netwealth

First Guardian Update

ASX Release – 27 October 2025

Netwealth Group Limited (ASX: NWL) provides the following update on the First Guardian Master Fund (FGMF) collapse and actions being undertaken.

Part 23 Application Lodged

On 24 October 2025, Netwealth's subsidiary, Netwealth Superannuation Services Pty Ltd ('**NSS**'), submitted an application to the Minister for Financial Services, the Hon. Dr Daniel Mulino, for financial assistance under Part 23 of the *Superannuation Industry (Supervision) Act 1993* (Cth) ("Financial Assistance").

Member Impact

- 1,088 Netwealth members are impacted with total exposure of approximately $101 million.
- Any Financial Assistance granted will be applied to restore the Fund and to compensate impacted members.
- The Application seeks to restore members to their position prior to the fraud occurring.

Background

NSS, as trustee of the Netwealth Superannuation Master Fund, is a unitholder in the FGMF on behalf of Netwealth members. The $101 million exposure reflects total member investments less redemptions made before Falcon Capital Limited, the Responsible Entity of First Guardian, suspended redemptions on 28 May 2024. Falcon recorded the investment value at approximately $128 million as at that date; however, Netwealth considers the performance returns and valuations unreliable.

Part 23 Application Requirements

Part 23 applications may be approved by the Minister where: (a) the fund suffered loss from fraudulent conduct or theft; and (b) the loss substantially reduced the fund, causing difficulties paying benefits; and (c) approval is in the public interest.

Basis of Application

Netwealth considers that Falcon Capital Limited engaged in fraudulent conduct resulting in losses to the Netwealth Superannuation Master Fund. Netwealth believes fraudulent conduct by other entities and individuals has also contributed to these losses.

While acknowledging that work by liquidators and ASIC is ongoing, Netwealth believes sufficient evidence exists to establish that losses arose from fraud and that Part 23 requirements have been met.

Timing and Outcomes

Given the complexity of events surrounding the First Guardian collapse, the Minister's consideration may take some time. It is premature to provide assurances regarding timing or outcomes. Any Financial Assistance granted may only partially compensate members for losses incurred.

Regulatory Matters

ASIC is investigating various entities and individuals regarding their conduct in connection with these events, including Netwealth. While Netwealth's position remains that it complied with all relevant laws in making FGMF available on its platform, should a claim against Netwealth be established, the Company has the resources to honour any resulting legal or monetary obligations.

We are continuing to work co-operatively with all relevant stakeholders including the Government, the Regulators and the liquidators to pursue the best possible financial outcomes for Netwealth members, whilst also supporting members' wellbeing as the relevant legal and regulatory processes take their course.

This document has been authorised for release by the Board of Netwealth Group Limited.

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