

22 November 2017

Attention: Company Announcements  
ASX Limited

By E-Lodgement

**ANNUAL GENERAL MEETING OF INVESTSMART GROUP LIMITED (ASX Code: INV),  
HELD ON 22 NOVEMBER 2017 – COMMENTS BY CHAIRMAN & PRESENTATION BY  
MANAGING DIRECTOR**

**Text of the Comments by Mr Paul Clitheroe AM, Chairman**

Before we consider the formal business of the Meeting, I would like to make a few comments in relation to the Company.

Our vision for the InvestSMART Group is to help all Australians to grow and protect their wealth. People should be able to take control of their financial future and it should not be hard or expensive for them to do so.

We seek to do this by providing innovative tools, research and advice that they can trust and empower them to make better investment decisions.

I am delighted to advise that our own suite of inhouse products has recently been more actively promoted to our members and visitors. One pathway I do know a fair bit about is growing a retail funds management business. And it is with pleasure I am able to tell you that we have exceeded \$50 million funds under management in a very short time. The month on month growth of funds being invested is impressive. It is with equal pleasure that I went to the InvestSMART website and was able to make an investment for my super fund, including identity checks with ease. The technical difficulty of this that sits behind the website is hugely complex. Such simplicity at the consumer end is a huge competitive advantage.

I announced when I was first appointed Chair that the idea of what is effectively a fintech start up, investing shareholders' funds in other startups, was not an appropriate strategy for shareholders. We are better placed applying shareholder funds to our own growth. In the 2016/17 year we sold our interest in Hashching, our initial investment was \$100,000 and the sale of shares resulted in a return of just over 50%. I am pleased to say that in August 2017, we were able to sell our stake in Stockspot for \$557,000, a sound return on the \$250,000 invested. Shareholders invested some \$1.6 million in these ventures. I have to say that of our remaining 8 investments, some are sure to fail, such is the way of startups, but I remain positive that we have reasonable prospects of seeing a return of funds outlaid by shareholders.

Speaking of use of funds, following on from my comments last year, InvestSMART is now in a position to embark on a significant marketing campaign aimed at growing our client base and FUM. Obviously, we are a digital company and I would not pretend to

you that I have skills in digital marketing. As such we have been undertaking a search for a Director with these skills. The right person has only just been found and has indicated his willingness to accept a role as Director of InvestSMART. The appointment will be formalised shortly, but in the interim I would like to say a few words about Kevin Moore and he has generously agreed to be here today.

“The board is delighted to announce the pending appointment of Kevin Moore. Kevin brings to InvestSMART a corporate career with Director level marketing and general management experience across 30 countries, with success in launching and growing Australian and Global brands. His private company career saw him build a small technology based retail marketing business into the sector with over 3,000 team members in ANZ, and clients that include Apple, Woolworths, & Coles. His Non-Executive responsibilities include the Chairmanship of “CROSSMARK Asia Pacific”, owned by Private Equity Firm Warburg Pincus, Chairman of digital marketing company “The Now Communications Group” and a Director of the physical and digital events company “Now Asia” based in Singapore.”

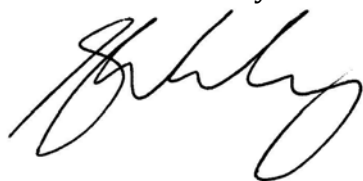
Kevin is a Fellow of the Australian Institute of Company Directors, a Member of the Chartered Institute of Marketing.

I now have pleasure introducing Ron Hodge to address the meeting.

**Presentation by Mr Ron Hodge, Managing Director**

A copy of the presentation made by Mr Ron Hodge, Managing Director is enclosed.

Yours faithfully



**Grant Winberg**  
Company Secretary



**InvestSMART**  
GROUP LIMITED

# Investor Update

October 2017







# Our Vision

To help all Australians grow and protect their wealth.

## WHY?

Because we believe people should be able to take control of their financial future. And it shouldn't be hard or expensive to do so.

## HOW?

By providing innovative tools, research and advice that people can trust, empowering them to make better investing decisions.





