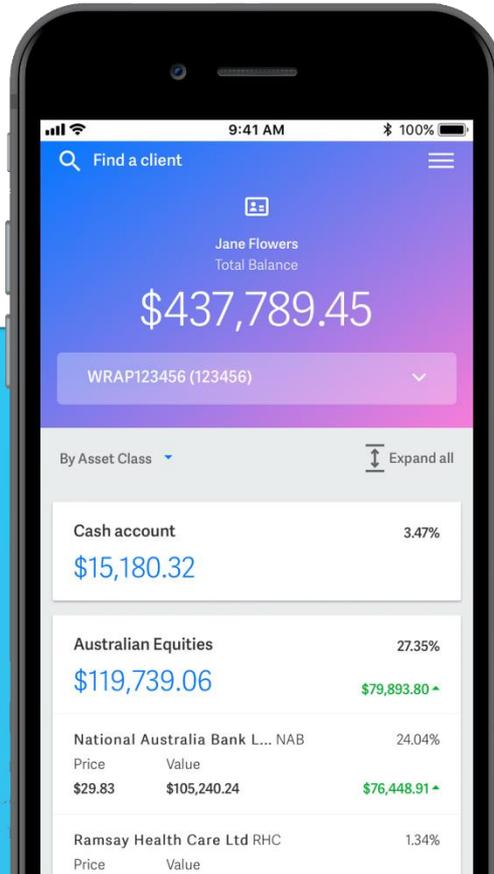


Netwealth FY2018 Annual General Meeting

See wealth differently



14 November 2018

Our purpose is

To enable people to
see wealth differently
and discover a brighter future

Important notice and disclaimer

General Information only

Information provided is general information presented in a summary format as at 14 November 2018, and is therefore not necessarily complete. This presentation is for informational purposes only and is not to be relied upon as advice to investors or potential investors. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Investors should not rely on this presentation to make any investment decision, and should make their own assessment, conduct their own research of Netwealth and the Netwealth Group and consider these factors with their legal, tax, business and/or financial adviser before making any investment decision.

Forward-looking statements

This presentation may contain certain forward-looking statements with respect to the financial condition, operations and business of the Netwealth Group and certain plans and objectives of the management of Netwealth. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Netwealth Group to be materially different from the results or performance expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Netwealth Group's present and future business strategies, the political and economic environment in which the Netwealth Group will operate in the future and financial market conditions, which may not be reasonable, and are not guarantees or

predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts. Forward-looking statements speak only as at the date of this presentation and to the full extent permitted by law, Netwealth, the Netwealth Group, and their respective affiliates and related bodies corporate and each of their respective related parties and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial data

All figures in the presentation are provided in Australian dollars. Financial data may be subject to rounding.

Netwealth's Board of Directors



Jane Tongs

Chairman and Non-Executive Director (joined 2000)

- Previously a partner at PwC specialising in the financial services sector
- Director of Cromwell Property Group, Warakirri Group, CCI Insurance Ltd and Brighton Grammar



Davyd Lewis

Non-Executive Director (joined 2009)

- Was a partner of Mallesons Stephen Jaques (now King & Wood Mallesons) for 20 years, specialising in M&A and Equity Capital Markets, until his retirement in 2008



Michael Heine

Joint Managing Director (Executive Director)

- Founded Netwealth in 1999
- Previously founded Heine Investment Management which was sold to Mercantile Mutual (now ING) in 1999



Tim Antonie

Non-Executive Director (joined 2015)

- Commenced his career at Price Waterhouse (now PwC) and qualified as a CA. Subsequently worked at a number of investment banks, including Managing Director at UBS
- Director of Breville Group Limited, Premier Investments Limited and Village Roadshow Limited



Matt Heine

Joint Managing Director (Executive Director) (joined 2001)

- Appointed as a Director in 2004 and Joint Managing Director in January 2015

Netwealth's experienced Management Team



Grant Boyle
Chief Financial Officer and Joint Company Secretary (joined 2017)

- Over 30 years experience in financial services and accounting
 - Was most recently the CFO of EMR Capital
 - Has held CFO/COO roles at BlackRock (Aus), Phillip Capital and Powerwrap
-



John Hanrahan
Chief Information Officer (joined 2012)

- Over 20 years experience in financial services technology
 - Previously led the Australian technology team for BlackRock
-



Alistair Densley
General Manager, Operations (joined 2002)

