

## Amendment on ASX announcement on update following Tuesday's RBA announcement and change to interest rate arrangements

Please note this replaces our update released this morning on Tuesday's RBA announcement and change to interest rate arrangements. The previous announcement state Netwealth's margin on cash is now approximately 75 bps. It should instead state Netwealth's margin on cash is now approximately 85 bps. No other details in the announcement have changed.

This announcement has been approved for release by Mr Grant Boyle, Chief Financial Officer and Company Secretary.

## RBA and Platform Cash Account Rate Changes

Following our previous announcement detailing the new interest rate agreement with ANZ, an update is being implemented to the interest payable on the cash transaction accounts for the Netwealth Superannuation Master Fund and Netwealth Wrap Service.

The interest rate payable on cash transaction accounts will be amended to RBA Cash Rate less 0.65% (previously 0.50%).

Following Tuesday's RBA rate increase of 25 bps, Netwealth's margin on cash is now approximately 85 bps.

In the event the RBA and Interbank rates normalise, the Netwealth margin is expected to be circa 1.20%, a reduction from the previous rate of approximately 1.45%, pre COVID-19.

The positive impact of above changes on Netwealth earnings is dependent on the timing and rate at which further future RBA Cash Rate Target increases occur.

The current balance of the pooled Cash Transaction account is approximately \$4 Billion.

## April Net Inflows Update and Outlook

Net inflows for April were approximately \$790m, marginally below expectations. We believe that the April Net Inflows were adversely impacted by a combination of COVID related absenteeism and the impacts of volatile markets and investor sentiment, relating to geopolitical events and interest rate speculation.

We expect seasonally strong inflows for May and June.

Given the above factors, we update our Net Inflow guidance to exceed \$13 billion for FY2022.

We remain very positive about the ongoing transition of clients and the new business pipeline which continues to be very supportive of strong FUA growth in FY2023 and beyond.

## 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 and No.1 for overall platform\*.

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 & Investment Trends December 2021 Platform Competitive Analysis and Benchmarking Report