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Netwealth's Principles of Internal Governance & Asset Stewardship

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Introduction

Netwealth is an Australian platform provider and offers an extensive range of investment options for both retail and wholesale investors.

Netwealth as a Responsible Entity is also an issuer of a number of financial products that are made available on the Accelerator Core and Accelerator Plus investment menus.

This document is designed to highlight Netwealth's organisational and investment approach, the guiding behaviours and processes assisting internal governance and Netwealth's approach to asset stewardship.

These principles have been documented to align with the Financial Services Council's Principles of Internal Governance and Asset Stewardship.

Organisational and Investment Approach

- Netwealth Group Limited (ASX:NWL) is an Australian financial services and technology company headquartered in Melbourne. Founded in 1999, it operates across wealth management, superannuation and investment administration.
- Governance and Leadership
 - The Board is responsible for setting strategic direction and overseeing risk, while the Executive Team manages day-to-day operations. Investment professionals, both internal and external, are selected for their expertise and alignment with Netwealth's fiduciary obligations.
- Culture and Values
 - At Netwealth we pride ourselves on living a set of shared values, impacting the way we work, communicate and live:
 - Curious
 - Optimistic
 - Courageous
 - Collaborative
 - Agile
 - Genuine
- Group Structure
 - Netwealth operates under a group structure that includes:
 - Netwealth Group Limited – the listed parent company.
 - Netwealth Investments Limited (NIL) – responsible for administration, custody and investment management.
 - Netwealth Superannuation Services – trustee of the Netwealth Superannuation Master Fund.
- Netwealth provides clients with an extensive range of investment options to allow our investors to build tailored wealth solutions with the aim to help our clients see wealth differently.

Netwealth's Approach to Selecting Fund Managers

- Netwealth selects fund managers to execute our investment strategies and objectives where Netwealth does not have the skills to do so. Our selection process is guided by several principles:
- Evidence-Based Decision Making
 - Managers who demonstrate a commitment to data-driven strategies and analyse the factors that influence client outcomes and adapt strategies to support long-term success.
- Integrated Core Capabilities
 - Managers whose investment processes are built on robust, multi-asset or index-tracking capabilities depending on the relevant strategy. This includes expertise in capital markets, manager research, asset allocation, portfolio implementation, and factor-based investing. These capabilities should be well-integrated and responsive to evolving investor needs.

- Open-Architecture Philosophy
 - Managers with an open-architecture approach who offer top-performing strategies from diverse global sources.
- Efficient Portfolio Management
 - Managers with an ability to execute trades efficiently and maintain rigorous portfolio oversight given the complexity of multi-asset portfolios and tracking large-scale indexes. Operational excellence and a focus on cost-effective implementation are important so our clients' investments are managed with precision and care.
- Professional and respected managers
 - Netwealth's approach to selecting professional and respected managers is multi-dimensional, combining quantitative rigour, qualitative insight and governance scrutiny. Managers are sought out that have proven capabilities, transparent practices, strong ratings by external research partner and have strong governance are entrusted with managing client assets.
- Cost-Effective Solutions
 - Netwealth's product strategy seeks cost-effectiveness across its fund menu which supports the investment menu of Netwealth's lower cost platform offerings.
- Diversified Opportunities
 - Netwealth's Managed Funds offer a diversified suite of investment solutions tailored to varying risk profiles and investment objectives. The platform includes both actively and passively managed options, structured to deliver long-term returns through strategic asset allocation and exposure to global investment managers.

Netwealth's Approach to Funds Management

- Netwealth seeks to execute the fund management responsibilities where it has the necessary internal capabilities and resources. Netwealth is currently the Investment Manager of two Cash only Managed Funds for which Netwealth's Board has determined that the required capabilities exist within Netwealth employees and team functions.
- The internal responsibility for the Funds does not rest with a sole or dedicated portfolio manager. Rather, it is managed subject to a 'multi-team member' approach, with responsibilities assigned based on a hierarchical structure to promote governance and appropriate segregation of duties. Co-portfolio management responsibilities sit with the Group Financial Controller and Head of Strategy & Development (Investment Choice). The Group Financial Controller is responsible for the daily management and execution of the Fund while the Head of Strategy & Development (Investment Choice) is responsible for governance, product structure, and ongoing asset class monitoring.
- Both co-portfolio managers have been assessed internally and by external research bodies as having ample skill to manage the Funds in their current form.

Internal governance

Netwealth maintains an internal governance framework for the responsible management of client assets. Key elements include:

