

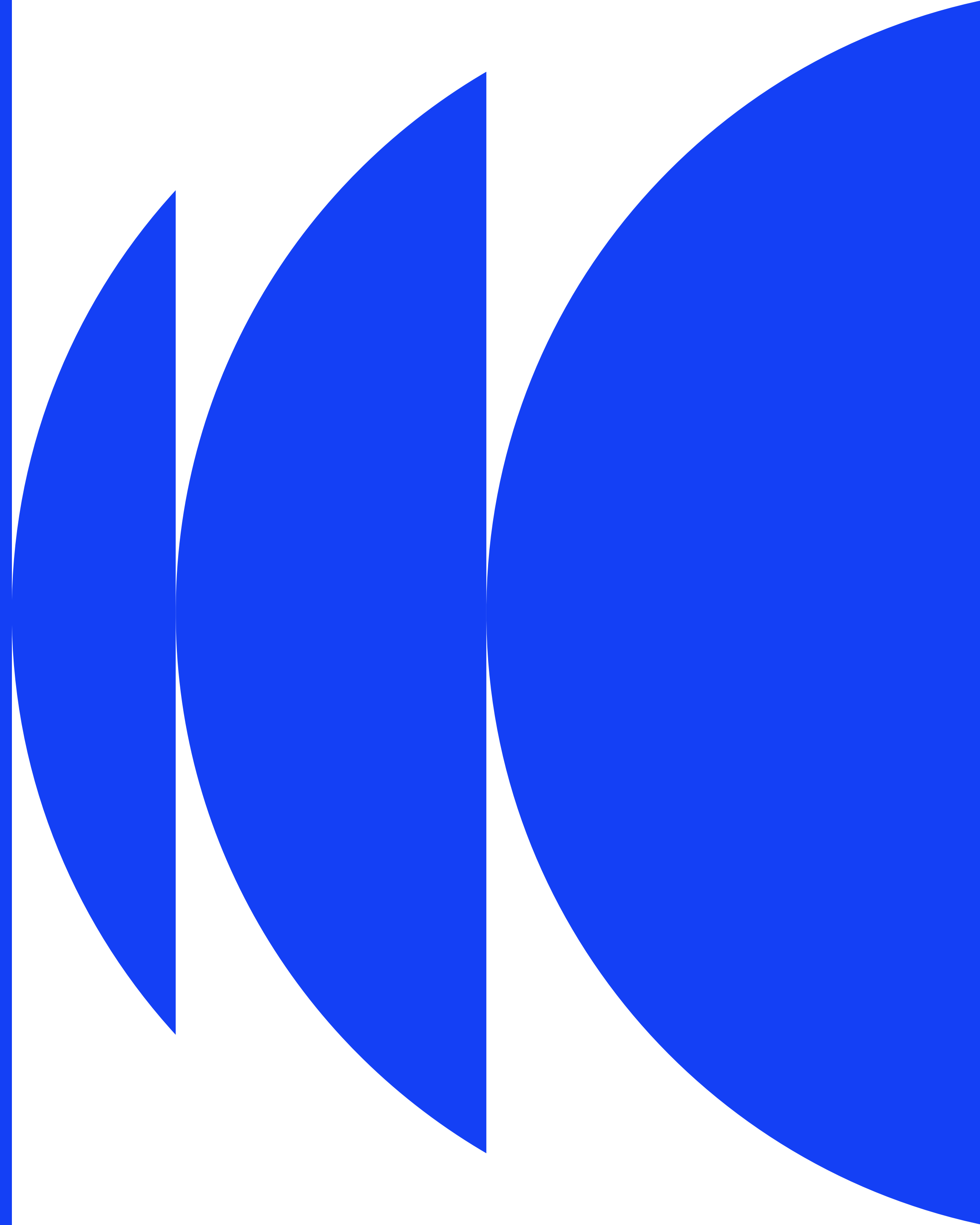


FirstChoice

2025 Advice Practice Profitability Report

EmpowerBA and Colonial First State

November 2025



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A note from Colonial First State

At Colonial First State, we are committed to supporting advice practices with the insights and tools they need to grow sustainably and profitably.

This report — developed in partnership with independent research firm Empower Business Advisory (Empower BA) — offers a comprehensive view into the operational realities, strategic priorities, and growth ambitions of Australian financial advisers in 2025.

Drawing on responses from over 500 advisers and support staff, the 2025 Advice Practice Profitability Report explores how practices are navigating capacity constraints, leveraging platform efficiencies, and unlocking scale.

The findings highlight the tangible impact of CFS FirstChoice in helping advisers serve more clients without compromising profitability. From streamlined origination journeys to scalable service models, this report showcases the strategies advisers are using to build high-performing businesses in a competitive and evolving landscape.

We hope these insights help you benchmark your practice, identify opportunities for improvement, and take confident steps toward your next phase of growth.



A handwritten signature in black ink, appearing to read 'Bryce Quirk'.

Bryce Quirk
Group Executive, Distribution
Colonial First State

Summary of key themes

1 CFS FirstChoice advisers serve 30% more ongoing clients, profitably.

Advisers using CFS FirstChoice as their primary platform for new client business typically serve 139 clients each on average versus 107 for users of other platforms.

2 Advisers are falling short of their growth targets.

The average financial adviser is only serving two more clients than last year (112 vs 110 in 2024).

3 CFS FirstChoice advisers have higher growth ambitions.

They aim to serve 188 clients on average, compared with 147 among users of other platforms.

4 Capacity is a key issue across advice practices.

Capacity constraints have increased from 35% to 42% between 2024 and 2025 as a key hurdle to growth for advisers

5 Platforms will play a key role in helping increase capacity.

Streamlining back-office operations and improving integration of systems have become key strategic priorities for advisers in 2025.

6 CFS FirstChoice helps reduce business complexity.

FirstChoice outperforms the industry average by +11% pts for reducing business complexity.

7 The new integrated origination journey reduces client onboarding time.

Those using the new CFS FirstChoice process are saving on average 31% of the time required to onboard an individual client account and 36% for a family with three or more accounts.

8 FirstChoice Managed Accounts drive positive outcomes.

Advisers who use FirstChoice Managed Accounts extensively report that they contribute to higher client satisfaction and help support servicing a broader range of clients profitably.

9 Lowering the cost to serve is a defining differentiator of CFS FirstChoice.

In qualitative responses, advisers consistently highlight CFS FirstChoice's blend of low fees, great customer service, straight-through processing, and overall simplicity as key strengths that improve business efficiency and reduce the cost of serving clients.

Business landscape

Advisers are falling short of their growth targets.

Target client numbers

Financial advisers manage 112 ongoing clients each, on average, up from 110 in 2024. They aspire to serve 152 clients, provided their business hurdles are overcome.

112

Ongoing clients,
up from 110 in 2024

But still aspire to serve

152

The desire to take on more clients is broad-based – **only 18% report being at their ideal number of clients or seeking to reduce relationships.** Among the rest, advisers would like to add an average of 51 clients.



