The Emerging Affluent

Evolving your value proposition with Netwealth



January 2021



1.2

million

\$2.2

trillion

52%

to seek advice

nw

The Emerging Affluent

The Emerging Affluent has by far the highest average household income

Average household income	
Emerging Affluent	
\$202,124	
Emerging Mass	
\$84,226	
Established Affluent	
\$122,193	
Established Mass	
\$70,156	

Emerging Affluents have the second largest investment portfolios on average

Average household investment portfolio

Emerging Affluent	
\$285,545	
Emerging Mass	
\$31,804	
Established Affluent	
\$442,864	
Established Mass	
\$26 841	

Emerging and Established Affluent groups have high and similar property values

Average residential property value Emerging Affluent \$1,024,882

Emerging Mass

\$522.934

Established Affluent

\$962,469

Established Mass

56,751

Emerging Affluents have signfi cantly more super than their similar aged peer group, the Emerging Mass

Average household superannuation

Emerging Affluent

\$229,150

Emerging Mass

\$90,331

Established Affluent

\$412,582

Established Mass

Average age for the Emerging Affluent is 37 years old

Average age profile in years
Emerging Affluent
37 years old
Emerging Mass
37 years old
Established Affluent
60 years old
Established Mass
61 years old

The Emerging Affluent are mainly Gen Y

Emerging Affluent by generation band

Generation Y (30-40 years old)

72.5%

Generation X (41-54 years old)

27.5%

The Emerging Affluent

Emerging Affluents are younger and are more likely to be looking to take advantage of their wealth and grow their families

Which of the following financial goals are you actively working towards in the next three years?

Emerging Affluent Overall

Go on a holiday

67.1%

Buy a car 28.1%

28.0% Start/grow a family

8.7%

Pay private school or university fees for children and/or grandchildren

18.3% Get married

16.4% 8.7% Emerging Affluents are focused on improving their wealth position through investing and reducing their debt

Which of the following financial goals are you actively working towards in the next three years?

Emerging Affluent Overall

Build/diversify my investment portfolio

Pay off mortgage and/or other debt

47.6%

Buy an investment property

14.7%

Renovate a property

Buy a property to live in

20.0%

Sell a property

6.0%

Many Emergent Affluents have recently gone through, or expect to go through, career advancement or career changes

Which of the following life events are you expecting/preparing for in the next three years?

Emerging Affluent • Overall

Career advancement

Change career/iob

19.5%

Job loss/redundancy





How Netwealth can help you capitalise on this opportunity

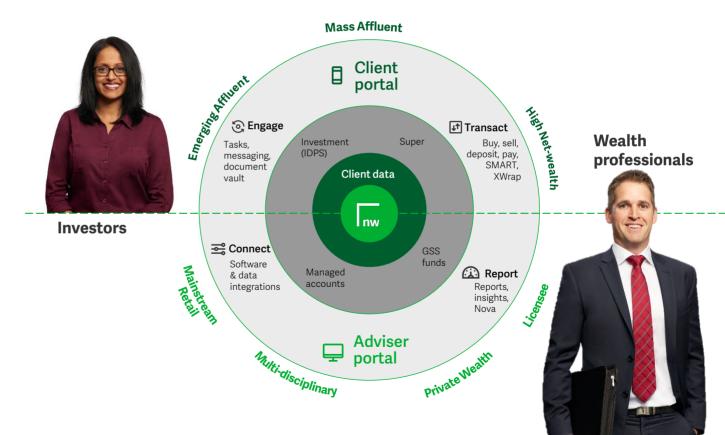


Your whole of wealth solution for Emerging Affluent clients and your business

Provide your clients with a customised experience delivered at scale.

Netwealth's single ecosystem combines an integrated client and adviser portal with online tools to help you streamline your business.

With customer data at the core, Netwealth is well placed to help you improve efficiencies and deliver the "Silicon Valley" experience expected by today's Emerging Affluents.





Using Netwealth, you and your Emerging Affluent clients will have access to a wide range of transaction capabilities to manage their super and investment portfolios.

- Buy, sell & monitor a range of assets, supported by sophisticated execution tools and processes.
- Make payments, transfers and deposits.
- Automate CGT outcomes with tax optimisation tools.
- Schedule ongoing cash management including regular payment, dollar cost averaging, re-investment and Auto sell down options.
- Scale with sophisticated rebalancing and ROA capabilities to manage multiple client portfolios. <u>Watch video to learn</u> <u>more></u>

One platform supporting all the various needs of your Emerging Affluent client's investment needs

With Accelerator Plus, you can build a super or investment portfolio with access to ASX and international listed securities, managed funds, managed accounts, term deposits, and annuities.

- Invest in global companies that tech-savvy clients have grown up with like Apple, Alphabet, and Amazon.
- Invest positively with a range of ethically responsible ETFs and managed funds.

With Accelerator Core, build a cost-effective portfolio using Netwealth Global Specialist Series (GSS) managed funds & Managed Models.

Support these younger Emerging Affluents and the insurance needs with insurance from large providers

Protect your Emerging Affluent clients with our Group insurance or use LifeWrap to provide retail insurance policies that can be organised via Netwealth's Platform.

