

15 July 2025

# Advice Industry Benchmark Update – June 2025 Edition

## Centrepont / Peloton Project Update



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# ABOUT PELOTON PARTNERS



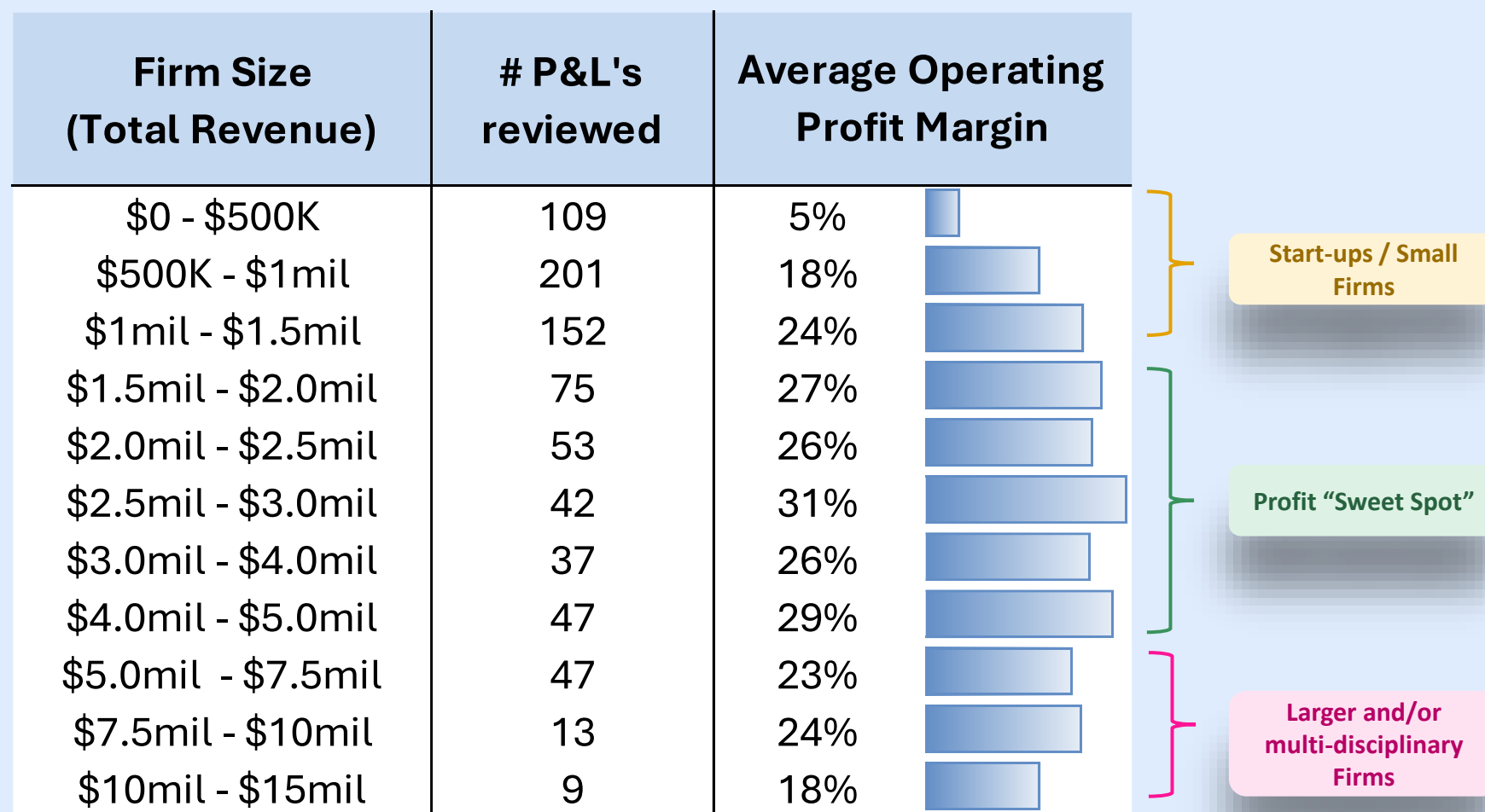
Established <b>2011</b>	Data base Firms <b>~200</b>	Benchmark data points <b>+500,000</b>
Firms Transitioned <b>+110</b>	Target Uplift success <b>+98%</b>	Advisers Trained <b>+350</b>
Recurring Rev Impact <b>+24%</b>	Net Profit Impact <b>+\$30m</b>	Valuation Impact <b>+\$150m</b>



# PELOTON ADVICE INDUSTRY BENCHMARK

AUSTRALIAN FINANCIAL ADVICE INDUSTRY – June 2025 Edition

# PROFIT MARGINS (CONT'D)



All results depicted are pre-Peloton Transition

# REMUNERATION SUMMARY

Role	Fixed REM (Low)	Fixed REM (High)	Fixed REM (Avg)	Bonus (Avg)	Profit Share (Avg)	Total Remuneration (Avg)
Principal / MD	\$160,000	\$320,000	\$185,497	\$44,270	\$106,000	\$247,363
Senior Adviser	\$110,000	\$200,000	\$142,994	\$15,920	\$72,500	\$175,505
Associate	\$78,923	\$107,639	\$95,338	\$2,640	-	\$100,875
CSM	\$35,820	\$82,126	\$67,860	\$1,088	-	\$74,080
Administrator	\$52,000	\$70,000	\$58,450	-	-	\$65,092
Paraplanner	\$41,760	\$118,324	\$62,998	\$2,088	-	\$69,086
Offshore	\$21,000	\$49,000	\$35,866	-	-	\$34,655

The above are actual remuneration levels provided to Peloton Partners and validated against P&L accounts. They are full time equivalent salaries. Note: Lower end of Associate may also include PY candidates.

# EXPENSE INCREASES: AUSTRALIAN FINANCIAL ADVICE FIRMS

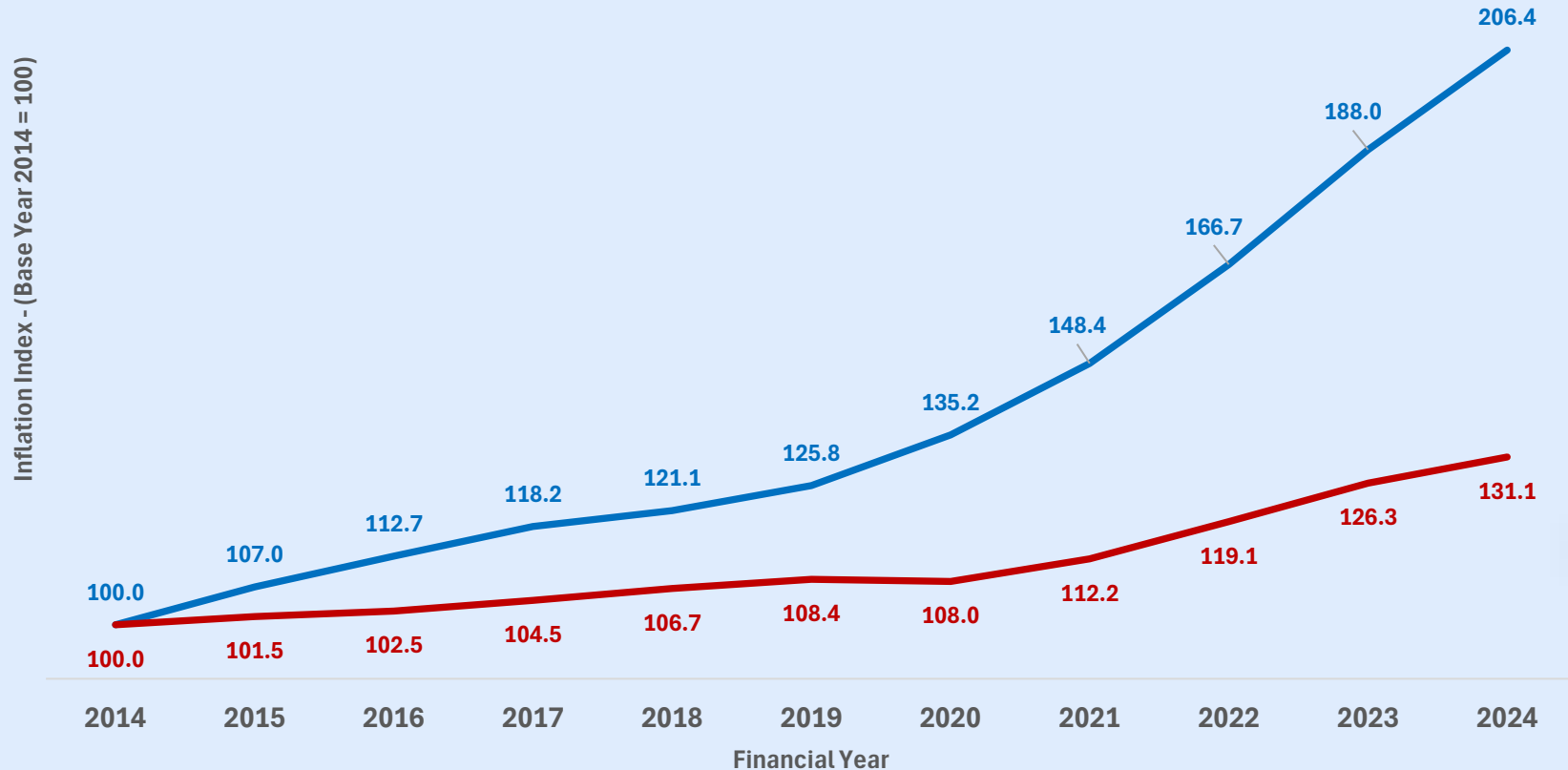
Expense Increase % - Year on Year  
(All Peloton Firms - Average)