# FY17 Highlights

30 JUNE 2017

**Revenue Growth**  
↑ 14.6% to \$14.2m

**EBITDA Growth**  
↑ 30% to \$3.1m

**Visits to our websites this year**  
↑ 59% to 6.6m

**Online conversion of applications**  
↑ 200% to 68%

**Retail FUM growth**  
↑ 748% to \$35.3m

**Total number of portfolios managed through our proprietary Portfolio Manager (PM)**  
↑ 15% to 88,892

**Value of shares managed in PM**  
↑ 26% to \$8.8b

**Value of funds managed in PM**  
↑ 17% to \$2b

**Value of property managed in PM**  
↑ 25% to \$7.5b

**Value of cash managed in PM**  
↑ 32% to \$1.9b



# Core Business Goals FY18–20

Grow funds under management

1

Maintain historical subscription business

2

Maintain historical funds under administration book

3

Grow additional revenue streams predominantly through life insurance and term deposits offering

4



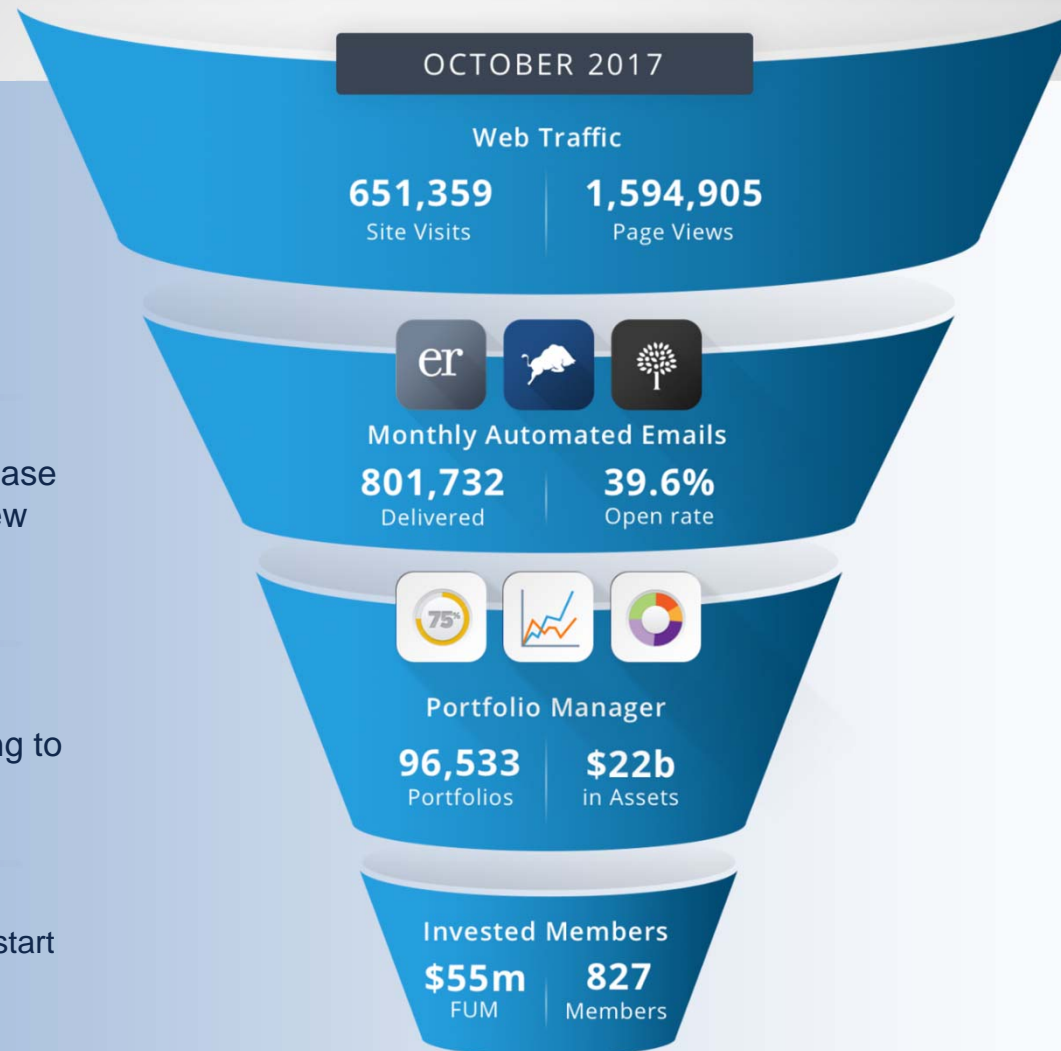
# Competitive Advantage

Profitable business  
No Debt  
Monthly free cash flow  
\$6m cash in bank

Considerable existing database  
of clients, with significant new  
monthly traffic