- Ethical Conduct & Professional Practice
 - Netwealth’s commitment to ethical conduct is embedded in its governance framework, corporate culture, and operational policies. Internal governance documents outline a structure overseen by the Board and executed by the Executive Team. Ethical conduct is formalised through a [Code of Conduct](#), which guides employee behaviour, decision-making, and communication. The Code of Conduct promotes a culture of speaking up, inclusivity, and accountability, and integrates policies on whistleblowing, anti-discrimination, and health and wellbeing.
- Personal Trading Restrictions
 - Netwealth adopts a personal trading policy to uphold market integrity, prevent conflicts of interest, and for compliance with regulatory obligations. Netwealth’s [Trading Policy](#) sets out procedures and obligations for employees when buying and selling financial products and/or Netwealth securities.
- Conflicts of Interest Management
 - Netwealth employs a multi-layered and transparent framework across its investment, governance, and operational activities. Central to this framework are policies such as the Group Conflicts of Interest Policy, which outlines principles for identifying, disclosing, and managing conflicts of interest, and the [Anti-Bribery and Corruption Policy](#), which outlines limits for gifts, entertainment, and external engagements.
- Risk Management
 - Netwealth’s risk management framework strives to achieve an embedded risk culture, continual monitoring for effective risk management, and risk-based decision making.
 - An Issue, Incident & Breach Handling Policy is in place to enhance the risk management and compliance framework and promote a culture of reporting and learning from issues, incidents, near misses or breaches.
 - Risk culture is actively promoted across the organisation through mandatory compliance activities including compliance training and timely completion of control testing. Technology risk has dedicated roles throughout the business tasked with managing identity, access, supplier risk, and business continuity planning.
- Error Correction Processes
 - The Unit Pricing, Income Distribution and Valuation Policy includes a framework for identifying and rectifying unit pricing errors. Errors are investigated and rectified promptly.
 - Netwealth also maintains a framework for identifying, managing, and reporting operational disruptions, control failures, and regulatory breaches across its entities through the Issue, Incident and Breach Handling Policy. The policy outlines roles and responsibilities for Netwealth employees.
- Brokerage, Commissions, Best Execution & Trade Allocation
 - Netwealth does not engage in active brokering or trading with regards to the underlying investments of Managed Funds. Netwealth partners with investment managers who undertake the process of selecting brokers and dealers which they reasonably expect to obtain the best execution for the portfolio being managed.

- Valuation & Pricing
 - Netwealth maintains a Unit Pricing, Income Distribution and Valuation Policy which provides guidance on how Netwealth will exercise its discretions permitted under the constitution of each Fund to determine the entry price and exit price of Fund units and how income is calculated and distributed.
 - This policy sets out a framework for unit price calculation with the aim to:
 - Calculate unit prices fairly and equitably.
 - Manage errors and compensations in accordance with industry good practice.
 - Review at appropriate intervals the methodologies adopted to meet commercial and regulatory requirements.
- Remuneration Policy
 - Netwealth’s remuneration framework is built on principles of fairness, transparency, strategic alignment, and regulatory compliance. The core framework is outlined in the Remuneration Policy, which defines the objectives, structure, and governance of remuneration arrangements across the organisation. Oversight is provided by the Remuneration Committee, which reviews framework design and monitors implementation, and makes recommendations to the Board on remuneration for key roles.
- Business Continuity Management
 - Netwealth maintains a multi-layered Business Continuity Management framework designed for operational resilience across its investment, platform, and IT services. The cornerstone of this framework is the Business Continuity Management Policy, which outlines governance structures, recovery objectives, and testing protocols.
 - Operational recovery tests are conducted regularly and reviewed promptly to address any gaps, with scenario-based exercises simulating loss of premises and infrastructure isolation.
- Whistleblower Protection
 - Netwealth has established a whistleblowing framework designed to uphold integrity, protect individuals, and assign accountability across its operations. The cornerstone of this framework is the [Whistleblowing Policy](#), which provides a secure and confidential mechanism for eligible whistleblowers to report suspected misconduct, fraud, or unethical behaviour. The policy supports anonymous disclosures and outlines multiple reporting channels.
- Training & Development
 - Netwealth’s approach to Training & Development is embedded in its organisational culture and strategic goals. Netwealth supports its people with access to relevant training for their roles and development goals to maximise their potential.
- Complaints And Dispute Resolution Mechanisms
 - Netwealth has established a complaints management framework that prioritises fairness, transparency, and continuous improvement. The [Complaints Handling Policy Summary](#) outlines the principles of our complaint handling process, including fairness and respect, effective and efficient management and accountability.
- Fund Manager Governance
 - Netwealth partners with Fund Managers who maintain governance procedures and policies aligned with Netwealth’s own standards. This is a key consideration when seeking out Fund Manager partners to execute investment strategies.

Asset Stewardship

Netwealth's core capability in this context is to assess the stewardship standards of the underlying fund managers through which the Netwealth Managed Funds invest for alignment with the expectations within Financial Service Council Standards.

As the Responsible Entity, Netwealth maintains a duty to act in the best interests of fund members. Where a conflict arises between members' interests and its own, Netwealth's gives priority to members' interests.

When considering the appointment of an underlying fund manager, Netwealth reviews a range of governance and stewardship matters, including:

- Governance frameworks, such as risk management policies (including conflict of interest), compliance, related party issues, documented conflicts, and company engagement and monitoring.
- Environmental, social, and corporate governance (ESG) statements.
- Modern Slavery Statements.

Netwealth's preference is to partner with potential investment fund managers with detailed internal governance and asset stewardship positions and approaches. Netwealth does not currently conduct asset management over direct investments and hence the application of FSC Standard No. 23 (Principles of Internal Governance and Asset Stewardship) is best reflected in Netwealth's engagement with potential and appointed fund managers of its products.

NIL MIS Voting Policy

Netwealth has a voting approach in accordance with FSC Standard 13 (Voting Policy, Voting Record and Disclosure). This is outlined in the Netwealth Managed Investment Schemes Voting Policy, which is available on our website. This policy is designed so that where voting decisions are required to be made, they are in accordance with the best interests of members