- Over 15 years experience in the financial services industry
- Previously held a leadership role in Netwealth's IT Development team



Rachel Axton
General Manager, Legal, Risk and Compliance and Joint Company Secretary (joined 2016)

- Over 20 years experience in financial services
 - Previously managed CFS Custom Solutions Risk and Compliance team
-



Philip Coldwell
General Manager, Product (joined 2011)

- Over 30 years experience in financial services
- Previously was an owner and director of Integrity Financial Planners

Agenda



Jane Tongs
Chairman



Michael Heine
Joint Managing
Director



Matt Heine
Joint Managing
Director

1. Chairman's address
2. Joint Managing Directors' address
3. Formal business

Chairman's address

Jane Tongs



The foundations of Netwealth's success

Our purpose

To enable people to see wealth differently and discover a brighter future

See Wealth Differently



Our values

- + Curious

- + Optimistic

- + Collaborative

- + Agile

- + Genuine

- + Courageous

Our strategy

-  **Best-in-class technology**
Market leading, home grown platform, agile and tailored to client needs

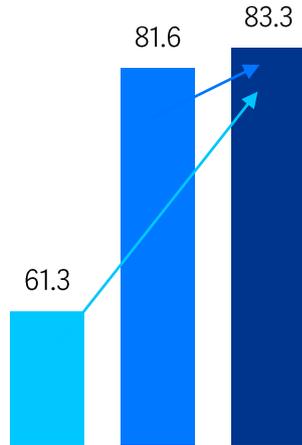
-  **Best-in-class service**
Award winning, nimble and highly responsive – ‘we make our clients look good’

-  **Delivery of insights**
Provide deep insights to our clients and spot change that matters

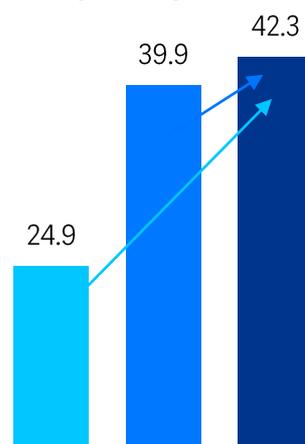
Surpassed the FY2018 pro forma prospectus forecast

...and delivered growth across all key financial metrics

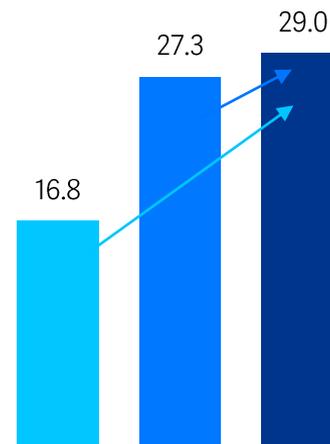
Total Income
above prospectus by
\$1.7M (+2.1%)



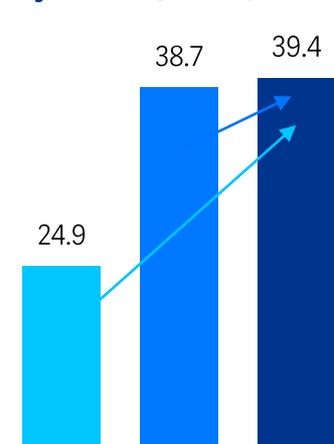
EBITDA
above prospectus by
\$2.4M (+5.9%)



NPAT
above prospectus by
\$1.7M (+6.3%)



Operating net cash flow
pre tax above prospectus
by \$0.7M (+1.9%)



