

Netwealth members impacted by the First Guardian Master Fund collapse to be compensated by Netwealth

ASX Release – 18 December 2025

Netwealth Group Limited (ASX:NWL) has agreed to pay compensation to members of the Netwealth Superannuation Master Fund (**Fund**) who have suffered a loss through the collapse of the First Guardian Master Fund (**First Guardian**) after reaching agreement with ASIC. The compensation payments will be facilitated by way of a payment into the cash account of each affected member by Netwealth Superannuation Services Pty Limited (**NSS**), in its capacity as trustee of the Fund, reflecting the value of each member's net capital invested in First Guardian. The total value of the compensation payments is estimated to be \$101 million.

These compensation payments will be credited to members' super accounts by 30 January 2026.

The compensation will be recorded as an extraordinary expense in Netwealth's 1H26 accounts, with an impact on net profit after tax of approximately \$71 million. The compensation will be funded through a mixture of cash and debt.

Netwealth remains in a strong financial position with very high levels of recurring revenue, a strong EBITDA margin, and strong cash generation.

Netwealth expects to base its FY26 dividend on underlying earnings (excluding this one-off compensation payment) and reaffirms our previous FY26 guidance for FUA net flows to not materially differ from FY25. FY26 costs associated with First Guardian and related activities are not expected to be material, and will be disclosed separately in our accounts.

Netwealth's decision to compensate members and conclude matters with ASIC is one of the many avenues Netwealth has investigated to support its members and to assist them in recovering some or all of their investment in First Guardian.

Netwealth Chairman Michael Wachtel said "From the outset our position has been that affected members should be remediated as soon as possible, without having to wait for the recovery of funds by the liquidator or the completion of any ASIC investigations into the various parties involved in this matter. Through the exploration of our Part 23 Application related to the fraud suffered by the Fund including by the responsible entity of First Guardian, Falcon Capital Limited, along with various other areas of potential remediation, it became clear that the only way to restore members in a timely manner was to reach an agreement with ASIC under which Netwealth would fund the compensation to affected members. The Part 23 Application has now been withdrawn."

Chief Executive Officer and Managing Director, Matt Heine said "The agreed outcome allows us to move forward and continue our work in supporting our members, our clients and our business. We have been in regular dialogue with impacted members. We know the level of distress the collapse of First Guardian has caused and it was critical to us to provide members with assurance by the end of the year that compensation would be forthcoming.

We believe this is the right course of action for Netwealth and impacted members and is in line with our culture and values.”

While ASIC is in the process of investigating or taking action against various entities and individuals in respect of their conduct in connection with these events, it has now concluded its investigation into the Netwealth group. That resolution includes ASIC commencing proceedings in the Federal Court in which Netwealth Investment Limited (**NIL**) and NSS will each admit to a contravention of s912A(1)(a) and 912A(5A) of the Corporations Act, however ASIC has agreed not to seek any penalties from the Court. NIL and NSS have agreed to a court enforceable undertaking with ASIC requiring the payment of the agreed compensation into members’ accounts in the Fund.

NSS has also agreed to an enforceable undertaking with APRA requiring an uplift of its investment governance processes, to be overseen by an independent expert.

Mr Heine said “Netwealth remains of the belief that the losses suffered by affected members were primarily caused by the fraudulent conduct of various entities and individuals including, in particular the responsible entity of First Guardian, Falcon Capital Limited. We also recognise that, it is important for us to review and further uplift our onboarding and monitoring processes in relation to the investment options we make available to our members.”

Netwealth has always had a commitment to continuous improvement of its investment governance framework, and over recent months has undertaken various additional activities including the creation of a new Executive level role with a strengthened focus on investment governance, additional roles in the Investment Management and Research team, greater integration of investment governance and adviser oversight activities and improved transparency and consistency of the review and monitoring of investment options.

Netwealth is continuing to work co-operatively with all relevant stakeholders including the Government, the industry and regulators to ensure fit for purpose regulations and standards to better protect members’ interests in the future.

Updates relating to First Guardian can be found on Netwealth’s website at netwealth.com.au/fg

A call has been arranged for today and will commence at 9:00am (AEDT). Investors are invited to join this call and can register at <https://s1.c-conf.com/diamondpass/10052190-asms44hjj.html>.

About Netwealth

Netwealth is a financial services company listed on the Australian Securities 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.

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;
- managed funds;
- self-managed superannuation funds administration; and
- non-custodial administration and reporting services.

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

The platform is created, developed, and maintained by our technology team. It is continuously enhanced based on feedback from financial intermediaries, clients and other users and is widely acknowledged for its industry-leading capabilities.

To ensure the effective operation of our financial products and technology platform, Netwealth invests heavily in its people and resources for support, custodial and non-custodial services, and risk and governance management.

Disclaimer: This document is for general use. Modification of content is prohibited unless you have Netwealth's express prior written consent.

This document has been authorised for release by the Board.

For further information please contact:

Hayden Stockdale

Chief Financial Officer

shareholder@netwealth.com.au