Hurdles to advising more clients

Capacity constraints have increased from 35% to 42% as a key preventer of advising more clients.

Industry view

Across the financial planning industry, more advisers are facing hurdles to growth compared with 2024. Inefficiencies in providing financial advice, particularly the time required to generate SOAs and ROAs, remain among the most commonly cited obstacles to serving more clients.

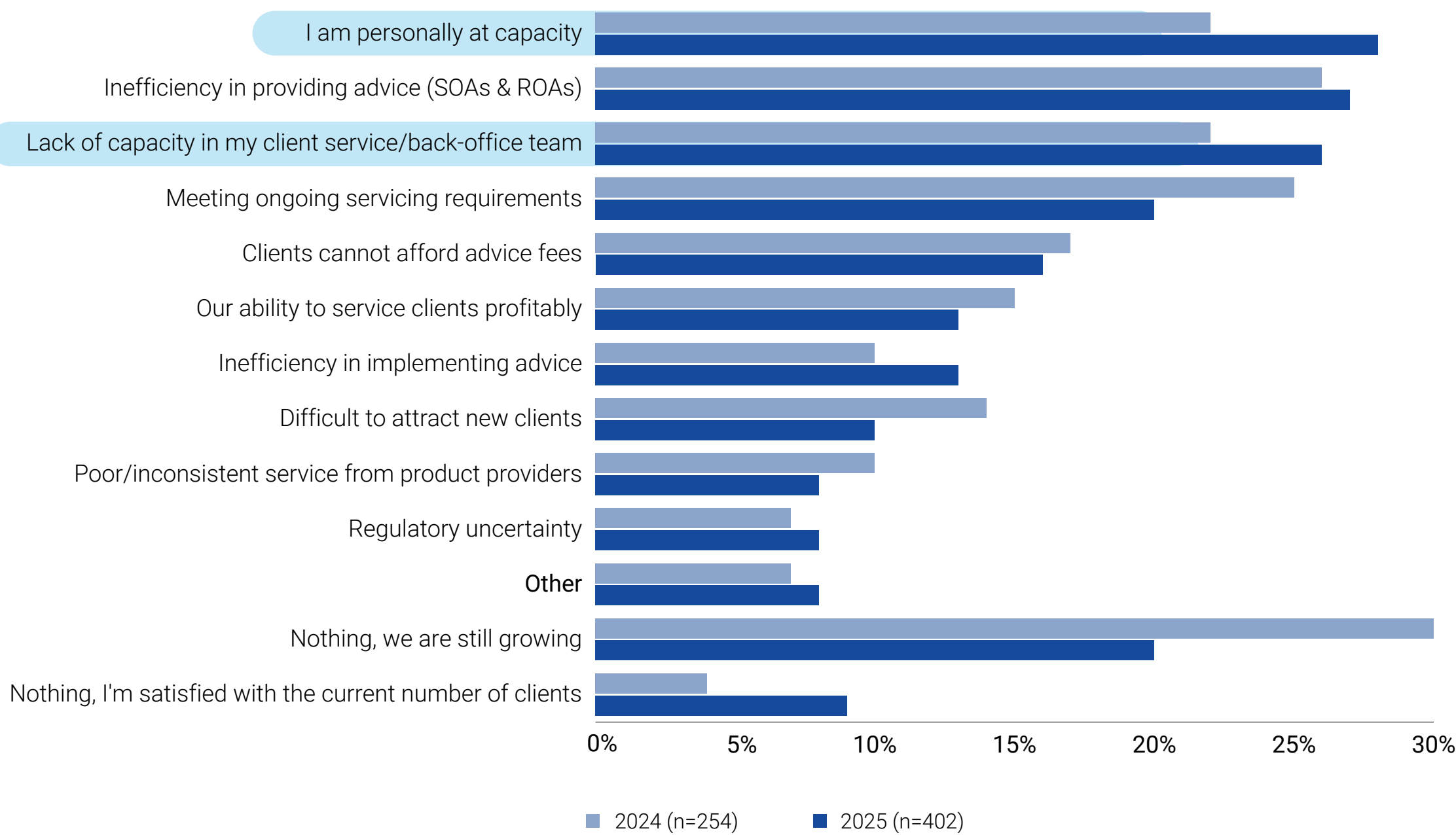
Capacity constraints are an even greater challenge. An increasing share of advisers are finding themselves or their client service teams operating at full capacity (42% cite either option, up from 35%).

How CFS FirstChoice compares

Advisers using CFS FirstChoice as their primary platform for new client business are more likely to say that nothing is preventing their growth (37% vs 28% of non-users).

They are also less likely to identify ongoing servicing requirements (17% vs 20%), providing affordable advice (10% vs 17%), and their ability to service clients profitably (10% vs 14%) as barriers to growth.

What prevents you from advising/servicing more clients?
(Multiple responses permitted) Among financial advisers