# EXPENSE INDICES

## Expense / Inflation Indices

— Peloton Financial Advice Expense Index — Australian Consumer Price Index (CPI)



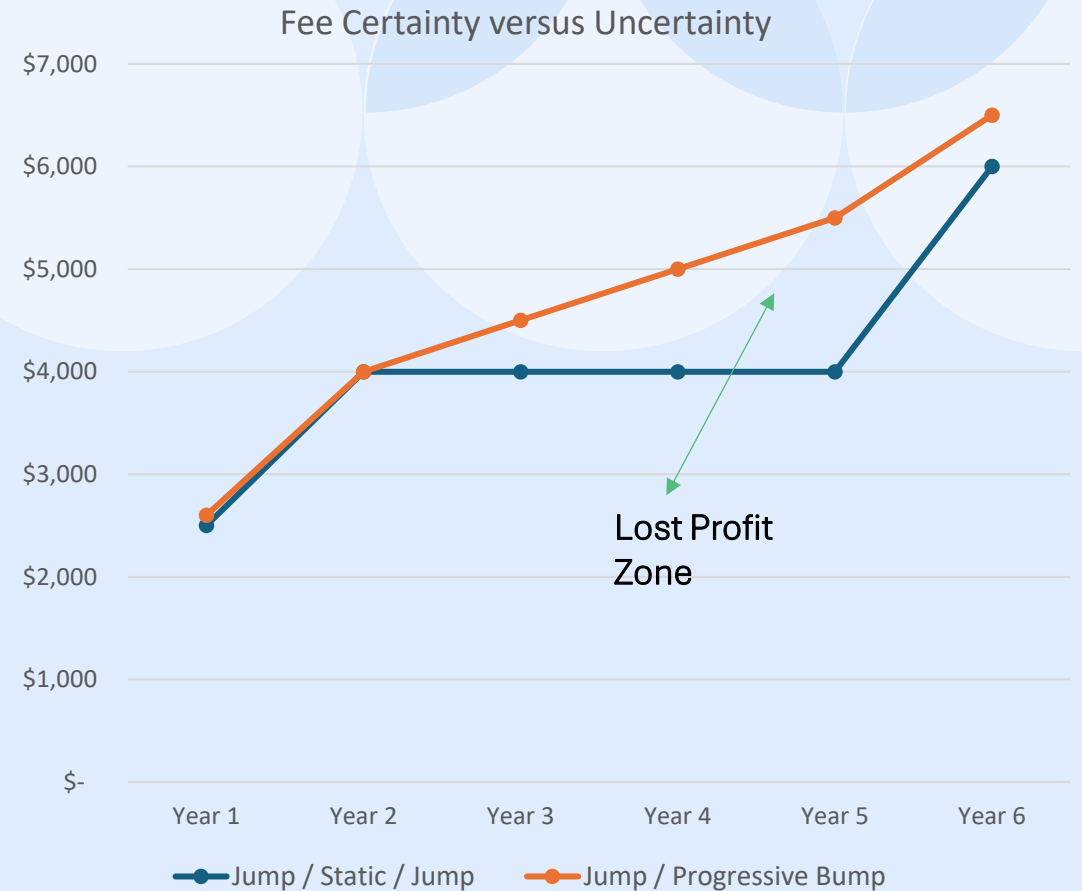
Time Period	Peloton Financial Advice Expense Index	Australian Consumer Price Index (CPI)
FY2014 - FY2024	+7.5% p.a.	+2.7% p.a.

Annual CPI Increases on Client Fees has left firms with Profit challenges!



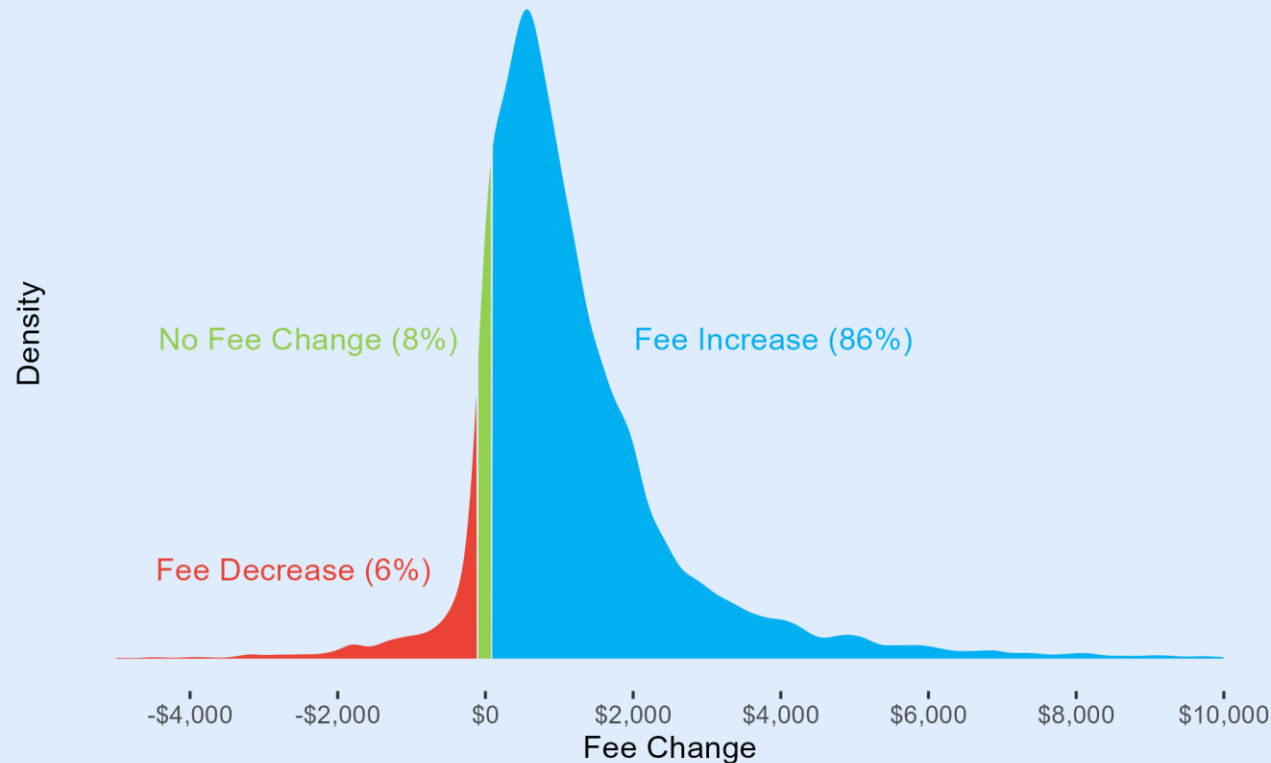
# THIS PATTERN DOES NOT WORK

- Historically advice firms have adopted a jump / static / jump approach to charging fees.
- This is problematic for advisers / clients / business profit
- The preferred approach is a Jump / Progressive Bump to fees – factors in client and business changes as they happen.
- This is less abrasive for all parties and maintains alignment of all stakeholder objectives.