Product development starting to  
reap rewards

Major Marketing campaign to start  
early in 2018





# Automated Investment Advice

## Engagement



Reviewing  
Monitoring  
Keeping track



Insights

## Advice



Research &  
information



Health Check /  
Checking Diversification



Improve Portfolio /  
Scenario Checking



Investment Opportunities

**Assets on Platform**  
(as at 31 Oct 2017)

Total Value of Shares: **\$9,614,742,350**

Total Value of Funds: **\$2,191,727,296**

Total Value of Cash: **\$2,019,423,733**

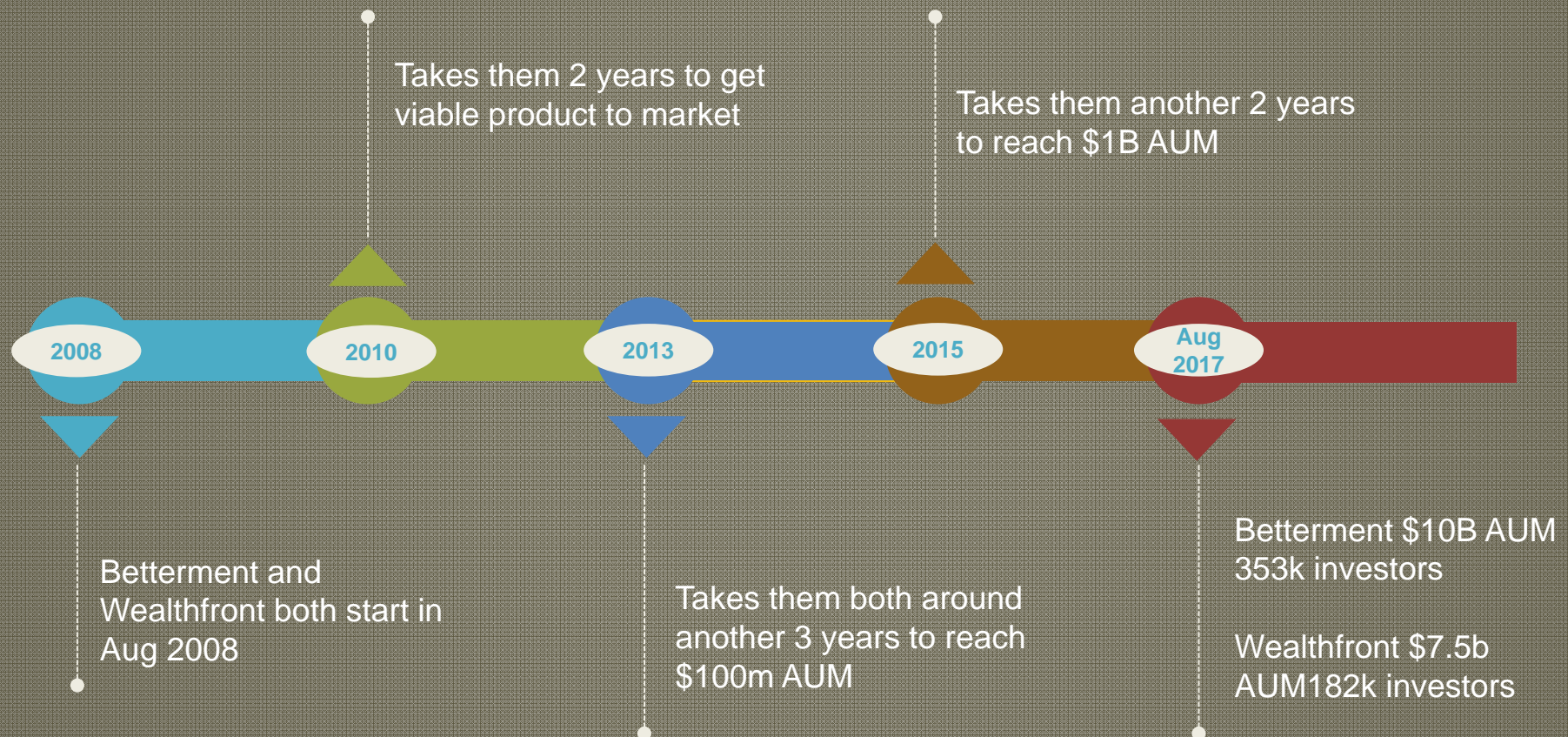
Total Value of Property: **\$8,121,615,754**