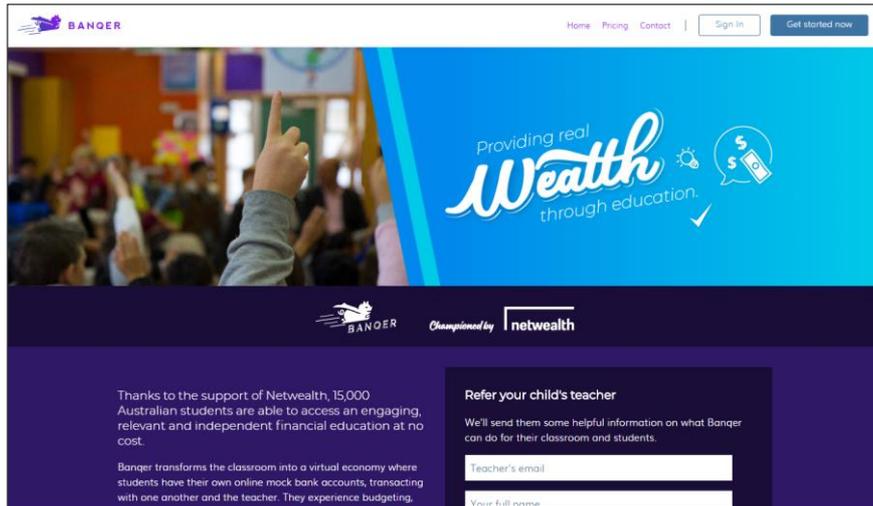
■ FY2017 ■ FY2018 Prospectus ■ FY2018

Pro forma EBITDA, NPAT and Operating Cashflow have been prepared consistently with the IPO Prospectus, adjusted to exclude the impact of the IPO transactions costs and the company's discontinued operations. Reconciliation provided in the Annual Report Presentation.

Enabling Australians to see wealth differently

And discover a brighter future

Students sponsored: 8,600+ at over 170 schools bringing financial education to life in classrooms
www.banqer.com/netwealth



Challenge: 40+ university students participated in a workshop on improving Australians' engagement with their super & investments, and encourage them to think about their financial security now & into the future.



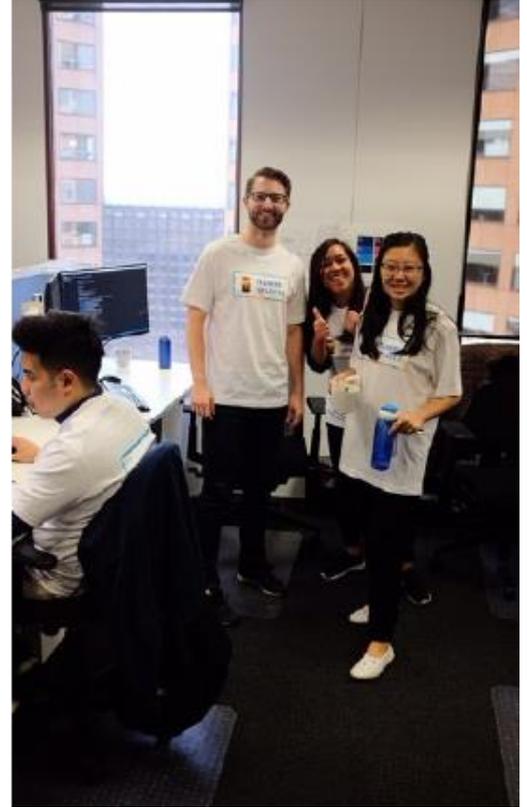
Remuneration report

Under Item 2 in the business of the meeting Davyd Lewis will present briefly on the remuneration report.



- **Short term incentives** are generally limited to the sales and distribution team and the Joint Managing Directors. Netwealth will pay a discretionary cash bonus to an employee if the employee has made an exceptional contribution.
- **Long term incentives**, the Board recognises the importance of suitably incentivising key staff. Our objective is to meet our compliance, governance and growth targets and to retain our talent.
- The Board Remuneration Committee under Davyd's leadership has adopted a new LTI scheme.

Our people



Joint Managing Directors' address

Michael Heine & Matt Heine



Business highlights

Continued strong growth in Q1 FY2019



\$19.3B FUA

Growth \$5.6B (+40.6%) PCP



\$3.1B FUM

Growth \$1.1B (+55.3%) PCP



2,271

Financial Intermediaries
using the Platform at Jun 2018



\$1.1B

FUA net inflows Q1 FY2019
Growth \$0.2B (+28.7%) PCP



\$0.2B

FUM net inflows Q1 FY2019



#1 platform⁽¹⁾

rated by Investment Trends;
Overall platform functionality &
adviser satisfaction



Number 1 ranked platform 3rd year in a row for functionality by Investment Trends⁽¹⁾



Number 1 ranked Platform for overall satisfaction, 7th year in a row⁽²⁾



Management alignment with performance



Continued focus on delivering the highest level of service to advisers across the country

PCP – Prior comparative period being Sep 2017 quarter

(1) Investment Trends – December 2017 Platform Competitive Analysis and Benchmarking Report & May 2018 Planner technology report

(1) Investment Trends - December 2017 Platform Competitive Analysis and Benchmarking Report
(2) Investment Trends – May 2018 Planner technology report