# BECAUSE MISPRICING ADVICE IS MATERIAL (HISTORICAL OUTCOMES OF ACTUAL CLIENTS)

Peloton iDELIVER Program: Historical Fee Changes Implemented



Peloton iDELIVER Program Transitions

	Peloton Completed Transitions <sup>1</sup>	Your Firm (Estimate)
Fee Increase	86%	92%
No Fee Change	8%	5%
Fee Decrease	6%	3%

<sup>1</sup> Peloton Partners have successfully transitioned 10,321 Clients Australia-wide.

15 July 2025

# Centrepont / Peloton Project Update



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PARTNERS

# EXECUTIVE SUMMARY

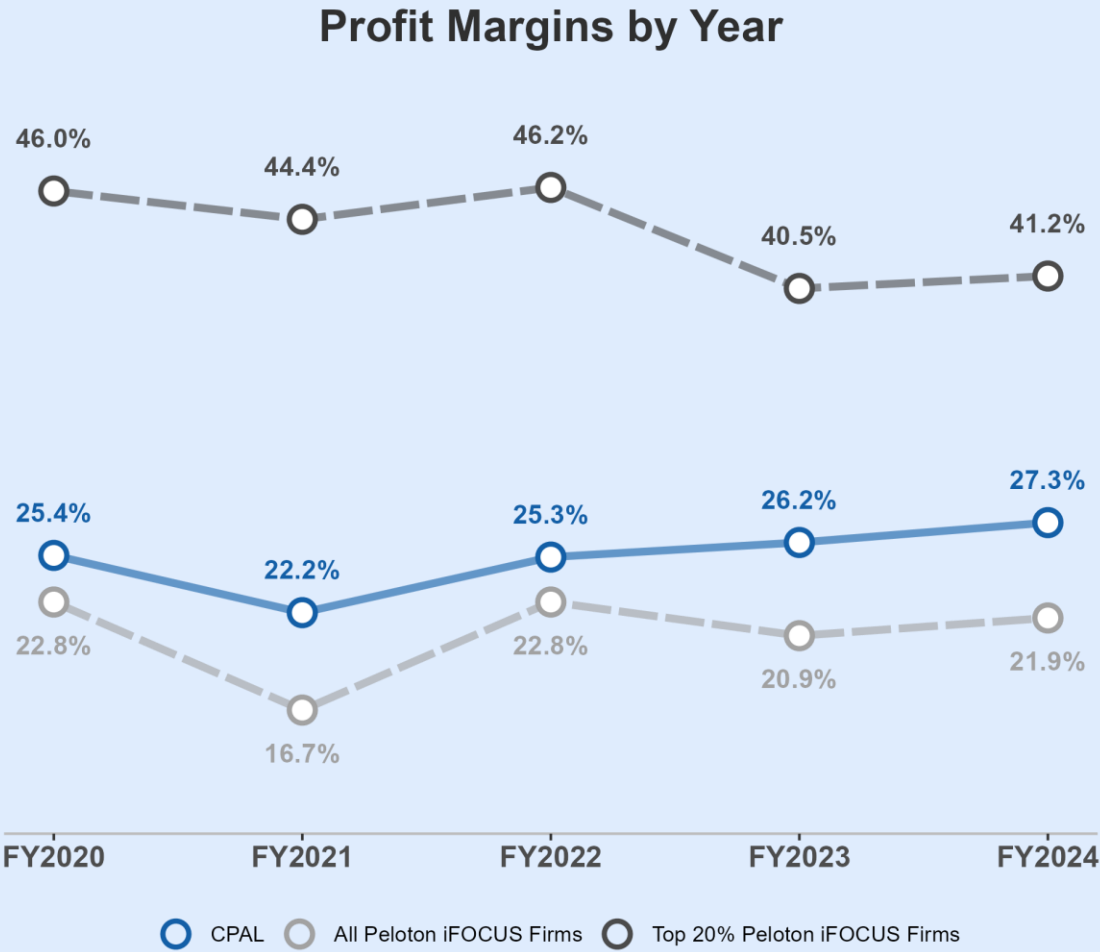
- 4 Centrepont affiliated firms are presently in the transition phase via the Peloton iDELIVER program – 2 are nearing this phase – 5 in negotiation phase
- Collectively the 4 firms in transition are targeting \$1.13mil in increased recurring revenue (“RR”) representing a 32% increase in RR over the next 12 months
- This rate of growth is effectively 3.5 years of organic growth compressed into a single 12-month period while organic growth continues at prior levels
- EBIT margins for these 4 firms on completion will seem them comfortably achieve genuine average profit margins of ~34%.
- As of 11 July 2025, no clients have declined the new terms with 100% success so far (117 client groups transitioned) – this is testimony to the impact of genuine effective change and the embedded value these advisers have been delivering to their clients historically.

# PELTON / CENTREPOINT IFOCUS PROGRAM - OVERVIEW



🚩 To date we have completed iFOCUS Assessments across 11 CPAL or CPAL-Allied Firms.

CPAL Firms Assessed			
	1 Adviser Firms	2-3 Adviser Firms	4+ Adviser Firms
# Firms	8	3	0