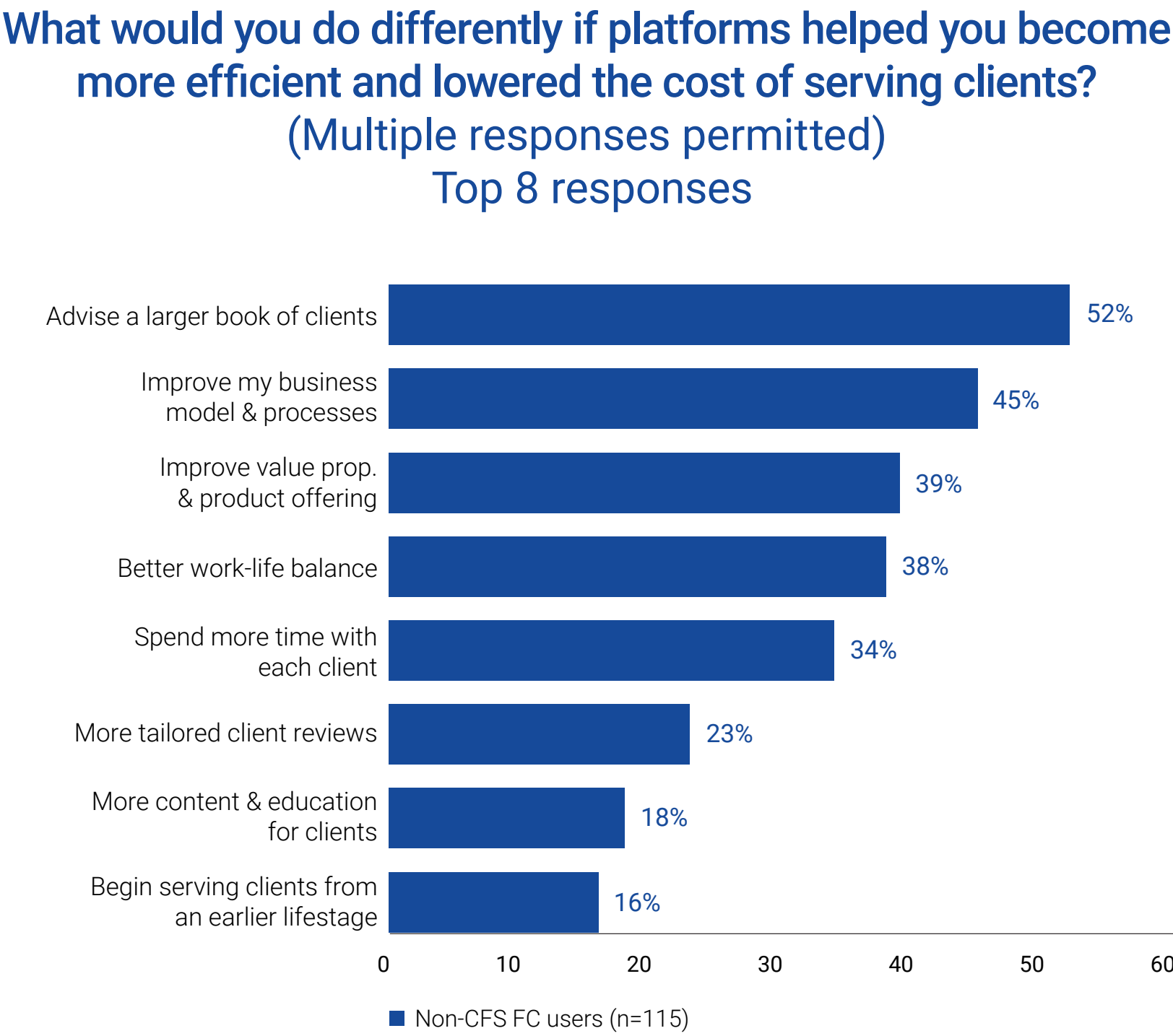
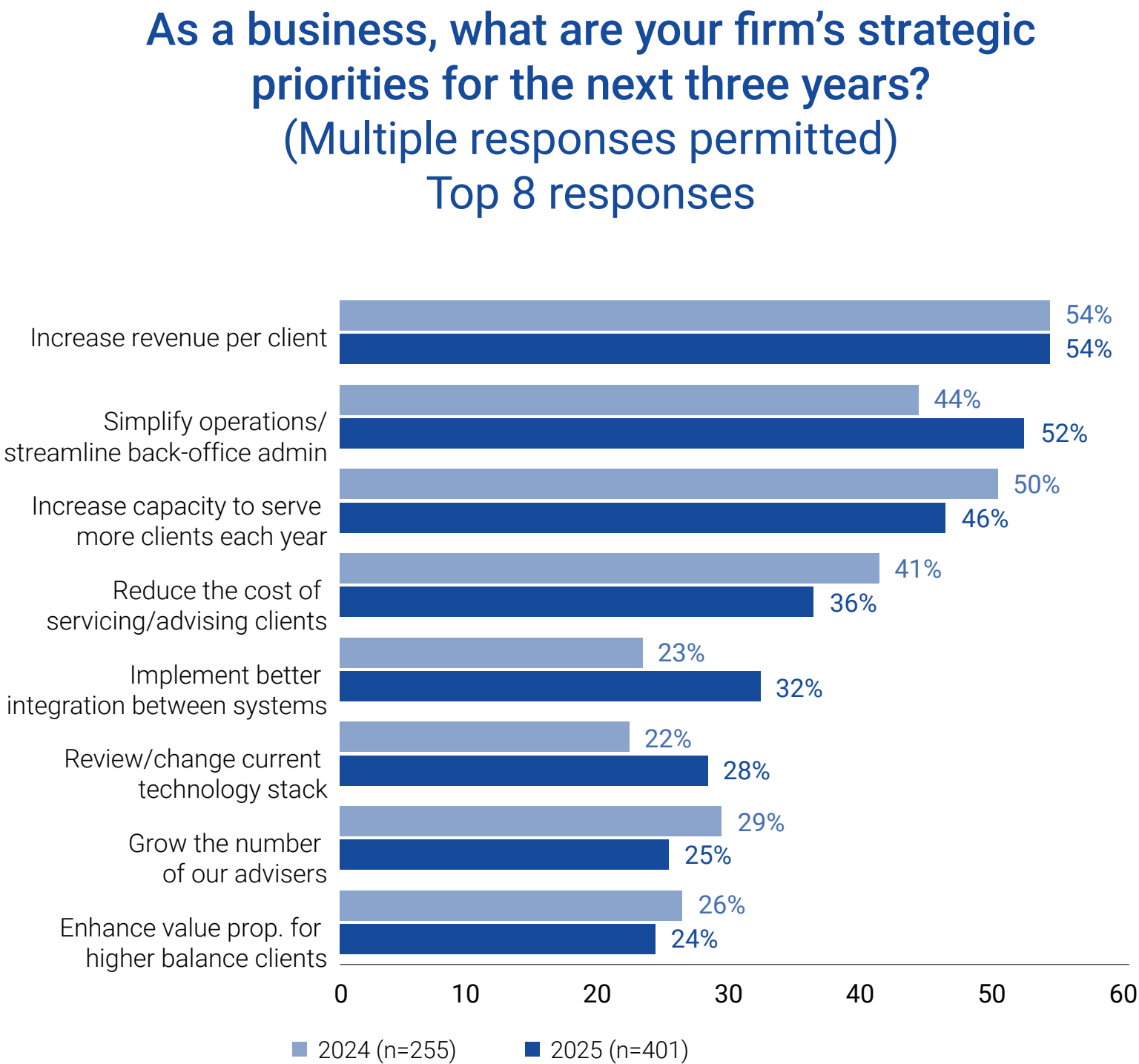


Top strategic priorities among financial advisers

Platforms will play a key role in helping increase advisers' operational capacity.

Building more streamlined and profitable practices is a strategic priority for most advisers. Over the medium term, many aim to increase revenue per client, simplify operations, and expand their capacity to serve more ongoing clients. Compared to 2024, a greater share of advisers are also prioritising the interconnectedness of their systems, saying that they plan to review their tech stacks and implement better integration.

Advisers are ready to reinvest efficiency gains into their clients and businesses. Many say they would expand their client base, enhance their business model, and strengthen their value proposition – all while achieving better work-life balance for themselves and their teams. The right platform partner is critical, with platforms well positioned to support the sustainability of practices and help advisers achieve their objectives.



The role of platforms in delivering business outcomes

CFS FirstChoice is consistently rated highly for driving better business performance and client outcomes.

Adviser satisfaction

Advisers were asked to rate their primary platform for new client business across a range of statements assessing how well platforms support business outcomes and profitability.

Platforms are typically rated highest for enabling advisers to scale and grow their business, serve a broader range of clients profitably, and lower the cost of serving clients.

