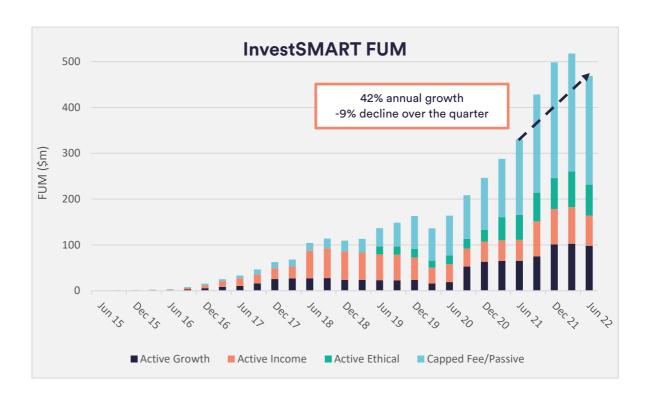


27 July 2022

Business update - quarter ending 30 June 2022

HIGHLIGHTS

- Cash at bank of \$8.08m at 30 June 2022 compared to \$3.76m at 31 March 2022. AWI Ventures sold for \$3.2m.
- Funds management fees continued to grow in the June quarter, up 5.9% to \$743k over the prior quarter (Q3 FY2022)
 - Investor accounts on our PMA platform increased 1.4% to 2,513 over the prior quarter.
 - Funds Under Management (FUM) declined by 9% over the quarter to \$470 million at 30 June 2022. The ASX All Ordinaries declined by 13% over the quarter and Intelligent Investor Active Exchange Traded Funds accrued cash distributions for FY22 of 7% of Active ETF FUM at 31 March 2022.



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- Subscription income from Intelligent Investor and Eureka Report declined 2.1% to \$1.31 million in Q4 compared to the prior quarter.
 - Subscribers declined 2.3% to 10,464 compared to the prior quarter.

Digital wealth platform continues to deliver growth

InvestSMART Group Limited (InvestSMART or the Company) (ASX: INV), a leading Australian digital wealth and advice platform providing low-fee investment solutions, is pleased to provide a business update for the June ended quarter, Q4 FY2022.

FINANCIAL RESULTS

Financial Results – Operating Income Summary*	FY2022 Q4 June quarter \$	FY2022 Q3 March quarter \$	%
Income			
Funds management fees	743,384	701,889	5.9%
Subscriptions	1,312,509	1,340,413	-2.1%
Commissions income – Insurance^	372,991	320,502	16.4%
Other income	3,508	9,234	
Total Operating Income	2,432,392	2,372,038	2.5%
Cash at Bank (end of period)	8,080,120	3,758,818	

^{*} Quarterly results are prepared by management and are unaudited. Operating income excludes gain on disposal of AWI Ventures.

Total income increased by 2.5% to \$2.43 million (Q4 FY2022 v Q3 FY2022). In our two primary businesses, income from funds management fees grew 5.9% to \$743,384 in Q4 FY2022 vs \$701,889 in the prior period. Subscription income declined 2.1% to \$1.31 million in Q4 FY2022 v \$1.34 million in Q3 FY2022. Commissions Income from insurance increased by 16.4%. The quarterly increase is seasonal and within management's expectations.

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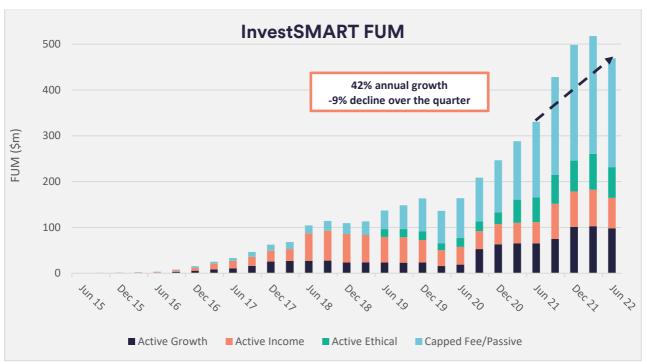