FY2018 Pro forma financial highlights

FY2018 NPAT growth was \$12.2⁽¹⁾ million (an increase of 72.7%) in the year



\$83.3M

Revenue



\$42.3M⁽¹⁾

EBITDA



50.8%⁽¹⁾

EBITDA MARGIN %



\$29.0M⁽¹⁾

NPAT



\$39.4M⁽¹⁾

Operating Net Cash Flow Pre Tax



11.9 cents⁽¹⁾

EPS



5.38 cents

Dividend Per Share



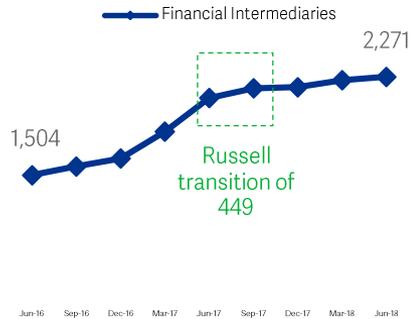
5.18 cents

Special Dividend Per Share

⁽¹⁾ Pro forma EBITDA, NPAT, Operating Cashflow and EPS have been prepared consistently with the IPO Prospectus, adjusted to exclude the impact of the IPO transactions costs and the company's discontinued operations. Reconciliation provided in Annual Report Presentation. EPS has been calculated based on the ordinary and performance shares held post completion of the IPO.

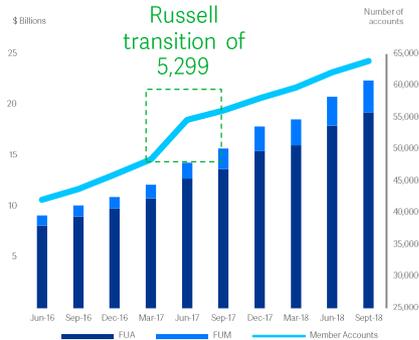
Continuing growth momentum

Australia's largest specialist platform provider



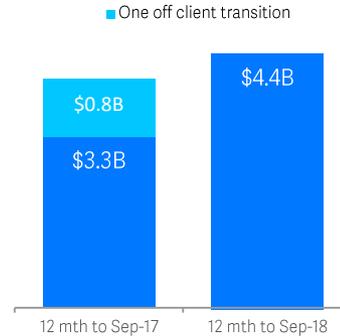
Financial Intermediaries increased by 51% from June 2016 to June 2018

Source: Netwealth



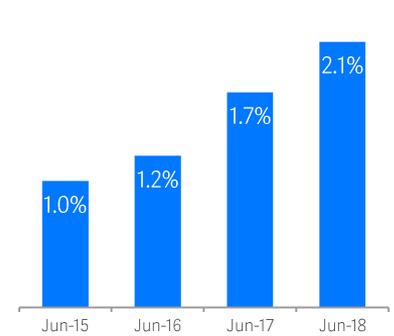
Consecutive years of FUA, FUM and member account growth

Source: Netwealth



34% growth in FUA net inflows for the 12 months to Sep 2018 (excluding Russell transition in FY2017)

Source: Netwealth

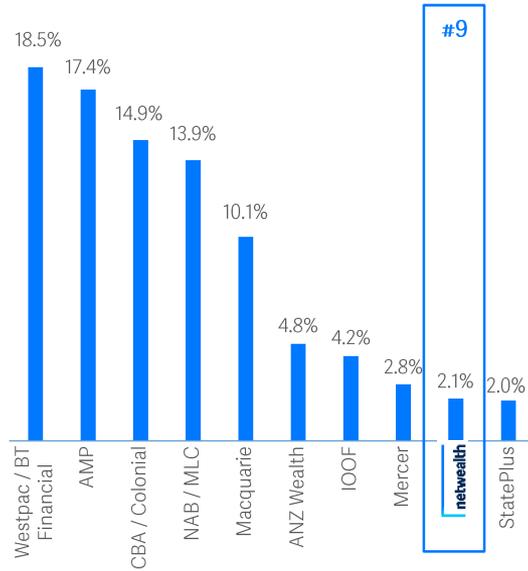


Gaining market share in a marketplace of \$847B that continues to shift towards specialist platforms

Source: Strategic Insights: Master trust, Platform & Wrap (Jun 2017 & Jun 2018)