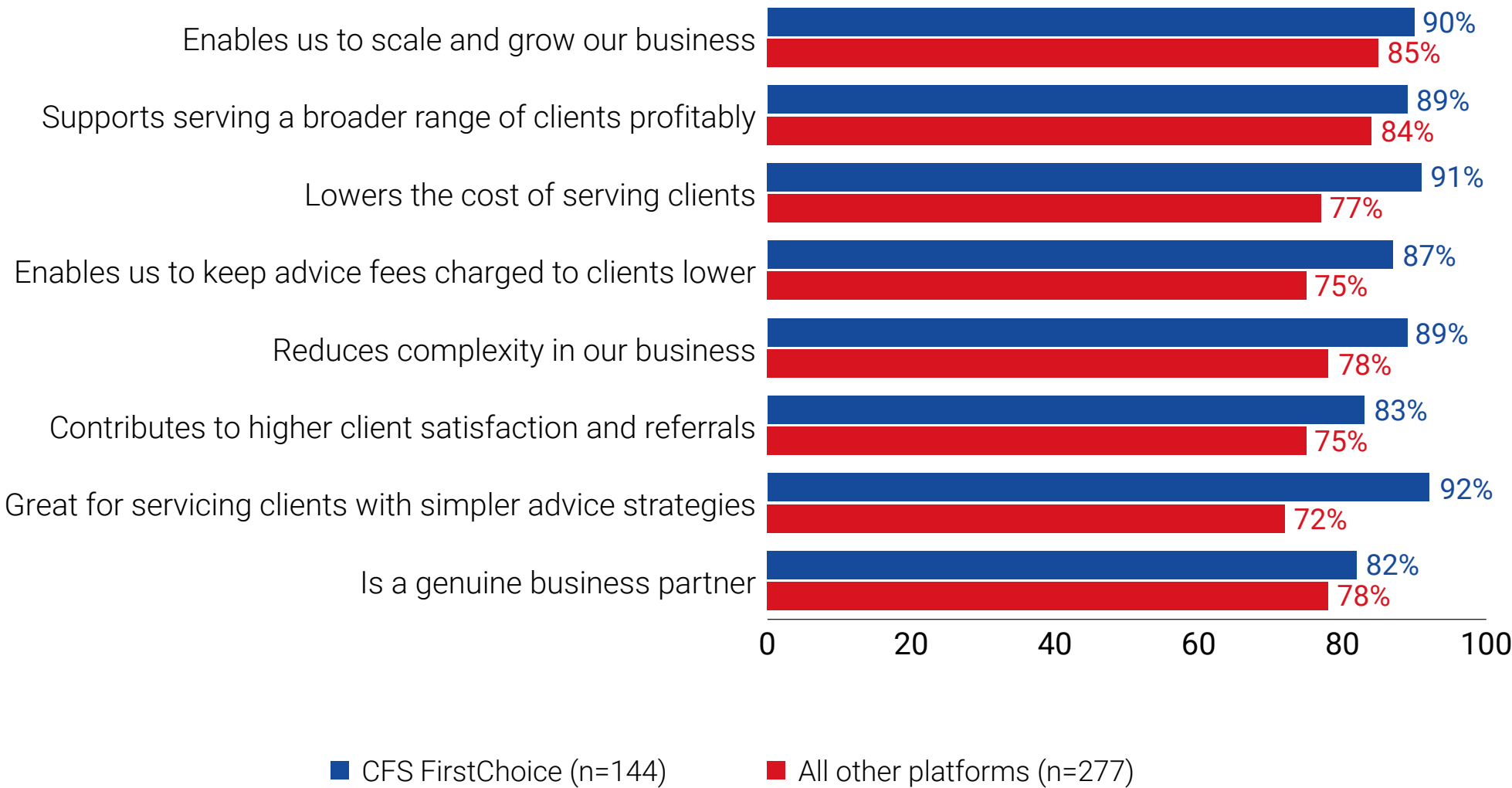
CFS FirstChoice performs strongly across all metrics assessed, particularly when compared with the average of other platforms used by financial advisers. It has the greatest lead in satisfaction ratings compared to the industry average in being great for servicing clients with simpler advice strategies (+20% pts), lowering the cost of servicing clients (+14% pts), and reducing business complexity (+11% pts).

“The service from CFS is one of the biggest things that has helped us scale.”

JOEL SIMMONDS

Executive Financial Adviser | Direct Wealth

How would you rate primary platform on each of the following?
Composite satisfaction score*