- Netwealth's Group provides Life, TPD and Salary Continuance cover with takeover terms available.
- Link retail insurance policies from AIA, TAL and Zurich and let Netwealth manage your client's premiums payment.



Mange super and investment portfolios with sophisticated, yet easy to use tools

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netwealth	W Ny Postolo					© &	
ortfolio Reports & Statemen	s Transactions Y	My Details Y Open an Account Y Activities 8	Tasks 👻 – Forms & Research 👻				
	Cash Settir	ngs					
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	Set a cash target	🔿 Yaa 💿 No				Portfolio Balance \$434,4390.05	
	Investment Ins	Iructions what does this mean?				-	
	investment option	Income 🗸	Income will be reinvested. This is (a) Income received less expension (b) Saving plan and regular cont clinect debit.	es paid, plus	nounts made by	ev.	
	Assets to buy						
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	Code	Name	Datributions @		income		
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	B 60002840	Aberdeen Standard Aalan Opportunities Fund		50.00			
				Cash 0.00	56	_	

Buy and Sell Assets									
Invest using Available cash	✓ Availat \$52.21	tie cash 2.70	-	Pending buye \$35,221,27			E Remaining St0,991.40		
Q. Add investment		Gel Al							
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Click to learn more>

Click to learn more>

Engage

Give your Emerging Affluents a feature rich online experience expected by today's tech-savvy individuals.

- Award-winning online and mobile portal*
- Intuitive dashboards with consolidated and customisable views across multiple accounts.
- Extensive range of portfolio reports, quick charts and statements.
- Enhanced security, with 2 factor authentication, SMS verification codes for payments, fraud detection and more.
- White labelled reporting and website options available

* Investment Trends: December Platform Competitive Analysis and Benchmarking Report, 2016-2020



Coming soon: An entirely new client experience

Our latest innovation is the upcoming enhancements to our client portal, with a mobile-first app and a breadth of features spanning beyond portfolio management.

Award-winning online and mobile client portal



Data feeds from financial institutions

In addition to 170 banks and credit unions, we now also have super funds, credit unions, broking accounts and super funds.

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C	Cash account				\$74,570.00		11.31%
C	Alternative Investments				\$41,094,94	\$1.00	6.23%
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0	Australian Equities				\$107,317.39	(\$162.02) *	16.20%
-	Alan Gray Australia Equity Fund	ETL00604J	11,797,798	\$1.731	\$20,416.02	d254.95 -	3.105
	Fidelty Australian Equities Fund NovalPort Smaller Companies Fund	FID0005AU HOWE015AU	1,083,825	533.230	\$25,402,50 \$20,408,52	(5244.67) *	8.00% 2.11%
	Pergana Australian Equites Fund	PCL0005AU	16,825,018	51.829	\$30,910,88	(8245.67) *	4.32%
	N 100103100110				\$100.000.00	50.00	27.31%
	Australian Fixed Interest						
	Quaranteed Annuby (Liquid Lifetime) 5015	17 ANNU012082			\$180,000.00 *		27.31%
C	International Equities				\$210,257.05	\$68.91 m	31.91%

CODDODATE ACTIONS	Show All 73	
CORPORATE ACTIONS	- 310W All 13	
TCL + Transurban Group STAPLED Renounceable Rights Issue	Corporate Actions 3	
	Minimum Cash Alert 40	
O Closes in 0 days on 11 Dec 2015	. 6	
	Pending Withdrawals 1	
GBZ GBM Resources Limited Non-Renounceable Rights Issue	Term Deposits 29	
Closes in 4 days on 15 Dec 2015	0 1 <u>1</u> 1	

My Task Alerts

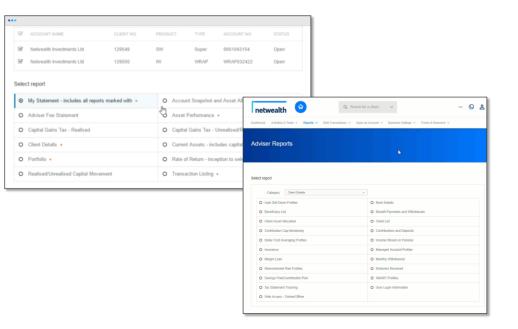
You and your clients can track the progress of a range of activities, like rollovers, withdrawals and corporates actions. Clients can approve adviser initiated tasks, like RoAs and fee proposals, online.



With Netwealth you and your Emerging Affluent clients will have access to unapparelled reporting and analysis tools.

- Run a range of business focused reports to assist in the efficient operation of your business
- View consolidated client reporting across multiple accounts.
- Gain "Whole of wealth" views with external bank, super and share trading account data feeds.
- Visualise strategies and outcomes with a range of detailed and summary reports.

Reduce time spent with client reporting using our comprehensive suite of chart-based reports, that consolidate account information and can be white-labelled.