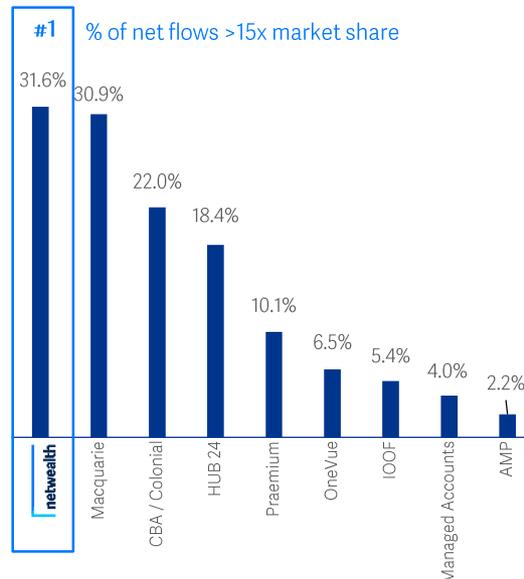
Netwealth has the highest netflows

Platform providers by FUA market share⁽¹⁾% market share (June 2018)



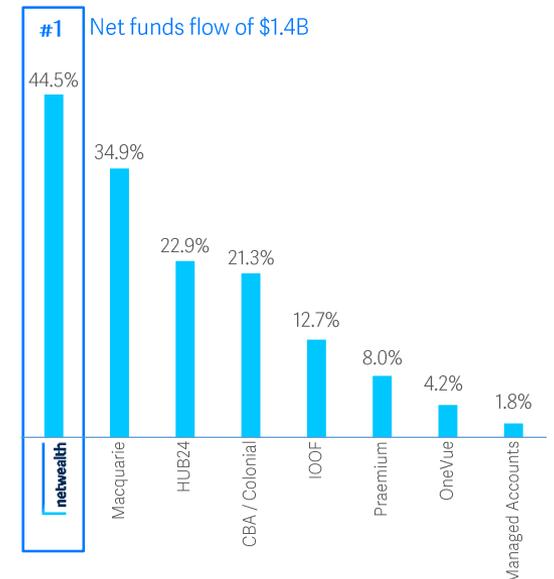
Source: Strategic Insight: Master Trusts, Platforms & Wraps (Jun 2018)
 (1) Total industry retail FUA of A\$847.3bn (as at Jun 2018)

Platform provider net funds flows⁽²⁾% market share (12 months to June 2018)



Source: Strategic Insight: Master Trusts, Platforms & Wraps (Jun 2018)
 (2) Total net flows of A\$13.2bn (12 months to Jun 2018)

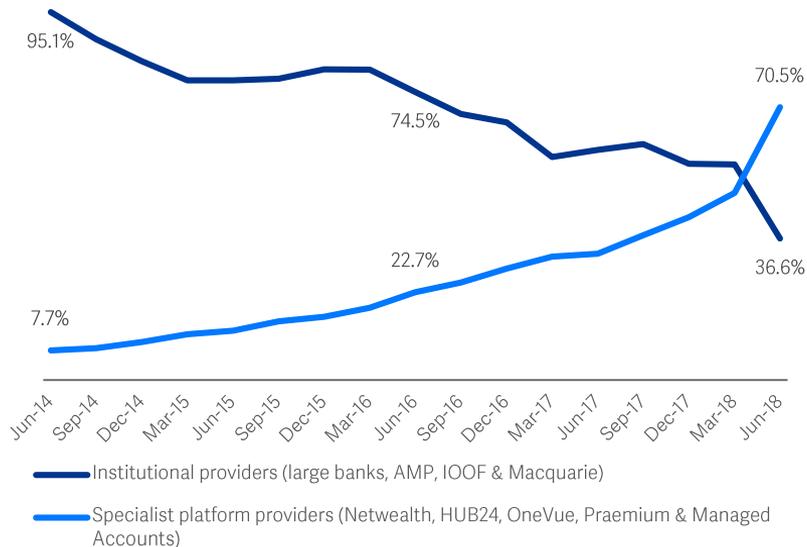
Platform providers net funds flow⁽³⁾% market share (quarter to June 2018)



Source: Strategic Insight: Master Trusts, Platforms & Wraps (Jun 2018)
 (3) Total net flows of A\$3.2bn (quarter to Jun 2018)

Shift in platform flows to specialist providers accelerating

Market share percentage of net funds flows (12 month rolling)



- Net funds flow for the specialist platform providers (SPPs) (70.5%) exceeded the net funds flows for institutional providers (36.6%) for the first time in the 12 month period to June 2018.
- In FY2018, NWL achieved the highest flows in the industry of \$4.2B (31.6%).
- Furthermore, NWL achieved the highest flows in the industry of \$1.4B (44.5%) for the quarter to Jun 2018.
- NWL holds the largest market share of the SPPs, 2.1% (\$18B) of total industry FUA at June 2018.