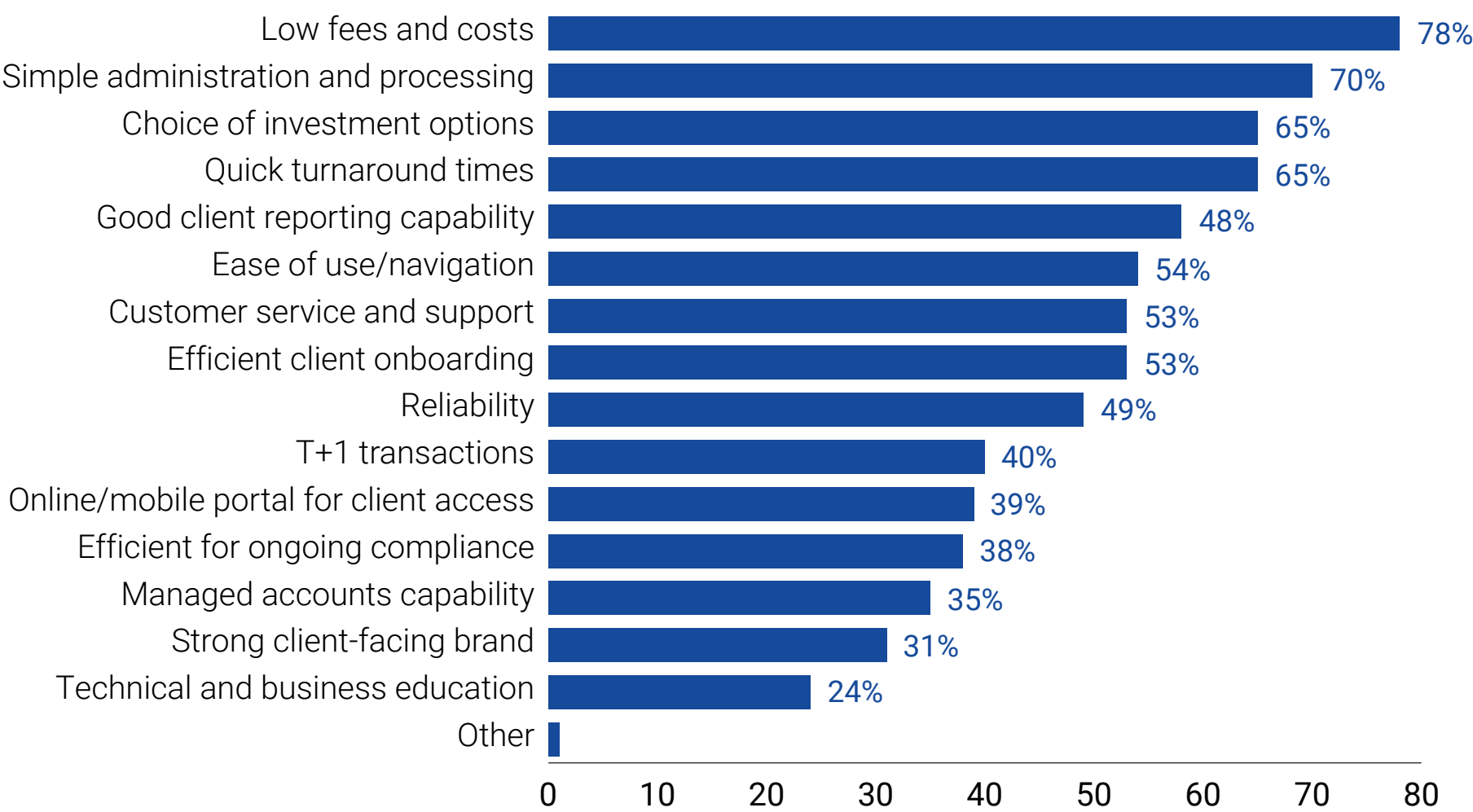


*Composite score: Weighted average using Very good = 100%, Good = 80%, Average = 50%, Poor = 20%, Very poor = 0%.

Why CFS FirstChoice

Providing the foundation for advisers to scale their businesses with confidence.

What makes CFS FirstChoice well suited to serving your clients profitably?
(Multiple responses permitted) Primary users (n=144)



When asked “Which client segments is your platform particularly well suited to serving profitably?”

CFS FirstChoice users said:

“Retirees requiring high level of administration, as CFS FirstChoice is very easy to administer accounts and implement strategies. The funds are suitable for clients with a need for liquidity and preference for good quality management.”

“I think CFS is good for all client segments, the managed account options are very cost effective and more active actively managed. The client service centre is very good and the resolution of issues is efficient. Also CFS is a trusted brand which is important during times of uncertainty when people are more hesitant to move their super.”

“A vast range of clients. Majority of the clients we come across has low financial literacy and investment knowledge. FirstChoice is a simple, cost-effective platform that allows for diverse investment selection from an advice perspective while still keeping the product suitable to the clients needs.”

Taking your practice to the next level:

Client numbers

Serve more clients without compromising profitability.

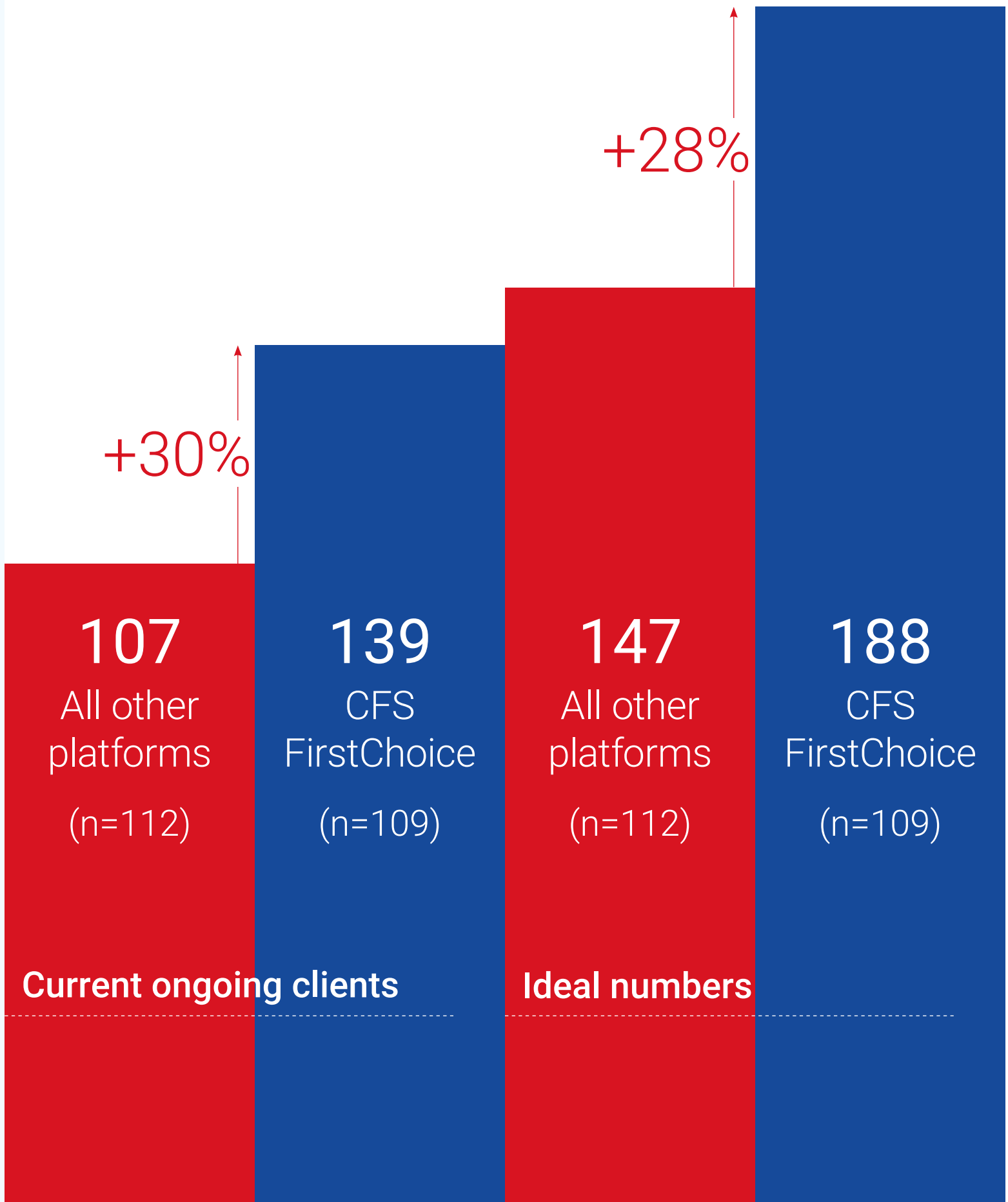
Advisers using CFS FirstChoice as their primary platform for new client business typically serve 30% more ongoing clients than users of other platforms, with 139 clients each on average vs 107.

They also have higher growth ambitions, aiming to serve 188 clients on average, compared with 147 among users of other platforms.

When it comes to serving clients profitably, these advisers are in line with the industry average, estimating they served 82% of their clients profitably in the past year.

