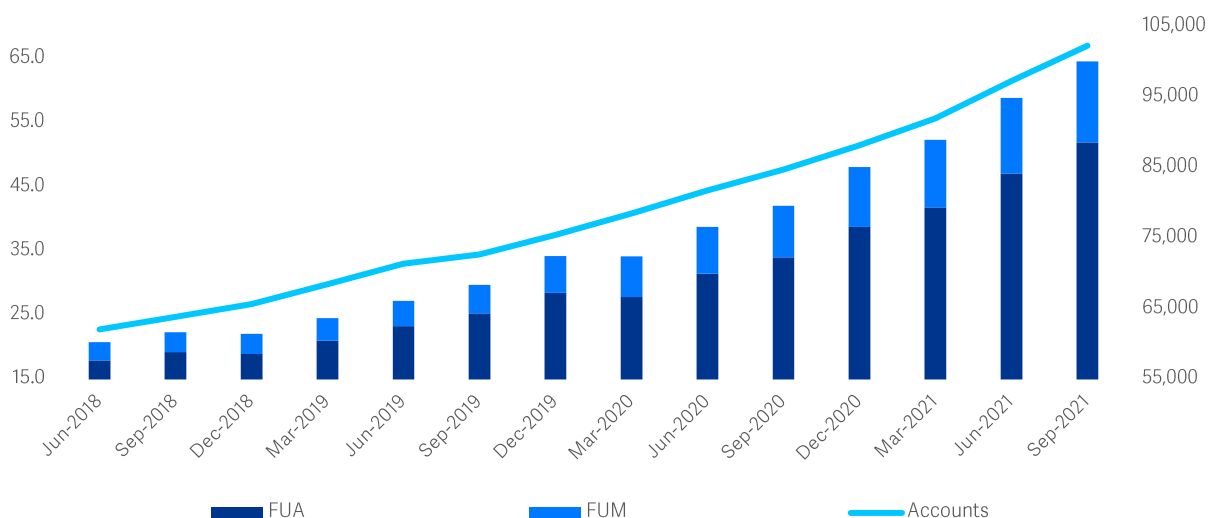
Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2021  
Total net flows of +\$11.2B (Not included above: Others of -\$0.7B)

\*IOOF Group includes acquisition of MLC, HUB 24 includes acquisition of Xplore Wealth

## Growth in FUA, FUM & Accounts

\$ Billions

Number of accounts



Source: Netwealth

## Quarterly platform statistics

	Sep-2020	Dec-2020	Mar-2021	Jun-2021	Sep-2021	Growth*
<b>Funds Under Administration</b>						
Funds Under Administration	34,023	38,799	41,840	47,138	51,959	52.7%
Fee Paying FUA %	64.1%	63.4%	66.4%	65.6%	64.2%	
FUA net inflows	1,912	2,556	2,266	3,077	4,035	111.0%
Market movement	609	2,220	775	2,221	785	
<b>Funds Under Management</b>						
Managed Account	6,511	7,603	8,730	9,835	10,653	63.6%
Managed Funds	1,551	1,711	1,768	1,911	1,994	28.6%
<b>Total FUM</b>	<b>8,061</b>	<b>9,315</b>	<b>10,499</b>	<b>11,746</b>	<b>12,647</b>	<b>56.9%</b>
Managed Account net inflows	676	659	889	741	730	7.9%
Managed Funds net inflows	121	74	32	56	159	31.0%
<b>FUM net inflows</b>	<b>797</b>	<b>733</b>	<b>921</b>	<b>796</b>	<b>888</b>	<b>11.4%</b>
Accounts (number)	84,734	88,189	92,008	97,319	102,304	20.7%

*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*

- The balance of the Netwealth Cash transaction account was 6.7% of FUA at 30 September 2021.
- The percentage of admin fee paying FUA was 64.2% at 30 September 2021, a decrease of 1.4% over quarter primarily due to approximately \$0.9 billion of client inflows, referred to above. These accounts are subject to large account/institutional rates on which we typically generate up to 2.5bps per annum in total fees.
- Member accounts at 30 September 2021 were 102,304, an increase of 4,985 accounts (5.1% increase) for the quarter.

## Outlook

- The ongoing structural changes within the financial services industry continue to support and increase Netwealth's addressable market and growth opportunities.
- As a result of these changes our pipeline for new business remains very strong across all market segments.
- Due to record net inflows in the September quarter and the growth of our already substantial new business pipeline, we upgrade the FUA net inflow guidance for FY2022 from \$10 billion to approximately \$12.5 billion.

## 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 trustee 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\*.

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.

This document has been authorised for release by CFO and Company Secretary, Mr Grant Boyle.

For further information please contact:

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\*Investment Trends June 2021 Adviser Technology Needs Report