Source: Strategic Insight: Master Trusts, Platforms & Wraps

Advanced tech for advice delivery and client engagement



A focus on usability and experience



Data and AI



Automated investment services

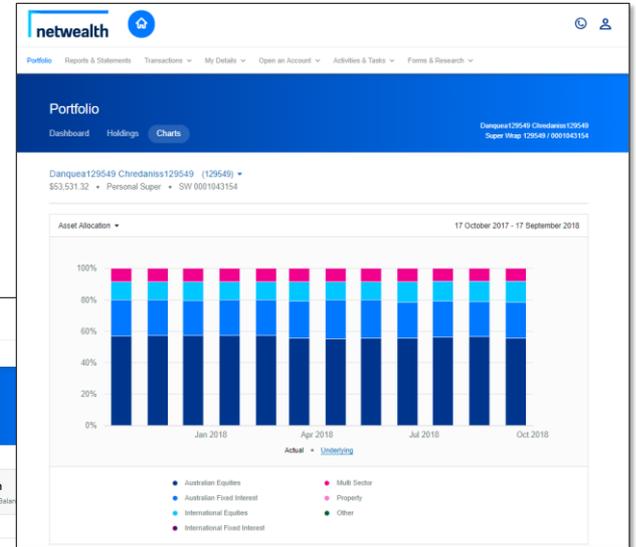
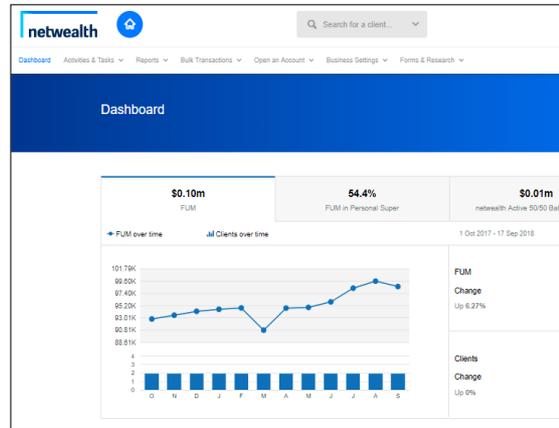


Ecosystems

A focus on UI

Modern, interactive interface for both Advisers and Clients

- A more modern design built for large screens, but can resize for laptops and tablets
- A streamlined menu system helps users locate key tools and information easily
- Simple for users to locate and edit personal and security details



Household wealth

← Back | Transaction History | **External Transactions** | Pending Transactions

John Smith (187211) ▼ 1 December 2016 - Now
\$149,704.28 • Wrap Services • W+ WRAP044443 Last 90 Days ▼

Add transaction: Asset Purchase ▾ Or Upload

ASSET/NARRATION	PURCHASE PRICE	QUANTITY	BROKERAGE	PURCHASE DATE	BANK ACCOUNT
Search Asset n	\$		\$		
Enter narration					

Cancel Add

Off platform external assets (xWrap)

Please select your banking institution

Show All

Data feeds from financial institutions (Bank feeds)

Client Portfolio

View by: Matt's custom view

Tag 1 Tag 2 (new) Tag 3 (new) (new) Tag 4 (new) Tag 5 Tag 6 (new) Tag 7 (new) (new) Collapse all accounts