Notably, primary users of CFS FirstChoice maintain profitability despite serving clients with lower balances. Their average funds under advice per client is 26% lower than the industry average (\$571,000 vs \$772,000), yet their average revenue per client over the past year is only 11% lower (\$4,700 vs \$5,300).

Average number of ongoing advice clients serviced vs ideal
By primary platform



\$571,000
Average funds under advice per client among primary CFS FirstChoice users

\$4,700
Average revenue per client in FY 24/25 among primary CFS FirstChoice users

82%
Average share of clients served profitably among primary CFS FirstChoice users

Taking your practice to the next level:

Onboarding

Delivering a tangible reduction in client onboarding time.

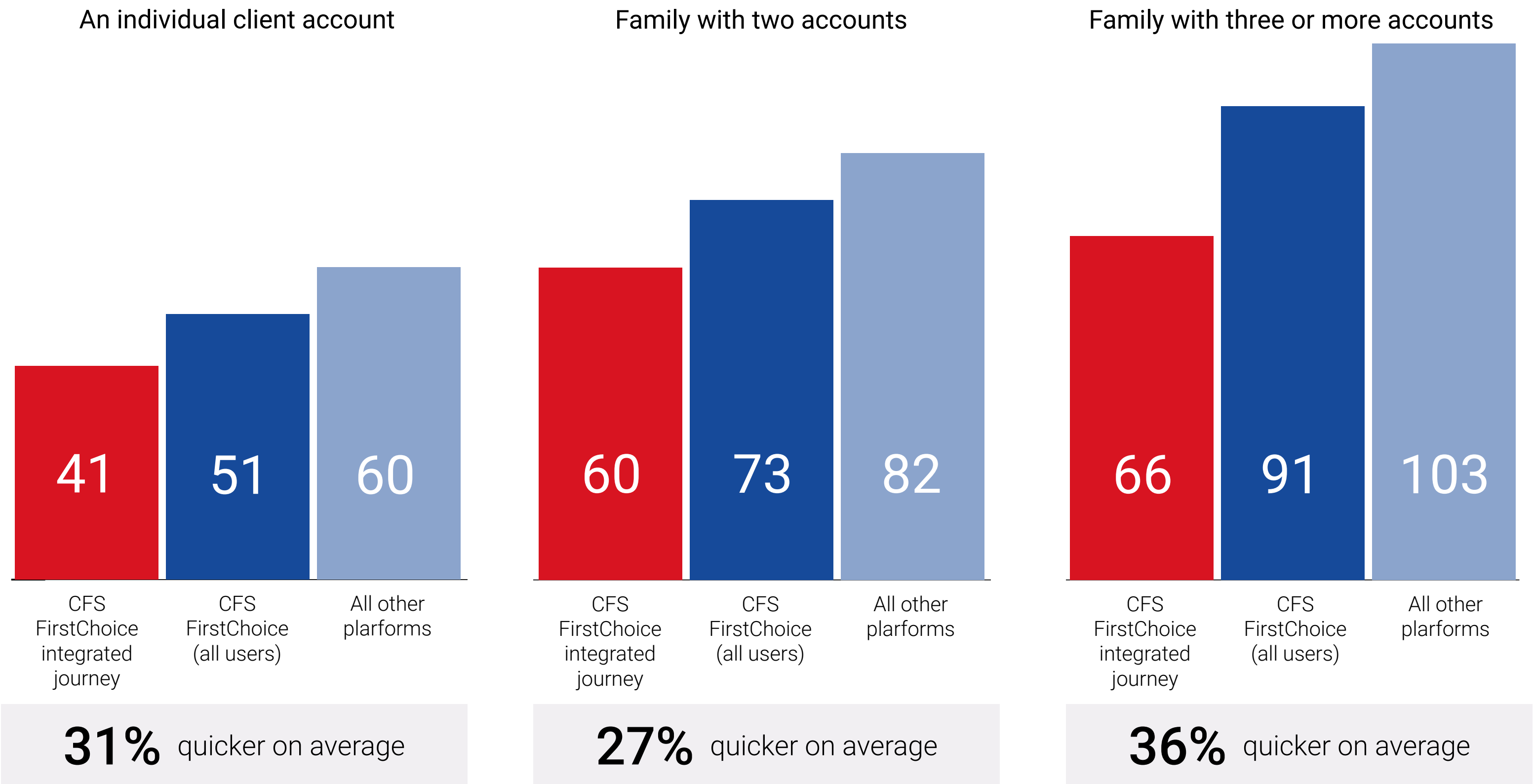
Client origination.

In 2023, CFS FirstChoice launched a new client origination journey, streamlining onboarding by integrating with major planning software to pre-populate applications and portfolios for all members of a family in a single process.

CFS FirstChoice users are already among the quickest at onboarding new accounts, taking around 10 minutes less than other platforms on average.

Those using the new process are even faster, saving on average 31% of the time required to onboard an individual client account (41 vs 60 minutes across the industry) and 36% for a family with three or more accounts (66 vs 103 minutes).

Effort taken to onboard new client account(s) onto a platform, including completing forms, organising rollovers and investing funds. Averages in minutes taken. Among users of each platform [n=388]



Taking your practice to the next level:

Managed accounts

FirstChoice Managed Accounts lower the hurdles to business growth.