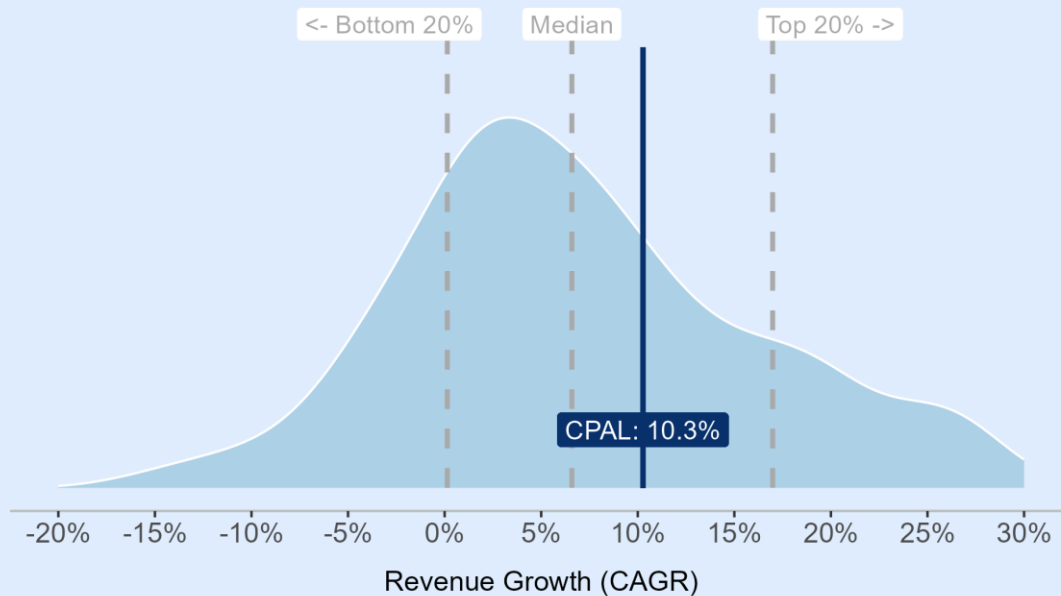


Results are pre the Peloton iDELIVER Transition

# GROWTH RATES – REVENUE & PROFIT

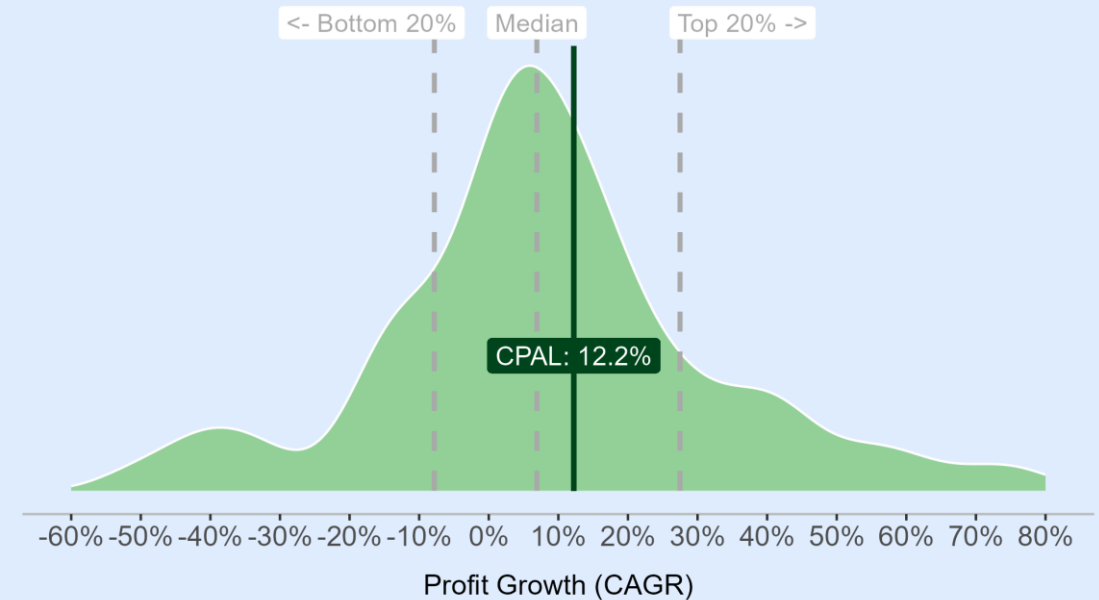
## REVENUE Growth Rates

Australian Wealth Management Industry Distribution

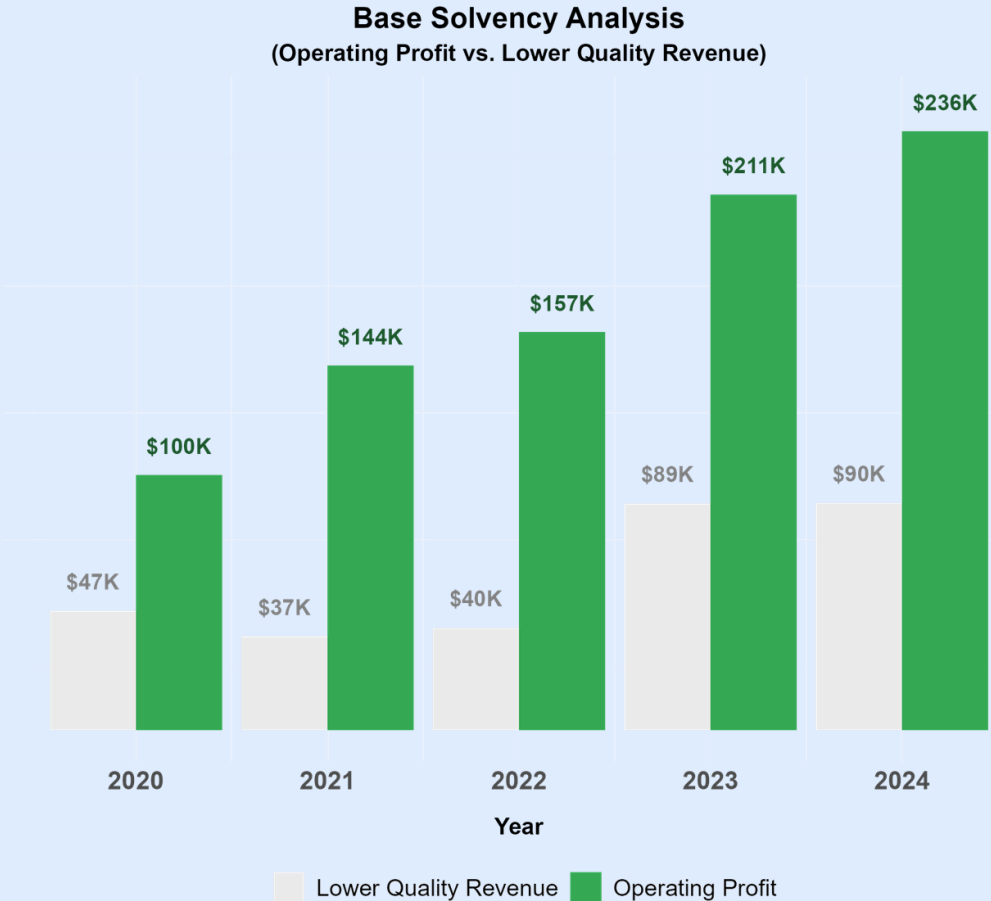
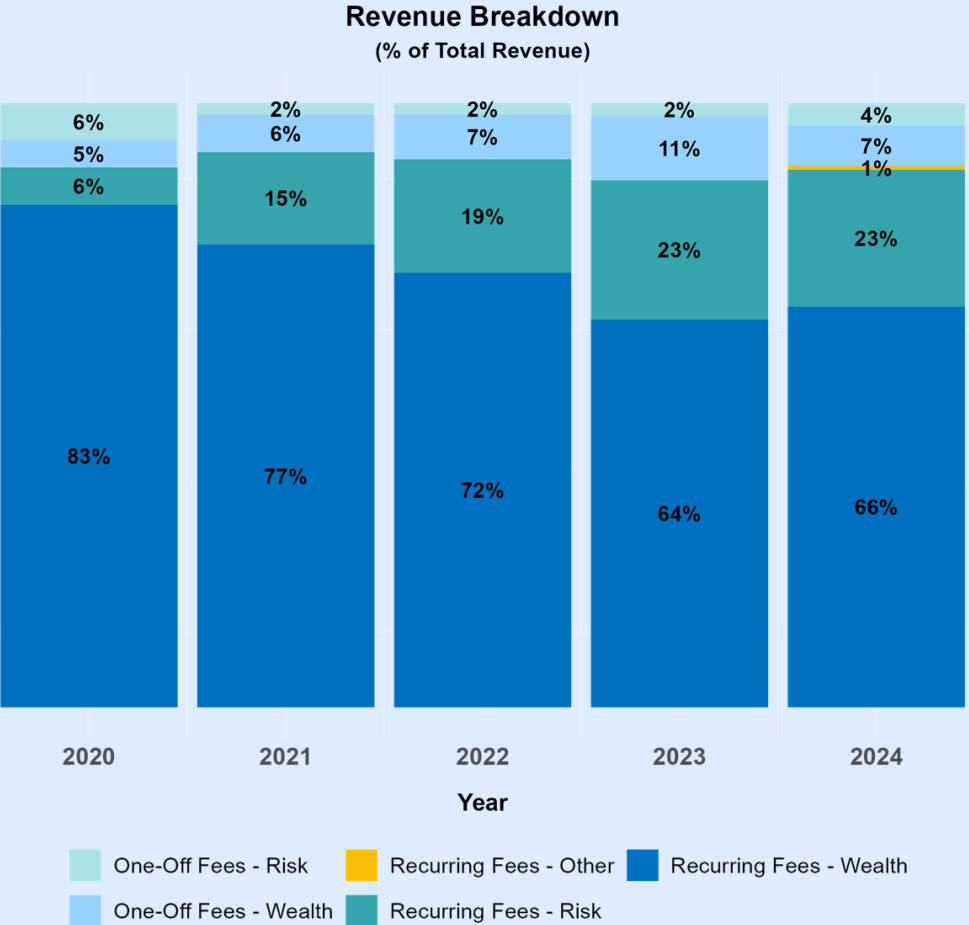


## PROFIT Growth Rates

Australian Wealth Management Industry Distribution



# QUALITY OF REVENUE



*Note: 'Lower Quality Revenue' includes Upfront/One-Off Revenue, Non-Standard/Abnormal Revenue, Referral Payments, Volume Based Payments.*