(1) Visualise strategies and outcomes with a range of detailed and summary reports

<i>r</i> ealth	netv					
Credits	Return %	Return \$	Income	Change	Close value	Sales
		8,940.63	8,940.63		406,136.86	
		8,940.63	8,940.63		406,136.88	
	-11.33 *	-44,460.00		-44,460.00	155,540.00	
	20.59 *	29,033.36	4,674.93	24,358.43		-196,240.12
	-49.51 *	-105,140.42		-105,140.42	31,405.58	
	21.82 *	725.17	114,45	610.72		-3,848.40
	17.71 *	4,224.10	1,042.02	3,182.08		-34,922.42
	3.05 *	1,495.04		1,495.04	50,456.27	
	1.69 *	7,105.29	1,659.08	5,446.21	260,627.85	
	-3.72 *	-9,956.57		-9,956.57	321,645.48	
	0.00 *				112,500.00	
	9.45 *	23,634.85		23,634.85	273,634.85	
	12.40 *	31,465.00		31,465.00	285,215.00	
	3.05 *	13,442.30	9,318.86	4,123.44		-232,881.58
		-48,431.88	16,809.34	-65,241.22	1,491,025.03	467,892.52
3,816.24	-26.93	-74,575.69	8,904.56	-83,400.25	160,282.08	
	-3.18 *	-18,000.00		-18,000.00		-548,000.00
		22,298,290.22		22,298,290.22	25,320,340.08	055,685.18
1,733.78	13.58 *	36,382.26	7,070.39	29,311.87	107,972.64	-92,515.00
3,816.25	27.52 *	52,667.01	8,904.56	43,762.45		243,762.33
	3.98 *	2,530.12	1,661.94	868.18		-54,695.03

Account Snapshot			netwealth
Portfolio movement		Cumulative net investment v portfolio v	alue
Description	\$	\$50 M	
Opening value	1,859,031.72	\$45 M \$40 M	
Contributions, deposits & transfer-ins	19,548,932.99	\$35 M	
Withdrawals, payments & transfer-outs	-5,257,400.32	\$30 M	
Net income (income less expenses & tax)	972,217.03	\$25 M	
Market movement	33,635,086.02	\$15 M	
Closing value	50,757,867.45	\$10 M	
Change	48,898,835.73	\$0	
% Return	63.48%	-\$5.0 M	6/02/2019 6/02/2020
* Return is net of administration costs & advice fees. Returns for periods < 12 mths are not annualised.			Portfolio value
70%		220.00% 180.00% 180.00% 140.00% 100.0% 100.0% 100.0% 40.00% 40.00%	
0%		20.00%	
0%			
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≅Connect

Netwealth's open architecture approach to software development provides support for multiple integration options with a wide selection of apps, software and data sources.

- Automatic daily data feeds containing client account, holding and transaction information.
- Straight through Netwealth application process directly from Iress.
- Data integration with SMSF accounting software, including BGL and Class, to help your clients reduce fees and complexity at tax time.



Netwealth's strategy is to deliver

Best-in-class technology

Market leading, home grown platform, agile and tailored to client needs

Ç_□ Best-in-class service

Award winning, nimble and highly responsive – 'we make our clients look good'

) Insights that matter

Provide deep insights to our clients and spot change that matters

Netwealth is a value driven business

See Wealth Differently

- Our purpose is to enable people to see wealth differently and discover a brighter future. At Netwealth we pride ourselves on living and breathing a set of shared values, impacting the way we work, communicate and live.
 <u>Watch the view to learn more about</u> <u>Netwealth's values</u> >
- We are a company that cares about the community and supports local organisations. In schools with Banqer, we support financial literacy, also helping younger Australians to see wealth differently. Learn more >





Netwealth is agile and committed to grow with you

A well capitalised partner that understands your needs and continues to invest in products and services

We support your business with a multitier customer service framework



Key Account & Distribution Managers who are there to offer you total business support.



Training & Relationship Managers (TRM) who you can rely on for educating and training your staff.



Adviser Support Officers who are our Australian located email and phone-based team to help you with all of your support questions.



Technical Services Consultants who can answer your technical and legislation questions.

We have been ranked number #1 for customer satisfaction for eight consecutive years*



2020 Planner Technology Report Overall Satisfaction: Platform

* Investment Trends Planner Technology Report 2013-2020 Work with a business that is 100% dedicated to building the best wealth management platform for you and your HNW clients.



100+ IT staff dedicated to platform development, accounting for ~25% of headcount expenses.



We rely on an agile development methodology, with scrum teams dedicated to platform feature development.



We release major and minor enhancements to the platform every 2 weeks.



We continually refresh our legacy technology to ensure we use the most modern tech to maintain our 'tech-stack'.

Disclaimer

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Netwealth offers a range of products including Netwealth Super Accelerator (a product in the Netwealth Superannuation Master Fund), Netwealth Wealth Accelerator (an investor directed portfolio service), the Netwealth Managed Account and the Netwealth Global Specialist Series managed funds.

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Netwealth Investments Limited is the trustee and custodian of the Netwealth Superannuation Master Fund, operator and custodian of the Netwealth Wrap Service and the Russell Investments Portfolio Service, and responsible entity and custodian of the Netwealth Managed Account and the Netwealth Global Specialist Series managed funds.