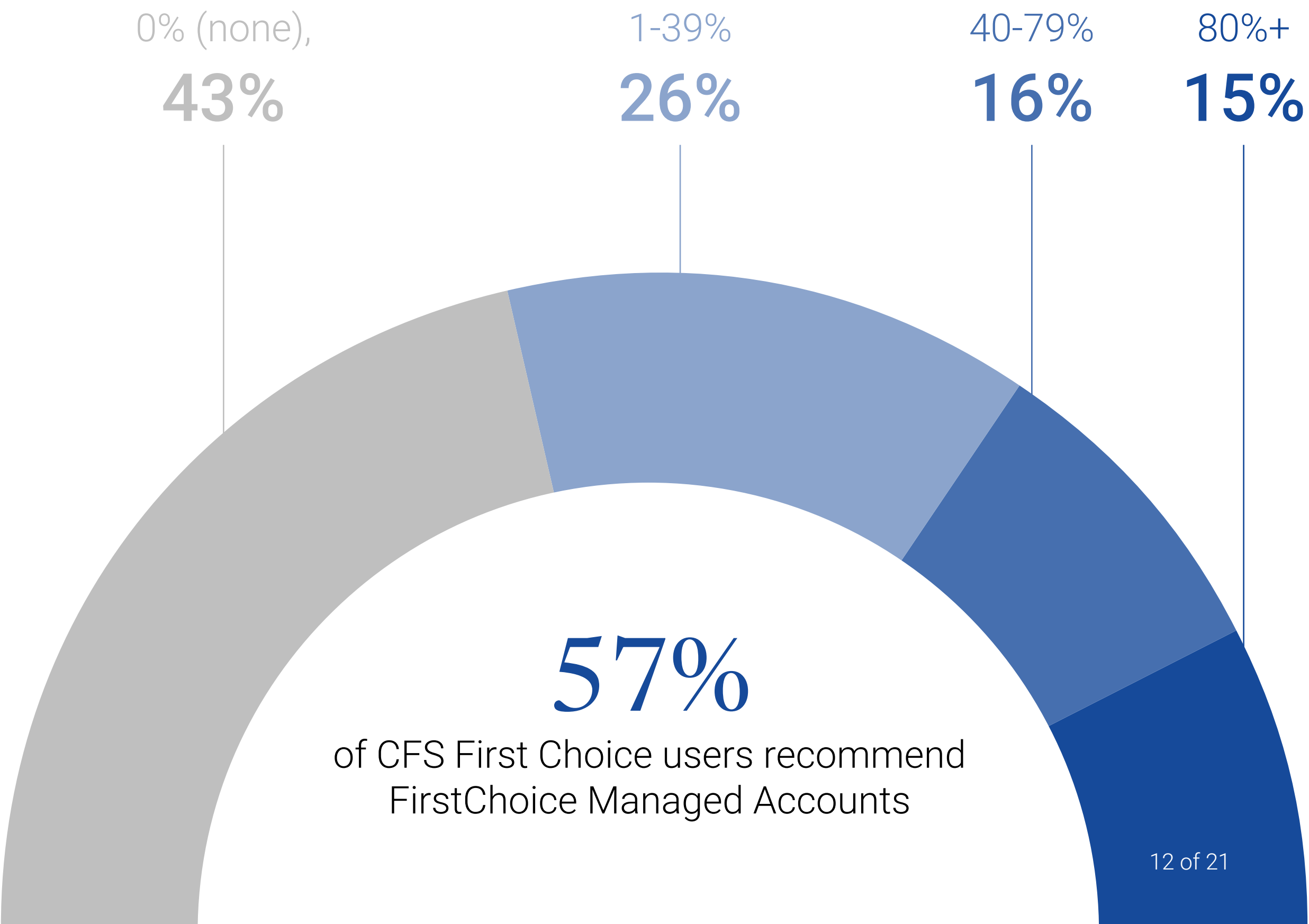
Managed accounts

Over half of CFS FirstChoice users now use FirstChoice Managed Accounts (FCMAs), including 15% who recommend them to 80% or more of their clients on the platform (heavy users).

Satisfaction with CFS FirstChoice and its ability to deliver positive business outcomes increases with the usage of FCMAs. Heavy users of FCMAs are particularly satisfied with:

- 1 reducing complexity in the business;
- 2 enabling the business to scale and grow;
- 3 lowering the cost of serving clients.

For what proportion of your clients on CFS FirstChoice do you use FirstChoice Managed Accounts?
[n=309]



Impact of FirstChoice Managed Accounts usage

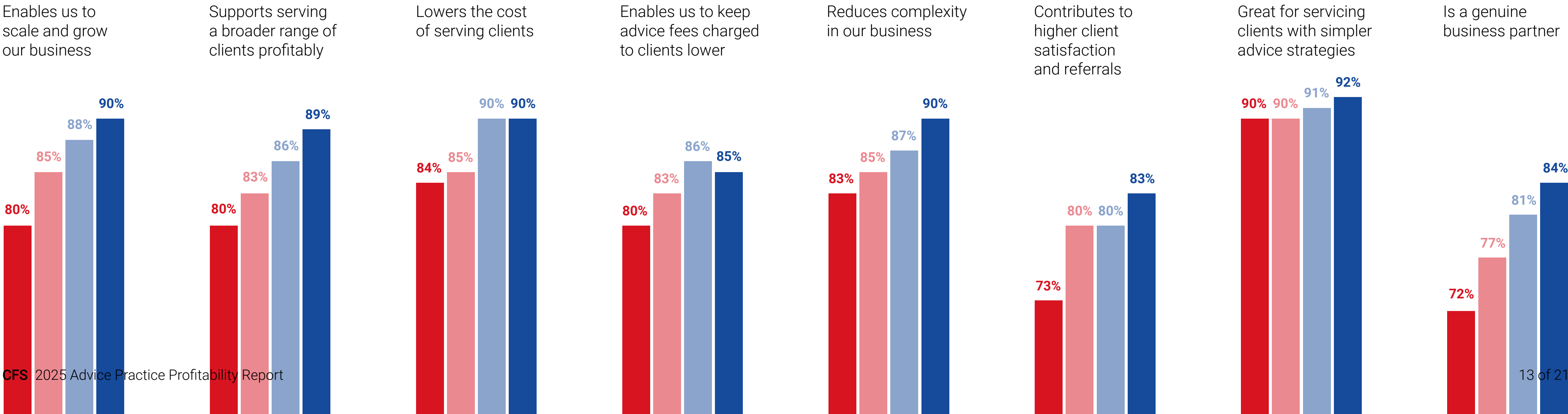
Ratings of CFS FirstChoice for delivering positive business outcomes rise with greater use of FCMA's.

Satisfaction* with CFS FirstChoice split by usage of FCMA's. Among all CFS FirstChoice users

Very good = 100% Good = 80% Average = 50% Poor = 20% Very poor = 0%

■ FCMA's used with 0% of clients (n=134) ■ 1-39% of clients (n=79) ■ 40-79% of clients (n=49) ■ FCMA's used with 80%+ of clients (n=47)