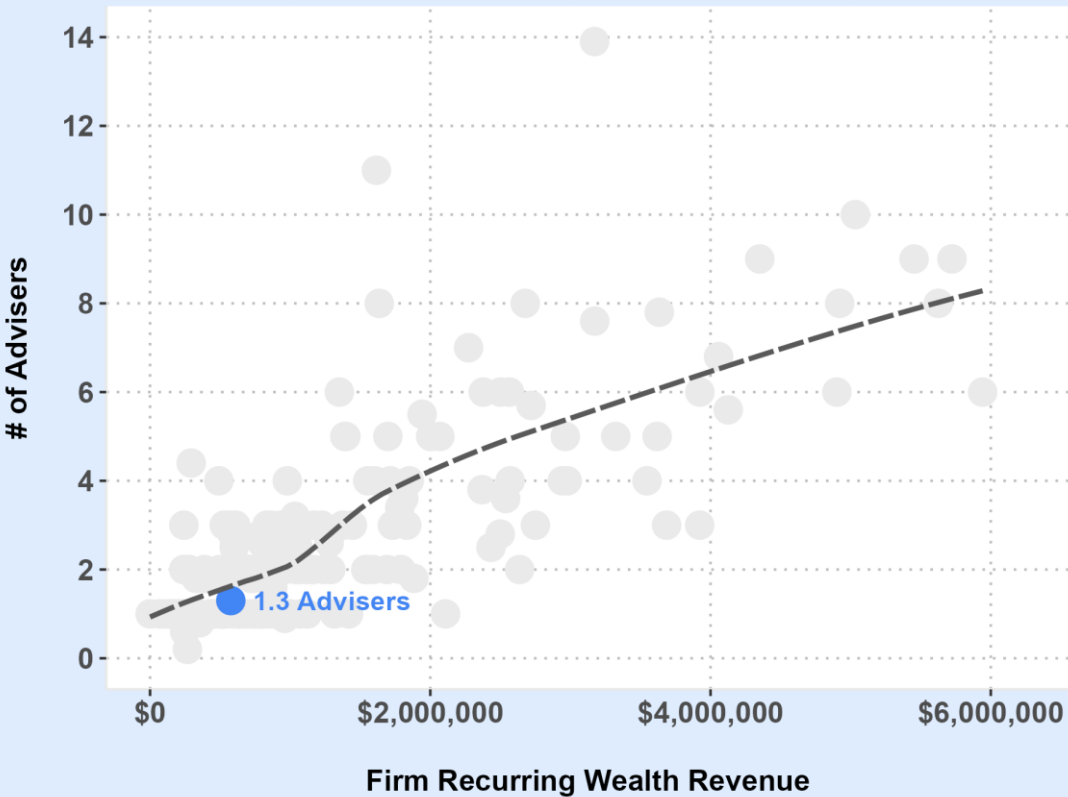
# BENCHMARKING: ADVISERS



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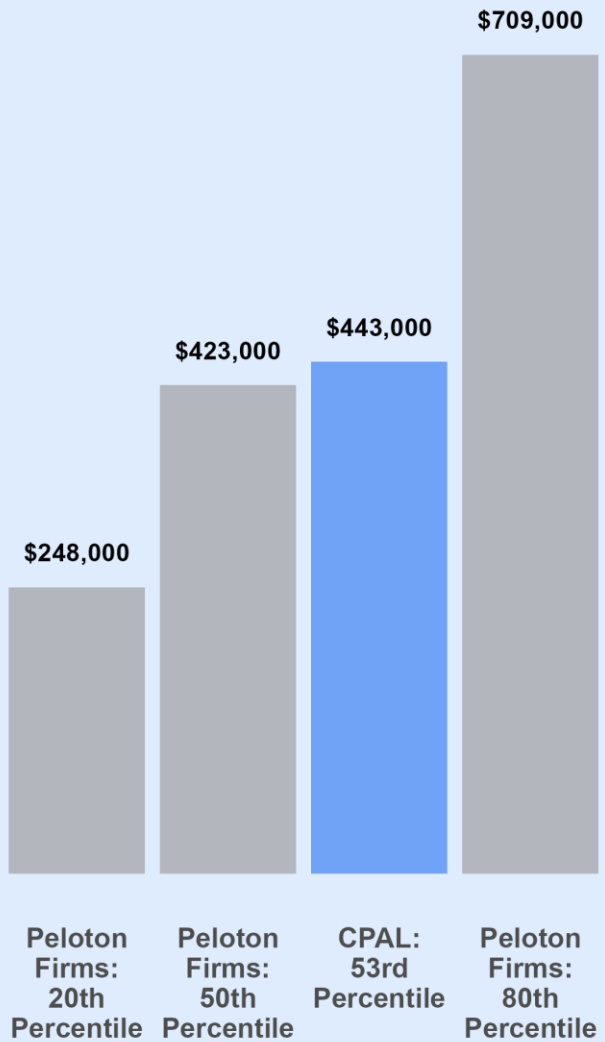
# Advisers Benchmark

