

**5 February 2019**

Attention: Company Announcements  
ASX Limited

*By E-Lodgment*

**Update concerning Financial Services Royal Commission recommendations**

InvestSMART Group (ASX: INV) ("InvestSMART") have made an initial review of the recommendations of the Final Report of the Financial Services Royal Commission and notes the following:

- The report recommends grandfathered trailing commissions should be repealed as soon as is reasonably practicable.
- The Government response:
  - Agrees to end grandfathered commissions from 1 January 2021
  - Payments of previously grandfathered commissions still in contracts will be required to be rebated to clients from 1 January 2021.
- The report recommends ASIC conduct a post-implementation review of life risk insurance commissions in 2021.

As previously announced InvestSMART is in a process of transitioning away from grandfathered commission revenue towards funds management fee income from in-house products. Grandfathered commission income from fund managers for FY18 was \$4.94m with associated commissions rebates of \$1.26m.

Commissions income for FY18 from life risk insurance was \$1.93m with associated commissions rebates of \$0.66m. InvestSMART expects revenue attrition for life risk insurance products to remain in line with recent trends.

For further information or comment, please contact Ron Hodge on 02 8305 6000

**Paul Clitheroe**  
**Chairman**  
**InvestSMART Group Limited**