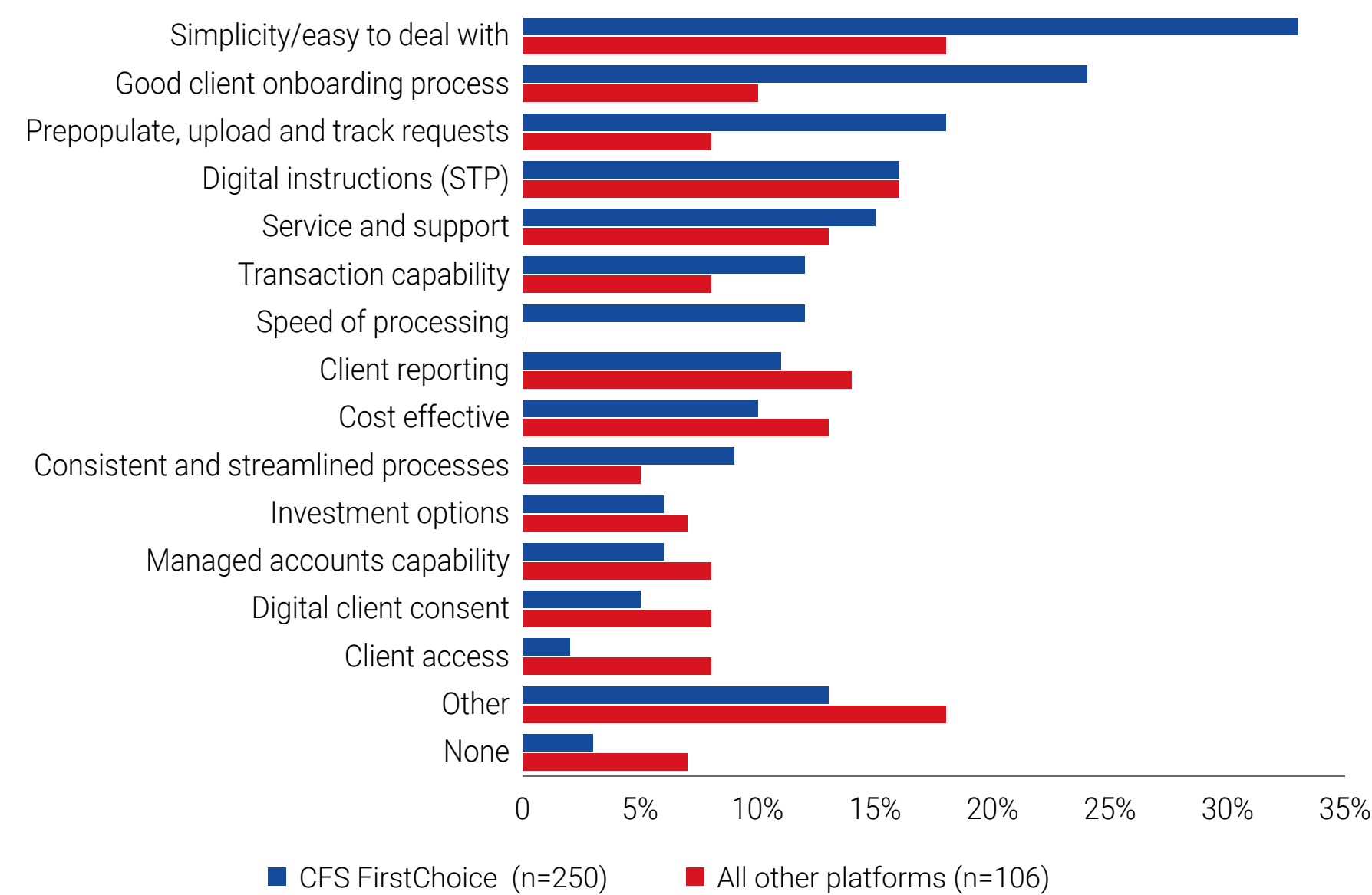
* Composite score is based on a weighted average of rating elements, where Very good = 100%, Good = 80%, Average = 50%, Poor = 20%, and Very poor = 0%.



How CFS FirstChoice reduces the cost to serve

Bringing together simplicity, streamlined processing, low fees and great customer service.

What is a key example of how your primary platform helps you improve business efficiency and reduce the cost of serving clients?
(Regrouped from open-text responses)



“The lower fees offered by CFS make the total advice fees more affordable for our clients. As we have become more familiar with the platform, we have been able to be more efficient in the implementation of advice.”

Do you have tips for other advisers on how they can get the most out of CFS FirstChoice?

“We’re seeing the ability of a product that is extremely efficient and low cost. If you have a small or medium-sized business that wants to grow, you may be inefficiently using a wrap with additional steps to maintain client cash balances and run an investment or cash management strategy. FirstChoice doesn’t have any of these problems, because you invest everything straight in the portfolio.”

JOEL SIMMONDS
Executive Financial Adviser | Direct Wealth

Section 2

Case studies

Unpacking the value advisers
are gaining through FirstChoice.

Driving scale and profitability

GIL GORDON

Senior Financial Adviser and Owner | RI Newcastle and Lower Hunter

What outcomes is CFS FirstChoice enabling your business to achieve? How do you quantify this?

“We have seen significant efficiency gains from standardising our process and working closely with CFS FirstChoice, for example:

- Wages cost per \$ of client revenue has fallen from 44c to 36c over the last 3 years
- Over the last 7 years clients per adviser have lifted from 125 to around 190 and revenue per adviser has risen by more than 70%

This has been achieved by standardising our processes, using model portfolios and partnering with platforms like CFS FirstChoice. Consistency of people and process with great partners creates a “one way, same way” culture that drives business efficiency.”

“We have seen a dramatic reduction in our cost to service, because of the use of CFS FirstChoice and other standardisation in our business. Everything runs like a clock.”



Service

OLGA GEBAROWSKA

Client Relationship Manager | RI Newcastle and Lower Hunter

What are some examples of how CFS FirstChoice is enabling you to scale?

“CFS FirstChoice is an immense help to us, resource wise. Compared to other funds, we need to call our clients fewer times to get processes completed.”

“As advisers, we have a lot of power over what we implement. There are a lot of things we can fix without having to involve a client, which is a massive difference compared with others where every little change requires a client signature.”

“My favourite part of CFS FirstChoice is the support team. Anytime something out of the ordinary arises, we call or email and it’s fixed within a couple of days. The escalation process is very good.”



Case study What advisers are saying

Managed accounts

JOEL SIMMONDS

Executive Financial Adviser | Direct Wealth

What's your business experience using FirstChoice Managed Accounts?

"We have been using FirstChoice Managed Accounts for two years and already have 70% of our funds on CFS in managed accounts."

"We're able to invest clients in a more robust menu of investments with confidence. If an investment is to be put on watch by Morningstar, we know these can be redeemed or rebalanced out without the effort that would otherwise be required."

"Out of all the platforms, CFS has been the easiest to deal with for setting up our managed accounts."

What is the impact of FirstChoice Managed Accounts on your clients?

"They enable us to save a lot of time and service more clients. Knowing these managed accounts are going to be competitively priced means advisers have an easy starting point. They can go into client meetings knowing what the strategy is likely to be as long as the goals match up. When a client needs a more bespoke or sophisticated solution, given the time savings, our advisers know they have the time to commit to this extra work."



Methodology

Summary of survey participants

CFS commissioned independent research firm Empower Business Advisory (EmpowerBA) to conduct a study of financial advisers to understand their experience with investment platforms.

Quantitative survey

The analysis in the CFS 2025 Advice Practice Profitability Report is based on an online survey conducted between 12 and 25 August 2025. Respondents were recruited from three main sources: Direct email invitations to the full database of CFS FirstChoice users; a tile on the CFS FirstNet Adviser homepage; and direct email invitations to an independent third-party database of non-CFS users. Individual responses were weighted slightly to ensure correct distribution by main investment platform and licensee affiliation.



Methodology
Summary of survey participants

Qualitative interviews
The survey was supplemented with one-hour, one-on-one interviews with financial advisers and back-office staff across three practices that use CFS FirstChoice extensively. These interviews were conducted between 21 and 25 August 2025 and facilitated by EmpowerBA.

Platform usage

309	391
respondents who use and rated CFS FirstChoice	who use and rated other platforms (including those who use both).

102
Practice support staff, including paraplanners

+

413
Financial advisers and practice principals

=

515

Total valid survey responses



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