All Peloton Firms CPAL

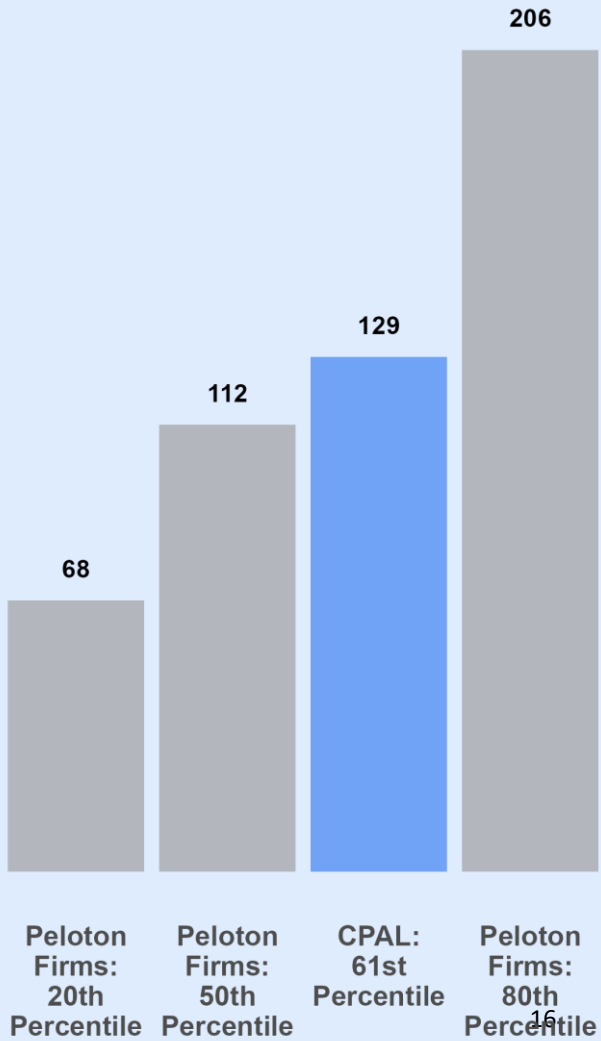


**Note:** Adviser numbers include Employees who advise on >\$100,000p.a. in Ongoing Wealth Revenue.

Recurring Wealth Revenue per Adviser



Active Clients per Adviser





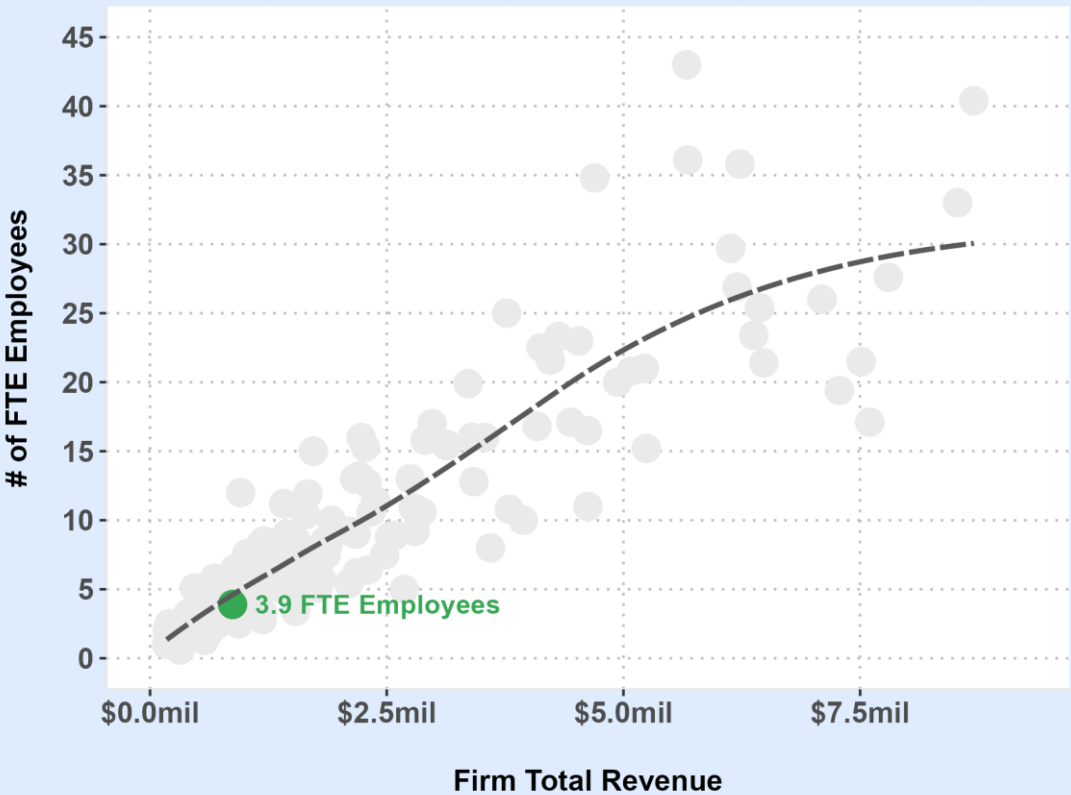
# BENCHMARKING: ALL STAFF



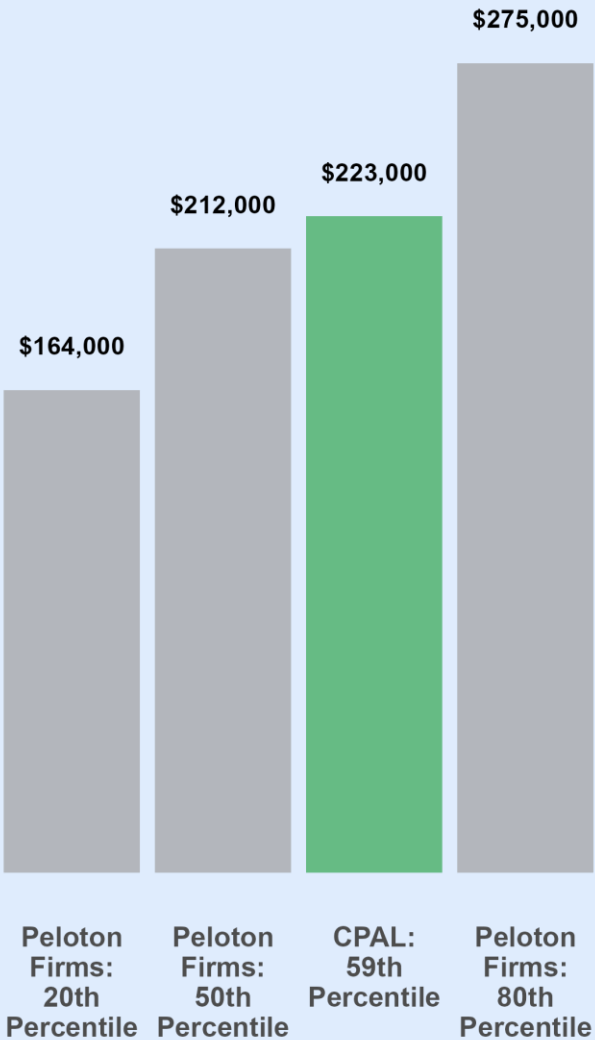
PELTON  
PARTNERS

# Employees Benchmark

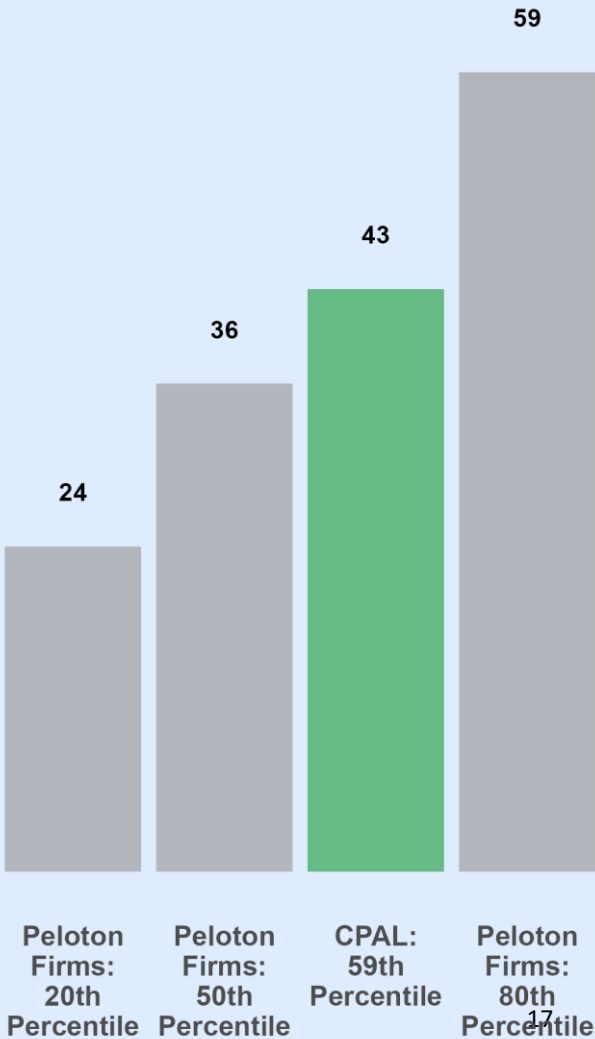
All Peloton Firms CPAL



Revenue per Staff



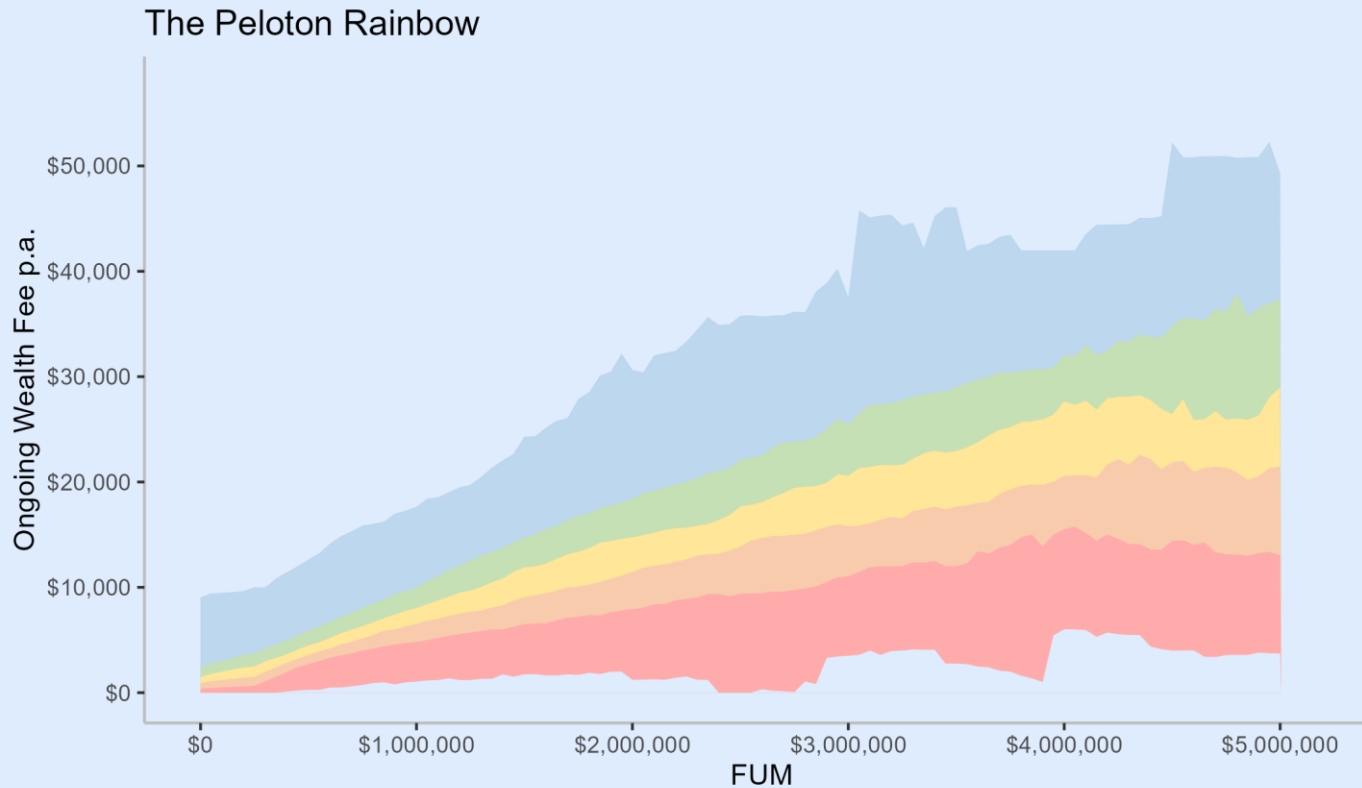
Active Clients per Staff



# THE PELOTON RAINBOW: CLIENT PRICING

🏊 **The Peloton Rainbow** is a proprietary model developed as an industry-leading Client Pricing Benchmarking tool.