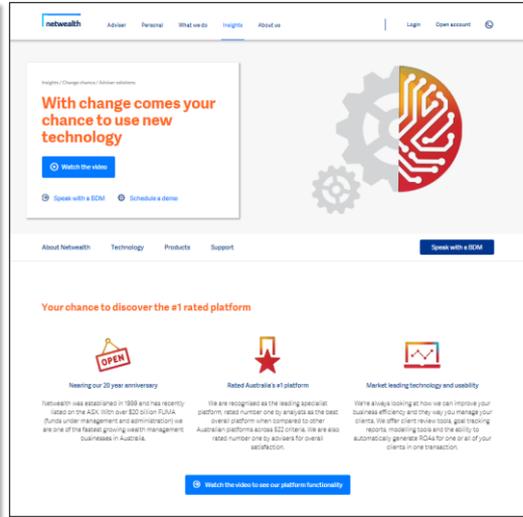
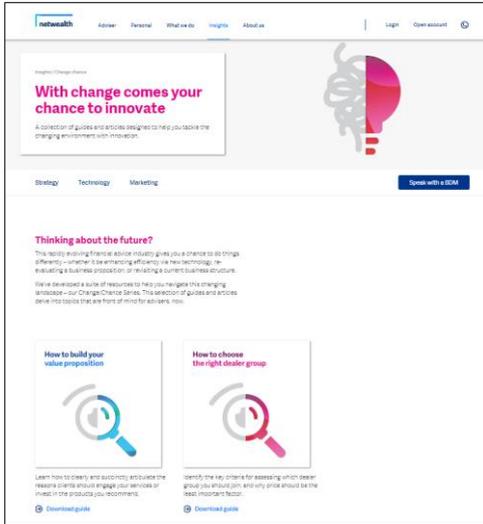
Account name	Cash	Net value
Matt's Trust	\$20,657.77	\$102,657.77 ▲
Netwealth wrap account 1 Wrap services	\$19,558.65 1.55%	\$52,240.71 7.87%
Netwealth wrap account 2 Wrap services	\$19,558.65 1.55%	\$52,240.71 7.87%
Westpac transactional account X Everyday banking account	\$19,558.65 1.55%	\$52,240.71 7.87%
Matt's Investments	\$40,657.77	\$102,657.77 ▲
Netwealth wrap account 3 Wrap services	\$19,558.65 1.55%	\$52,240.71 7.87%
Westpac transactional account Y Everyday banking account	\$19,558.65 1.55%	\$52,240.71 7.87%
Westpac Nominees A Description here	\$19,558.65 1.55%	\$52,240.71 7.87%
External assets Description here	\$19,558.65 1.55%	\$52,240.71 7.87%
Westpac investment loan Description here	\$19,558.65 1.55%	\$52,240.71 7.87%
Matt's Super	\$20,657.77	\$102,657.77 ▲
Netwealth super account 1 Personal Super	\$19,558.65 1.55%	\$52,240.71 7.87%
Aly's Super	\$20,657.77	\$102,657.77 ▲
Netwealth super account 2 Personal Super	\$19,558.65 1.55%	\$52,240.71 7.87%
Aly's Personal Investments	\$20,657.77	\$102,657.77 ▲
Netwealth wrap account 4 Wrap services	\$19,558.65 1.55%	\$52,240.71 7.87%
Westpac transactional account Z Everyday banking account	\$19,558.65 1.55%	\$52,240.71 7.87%
Westpac credit card Description here	\$1,200.00	\$52,240.71 7.87%
Westpac offset	\$19,558.65	\$52,240.71

Household wealth portfolio reporting

National advertising campaign

Change / Chance campaign

Guides (x3)



www.netwealth.com.au/change

A4 full page advertising

What will the Royal Commission mean for the industry?

Positive impact for Netwealth



- Further acceleration of advisers and dealer groups exiting larger institutions and selecting new platforms.
- Increase in number of IFAs who have been switching from Institutional platforms to SPPs.
- Institutions opening up their Approved Product Lists to SPPs and partnering with a platform to be their approved SPP option.
- Institutional Platforms exiting wealth and outsourcing their platform manufacturing to a SPP.
- Banning of rebates - a large part of market is subject to pre FOFA Grandfathered Rebates.
- Regulators placing more onus on platforms to regulate all compliance obligations.
- More regulation on trustees, operators and custodians, adding additional compliance burden to providers, particularly with legacy products.



As the best rated platform for functionality and service, NWL is in a prime position to benefit from this opportunity e.g. NWL products have been added to the approved product list (APL) of Godfrey Pembroke Limited

FY2018 Annual General Meeting

NWL is well positioned to offer White Label solutions, but would not act as a Private Label administrator¹.

By banning rebates, a major obstacle to advisers switching platforms will be removed. Less than 3.5 % of NWL's FUA is subject to rebates.

NWL has a strong compliance regime and is developing sophisticated technology solutions to meet increased regulatory demands.

Pricing competition is set to continue but don't believe every thing you read in newspaper...