# International Comparison

BETTERMENT & WEALTHFRONT

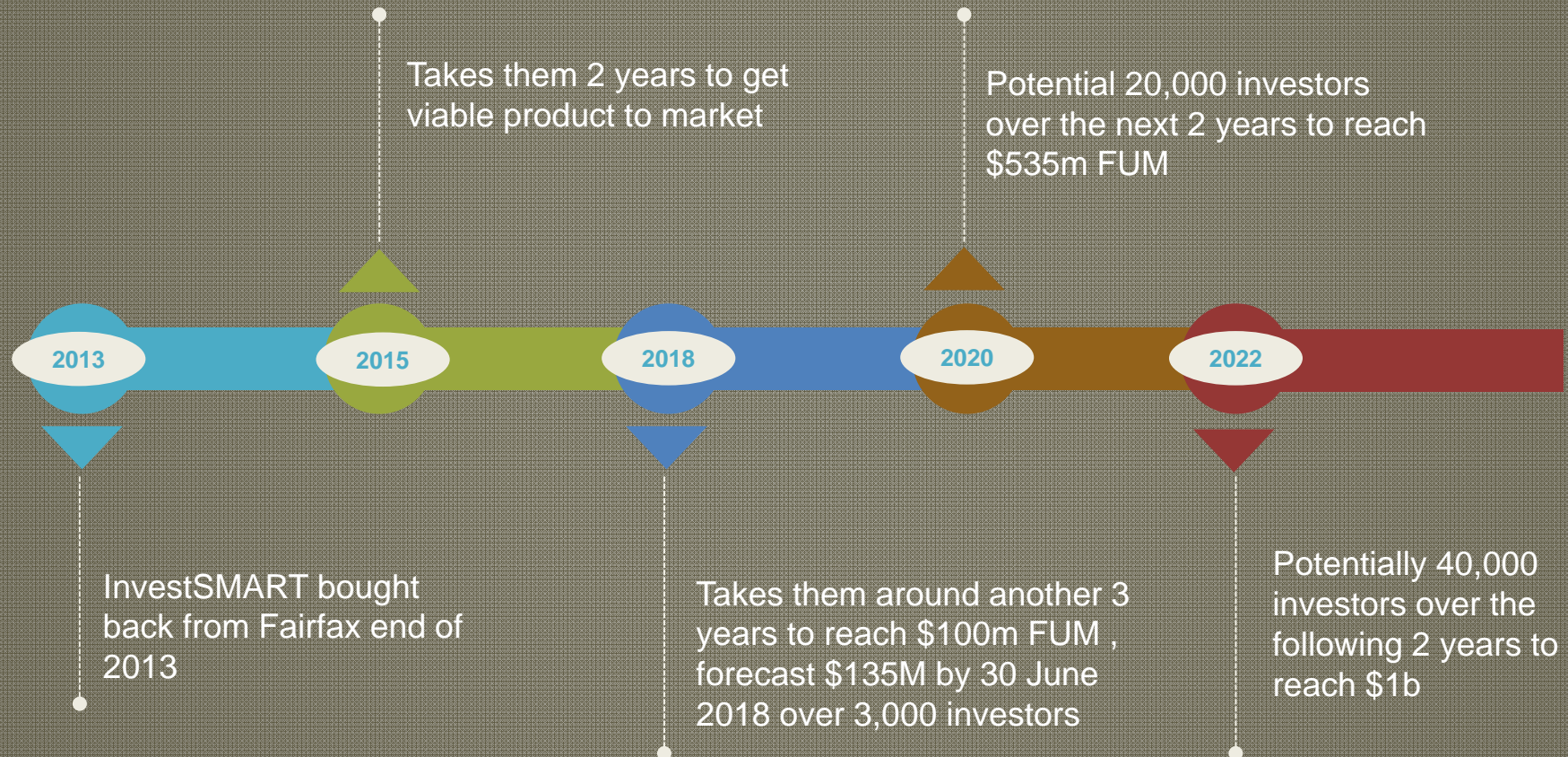






# International Comparison

INVESTSMART IS CURRENTLY ON A SIMILAR PATH







# Target Audience

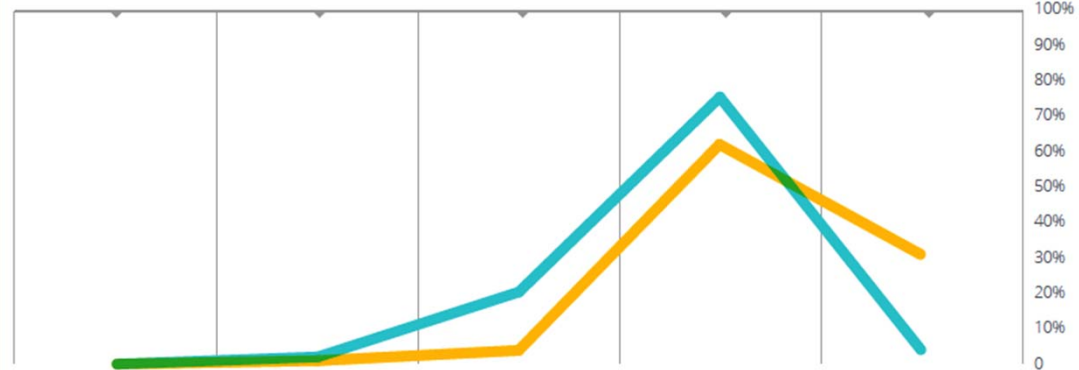
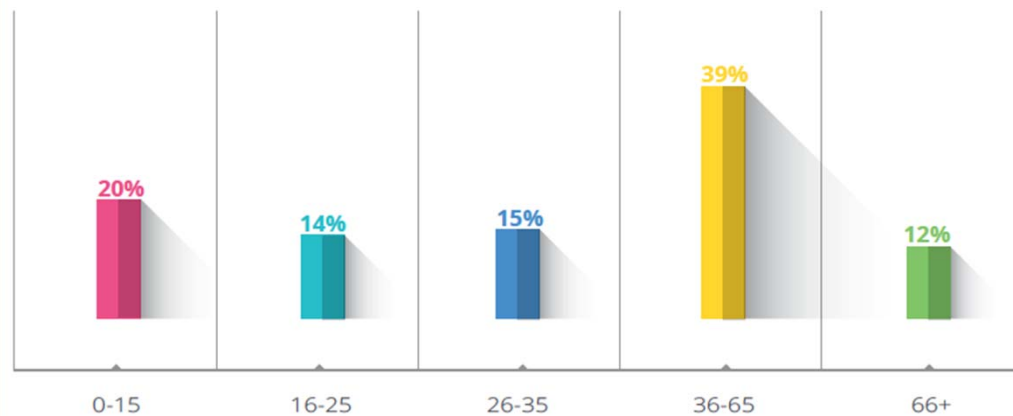
Over 9m Australians are between 36-65 years old.

Nearly 80% or over 7m of these Australians earn greater than \$78,000

Estimated penetration is conservatively estimated at 0.5%

## AGE

Australian population size by age group.



## HAVE SMSF

Australians that have an SMSF by age group.

## EARN > \$78K/yr

Australians that earn over \$78k per annum by age.



# InvestSMART Today



What's InvestSMART worth today?

- Market Cap **\$42.6m**
- Shares on Issue **133m**
- Share Price **33 cents**
- No debt & **\$6m cash** in bank
- FY17 Revenue **\$14.2m**



# Revenue Drivers



What's InvestSMART worth in 3 years?

- FUM to **\$535m** by 2020
- Term Deposits > **\$1b**
- Potential Scaled SOA
- Historical revenue from Subs and FUA