🏊 It is constructed using data from over 37,000 Wealth Management clients Australia-wide.



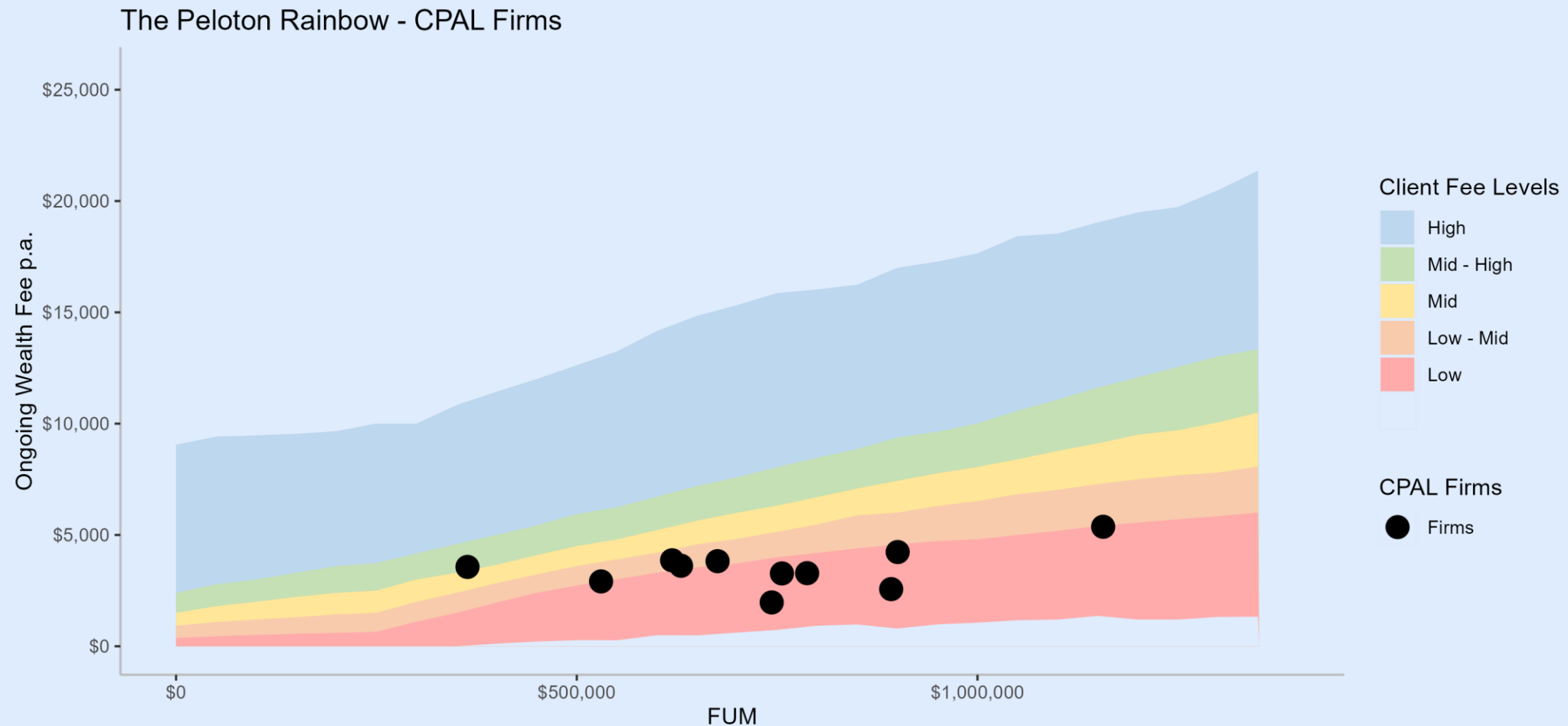
The Peloton Rainbow - Pricing Level Guide

Pricing Level	Client Price Ranking	Description
High	80% - 100%	The 20% High priced clients in the dataset*
Mid - High	60% - 80%	
Mid	40% - 60%	
Low - Mid	20% - 40%	
Low	0% - 20%	The 20% lowest priced clients in the dataset*

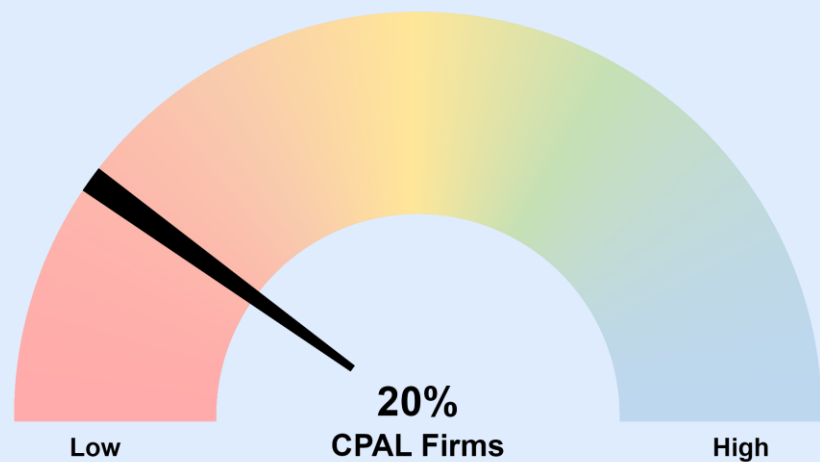
\*Excluding outliers

# THE PELOTON RAINBOW AND YOUR CLIENTS

🚩 We have taken the Average Client for each CPAL firm assessed and plotted them on the **Peloton Rainbow** below:



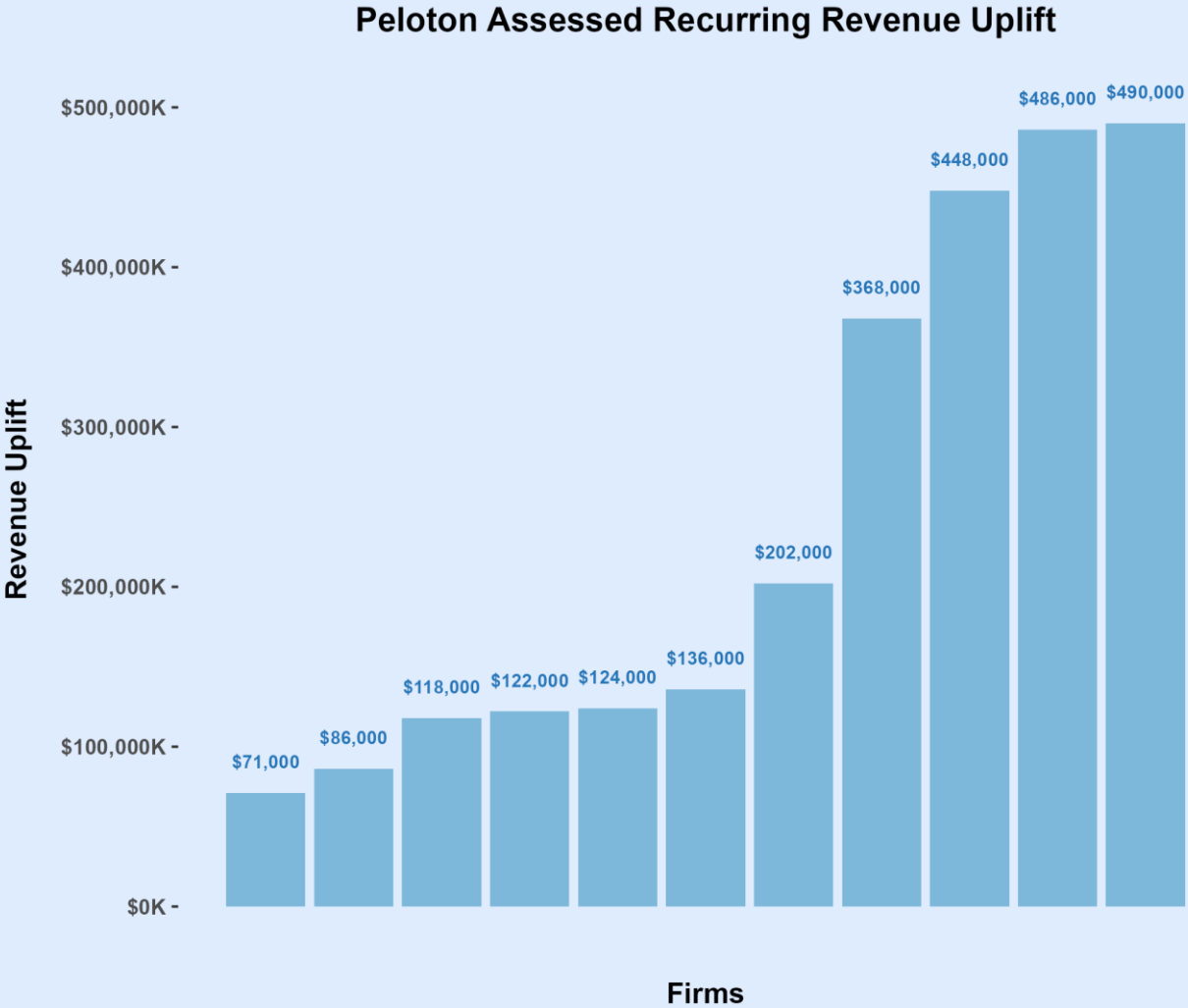
# PELTON RAINBOW: PRICING ASSESSMENT



CPAL Firms - Pricing Level Assessment		
Pricing Level	Client Price Ranking	Firm Assessment
High	80% - 100%	
Mid - High	60% - 80%	
Mid	40% - 60%	
Low - Mid	20% - 40%	
Low	0% - 20%	CPAL Firms: 20%

- 📌 **INTERPRETATION:** When compared to clients of a similar size, Centrepont Firms are Pricing Clients higher ~20% of the time and lower ~80% of the time.
- 📌 There is significant scope for firms to materially increase their Client Fee Pricing levels.

# REVENUE UPLIFT OPPORTUNITY



Revenue Uplift Opportunity per Firm	
Ave. Recurring Revenue Uplift per Firm	\$241,000
# Firms Assessed	11
Total Recurring Revenue Uplift Opportunity	\$2,651,000

Revenue Uplift Opportunity per Client	
Ave. Recurring Revenue Uplift per Client	\$1,430
# Clients Assessed	1849
Total Recurring Revenue Uplift Opportunity	\$2,651,000

If all current firms transitioned to the assessed opportunity – recurring revenue will increase by 28% within 12 months

# PELTON IDELIVER PROGRAM PROGRESS



iDELIVER Transition	Transition Week	# Clients Transitioned	Average Fee Uplift p.a.	Total Recurring Revenue Change p.a.	Project Recurring Revenue Uplift Target
Firm A	6	35	\$1,620	\$56,700	\$291,000
Firm B	15	71	\$830	\$58,930	\$368,000
Firm C	2	5	\$1,900	\$9,500	\$116,000
Firm D	2	6	\$1,300	\$7,800	\$350,000
<b>Overall</b>		<b>117</b>	<b>\$1,136</b>	<b>\$132,930</b>	<b>\$1,125,000</b>

# CENTREPOINT / PELOTON OFFER RECAP



- **iFOCUS Diagnostic includes the following;**
  - **Financial Analysis** – typically 5-year review to understand business rhythm
  - **Operational Benchmark Analysis** – how your metrics stack up / what they tell us about your business
  - **Client Fee Benchmark** – accurate assessment of where your fee levels are at compared to peers
  - **Revenue / Profit Uplift Assessment** – what is needed to realign profit / what is achievable
  - **Indicative Business Valuation** – what is your business is worth now / importantly what it's worth post implementation
- **iFOCUS cost and logistics**
  - \$2,400 ex GST paid over 2 instalments – 60% reduction to market value
  - Simple data provision
  - 2-week turnaround of iFOCUS Diagnostic

# STEP 1 : DIAGNOSTIC - THE NUMBERS ARE EVERYTHING...

## PRO-FORMA PROFIT & LOSS

We have constructed a pro forma estimate of your current financial position based on the notes and data you have provided:



Note 1:

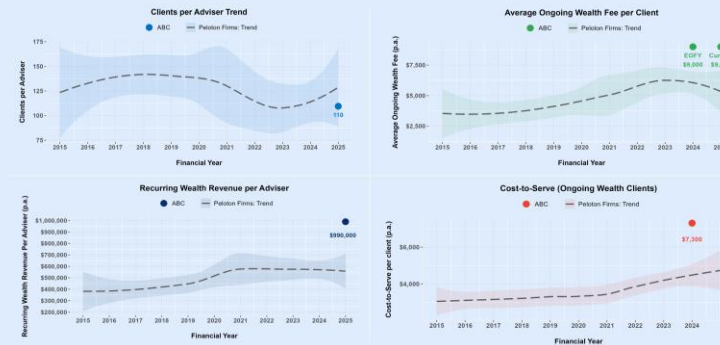
- We have shown Financial Results up to 30-June-2023.
- We determined that annualising the October 2023 Year-To-Date data for FY2024 and then adjusting for the material November 2023 acquisition of XYZ Financial was not overly reliable given we lacked expense data for the acquired entity.
- Section 3 of this presentation contains significant benchmark analysis and incorporates XYZ Financial client and revenue data.

Note 2: Operating Results exclude Net Interest Expenses, Government Payments, Renovation Expenses/Depreciation, Income Tax Expense and Dividends Paid to Owners.



## BENCHMARKING: INDUSTRY TRENDS

Note: The shaded area represents the 95% Confidence Interval.



## ADVISER REMUNERATION

Peloton Adviser Remuneration - Multifactor Prediction Model

Factor	Loading Guide	Bob	Joel
Base Remuneration	FTS: \$104,000	\$104,000	\$104,000
Firm Size Loading	Firm Rev. < \$5,000 = \$20,000 Loading	\$4,000	\$4,000
Role Loading	Role Based up to max. \$105,000 Loading	\$77,000	\$0
Years Experience Loading	\$381 per yr to 25yrs	\$10,000	\$3,000
# Clients Managed Loading	\$29 per client	\$4,000	\$1,000
Wealth Revenue Loading	5.8% of Rev. Managed	\$46,000	\$29,000
FUM Loading	\$87 per \$mil of FUM	\$10,000	\$6,000
<b>EXPECTED REMUNERATION</b>		<b>\$255,000</b>	<b>\$149,000</b>
<b>ACTUAL REMUNERATION</b>		<b>\$96,000</b>	<b>\$157,000</b>
<b>DIFFERENCE</b>		<b>\$159,000</b>	<b>-\$8,000</b>

Note: Risk Revenue and Tenure have been excluded as factors, as statistically they were of no predictive value.

## PEER BENCHMARKING



## YOUR PRICING ASSESSMENT



ABC Wealth Pty Ltd - Pricing Level Assessment

Pricing Level	Client Price Ranking	Firm Assessment
High	80% - 100%	
Mid - High	60% - 80%	ABC Wealth Pty Ltd: 65%
Mid	40% - 60%	
Low - Mid	20% - 40%	
Low	0% - 20%	

- INTERPRETATION: When compared to clients of a similar size, "ABC" clients are Priced higher ~65% of the time and lower ~35% of the time.
- We are classifying "ABC" as a "YELLOW" firm (aka a 'Mid-Priced' firm) in regard to ongoing client Pricing.

## TAKING ACTION VERSUS AS IS



\*Valuation Methodology in Appendix



# Conclusion / Questions



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# Connect with us



**in** **ROB JONES**  
Founder

M: +61 407 561 911

E: [rob.jones@pelotonpartners.com.au](mailto:rob.jones@pelotonpartners.com.au)



**in** **DAVID WHELAN**  
Principal Director

M: +61 408 878 758

E: [david.whelan@pelotonpartners.com.au](mailto:david.whelan@pelotonpartners.com.au)



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