Comparing investment platforms fees is complex as they are all structured differently

No platform is the cheapest or most expensive across all clients, the cost to client depends on account size, level of trading activity, investment asset classes, balance of cash held and number of accounts in family group.

- NWL seeks not to be the cheapest provider in the market but rather seeks to offer the most value by providing the best service and functionality, at a competitive price.
- NWL has a range of products competitively priced to meet all segments of the market from simple to low cost investment options through to complex offerings for the high net worth segment of the market.
- NWL has a superior offering with better functionality⁽¹⁾, better reporting and better business management tools.

- NWL has superior administration and service than our competitors and the highest net promoter score in the industry⁽²⁾.
- NWL has highly competitive pricing for larger practices.
- NWL continues to win new tenders against all of the incumbents as well as the SPP's.

(1) Investment Trends - December 2017 Platform Competitive Analysis and Benchmarking Report
(2) Adviser Ratings 2018 Landscape Report, results from an online survey conducted in Nov-Dec 2017 responded to by 1,103 financial advisers

Outlook

Best in class technology and client service

- Industry change (structural and regulatory) to accelerate and significantly increase the size of Netwealth's addressable market.
- We expect pricing competition to continue. Netwealth's superior service and platform functionality, combined with our competitive pricing, places us in a very strong position to compete and succeed.
- Netwealth will continue to innovate and increase our investment in technology, sales, marketing and client service, to capitalise on the current market opportunities.
- The recent market correction has had an adverse effect on Netwealth's revenues but the effect is significantly reduced due to our fee caps and sliding fee scales. Estimated that a 10% decline in the price of equities would have approximately a 3% negative impact on our annualised admin fee revenue.
- We expect our FY2019 net inflows to increase from FY2018 levels.
- NPAT growth is forecast to be driven by growth of FUA, disciplined pricing, efficient cost management and new sources of incremental revenue.
- We expect the ongoing benefits of scale, continued improvements to operational processes and automated technology, will offset any pricing compression and re-investment costs, with our EBITDA margin % in FY2019, expected to remain at a similar level to FY2018.
- "Heine Shareholders" have confirmed they have no current intention to sell any of their holdings.

Questions from the floor

Formal business



Item 1

Consideration of Netwealth Annual Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2018.

The Financial Report, Directors' Report and Auditor's Report (the "Reports") for the year ended 30 June 2018 will be laid before the AGM. There is no requirement for a formal resolution on this item. However, the Chairman will allow reasonable opportunity for shareholders to ask questions and make comments on the operations and management with regard to the Reports. Shareholders will also be given a reasonable amount of time to ask the appointed Auditor representative questions about the content and conduct of the audit.

Address by Chairman of the Remuneration Committee - Davyd Lewis



- **Short term incentives** are generally limited to the sales and distribution team and the Joint Managing Directors. Netwealth will pay a discretionary cash bonus to an employee if the employee has made an exceptional contribution.
- **Long term incentives**, the Board recognises the importance of suitably incentivising key staff. Our objective is to meet our compliance, governance and growth targets and to retain our talent.
- The Board Remuneration Committee under Davyd's leadership has adopted a new LTI scheme.

Item 2

Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That the Remuneration Report, which forms part of the Director’s Report for the year ended 30 June 2018, be adopted”

Proxy Votes Received

FOR	AGAINST	OPEN	ABSTAIN
53,194,491	474,309	96,764	3,508
98.94%	0.88%	0.18%	

Item 3

Re-election of Jane Tongs as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That Jane Tongs, a Non-Executive Director and Chairman of the Company, and being eligible and offering herself for election, be re-elected as a Director of the Company”

Proxy Votes Received

FOR	AGAINST	OPEN*	ABSTAIN
175,127,758	4,451,715	99,626	1,968
97.47%	2.48%	0.06%	

*Open votes totalling 90,012 (0.05%) in favour of the Chairman (whether by election or default) will be voted in favour of Item 3.

Item 4

Appointment of Auditor

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That Deloitte Touche Tohmatsu, having being duly nominated by a member of the Company and having consented in writing to act, be appointed as auditor of the Company”

Proxy Votes Received

FOR	AGAINST	OPEN	ABSTAIN
178,337,641	1,235,582	99,626	7,963
99.26%	0.69%	0.06%	

*Open votes totalling 90,012 (0.05%) in favour of the Chairman (whether by election or default) will be voted in favour of Item 4.

Thank you

