Federal Court endorses agreement reached between Netwealth and ASIC for members impacted by the First Guardian Master Fund collapse

ASX Release – 20 August 2026

Netwealth Group Limited (ASX:NWL) notes the Federal Court of Australia has today made declarations confirming its 18 December 2025 agreement with ASIC 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**).

Netwealth confirms that it paid compensation payments 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 was approximately $101 million and paid to affected members' super accounts by 30 January 2026.

Netwealth's decision to compensate members and reach agreement with ASIC included ASIC commencing proceedings in the Federal Court in which Netwealth Investments Limited (**NIL**) and NSS each admitted 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, which the Federal Court today confirmed.

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.

"We are pleased that the ASIC proceedings are now concluded and that we were able to provide certainty to our members in relation to their superannuation savings."

Chief Executive Officer and Managing Director, Matt Heine said "The agreed outcome, now confirmed by the court, allows us to move forward and continue our work in supporting our members, our clients and our business. The compensation payments provided by Netwealth means affected members' superannuation accounts had the net capital invested in First Guardian returned, alleviating distress caused by the collapse."

As previously announced, NSS agreed to an enforceable undertaking with APRA requiring an uplift of its investment governance processes, to be overseen by an independent expert. Program RISE – Reviewing Investment Standards and Excellence was established by NSS to review and further uplift onboarding and monitoring processes in relation to the investment options we make available to our members.

Mr Heine said "NSS is delivering on the key milestones agreed under the APRA enforceable undertaking. We are increasing our investment and prioritising continuous improvement of the investment governance framework for the benefit of superannuation members including greater integration of investment governance and adviser oversight activities and improved transparency and consistency of the review and monitoring of investment options. We believe these initiatives, along with our engagement with the industry via the Financial Services Council to support fit for purpose regulations and standards, will result in improved protection of members' interests in the future."

Other information:

As announced previously, the compensation has been recorded as an extraordinary expense in Netwealth's FY26 accounts, with an impact on net profit after tax of approximately $71 million. The compensation has been 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). Netwealth's net flows in FY26 were $15.4 billion and total FUA as at 30 June 2026 was $135.7 billion.

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.

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This document has been authorised for release by Hayden Stockdale, Chief Financial Officer.

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