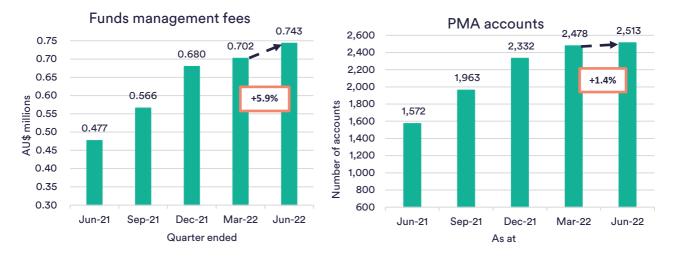
DIVISIONAL COMMENTARY

Funds Under Management (FUM)

FUM declined during the quarter to \$470 million at the end of June, a 9% decrease on the prior quarter (Q3 FY2022). The overall decrease should be viewed against a backdrop of a market fall of 13% (as measured by the ASX All Ordinaries Index) and cash distributions payable for the Intelligent Investor Active ETF Funds (equal to 7% of the FUM within these funds at 31 March 2022).

The chart below shows growth in FUM across our product suite (see About InvestSMART at the end of this announcement for further details).





InvestSMART PMA Platform

The InvestSMART Professionally Managed Accounts (PMA) Platform, launched in November 2018, continues to receive monthly net fund inflows. A PMA account consists of ETF Portfolios on the platform under a capped fee model. The total number of PMA investment accounts increased by 1.4% to 2,513 in the quarter, up from 2,478 at 31 March 2022.



Intelligent Investor ASX listed ETFs

Total funds under management (FUM) across Intelligent Investor funds (under a variable fee model) decreased 11% to \$232 million from \$261 million at 31 March 2022. The ASX All Ordinaries declined by 13% over the quarter and Intelligent Investor Active Exchange Traded Funds will pay cash distributions of 7% of Active ETF FUM at 31 March 2022.

Active ETF Funds received positive net inflows during the quarter driven by completion of a secondary offering in the Intelligent Investor Australian Equity Growth Fund (ASX: IIGF) raising \$11m.

Subscriptions

Subscription income from fee paying subscribers to our *Intelligent Investor* and *Eureka Report* content-driven products declined 2.1% on the prior quarter to \$1.31 million.

Total subscribers declined 1.4% to 10,464 compared to the prior quarter of 10,710. Subscription income has increased by 8% in FY2022 over the prior year. The increase is due to an increase in prices for our subscription products from 1 July 2021 (see Beat the price rise article).



Commissions Income - Insurance

Commissions Income – Insurance increased by 16.4% compared to Q4 FY2022. The increase is seasonal and within management's expectations. Compared to the prior comparative period (June 2021 quarter) commissions decreased by 6.5%. Attrition within the Insurance Commissions book is expected to continue.

PRODUCTS AND SERVICES

InvestSMART launched Fundlater in September 2021 (click this link for the announcement). Fundlater and Bootcamp are designed to appeal to a younger demographic. Fundlater helps first time investors invest in a \$10,000 diversified portfolio of exchanged traded funds. The investor deposits \$4,000 and is provided with a \$6,000 loan.

The Eureka Asset-Backed Loan Fund (EABL) was launched in April 2022. EABL provides investors with access to income by investing in loans provided to Fundlater clients. The objective of EABL is to provide income for investors backed by quality assets. It is envisaged that over time EABL will grow to invest in assets that are outside, but similar to, Fundlater loans.

A secondary offer was completed for the Intelligent Investor Australian Equity Growth Fund (ASX: IIGF) one of three ETFs operated under InvestSMART's Intelligent Investor brand. The offer raised \$11 million.



FUND PERFORMANCE

InvestSMART PMA Platform

The latest quarterly report and performance of each of InvestSMART's nine investment portfolios can be viewed here. Click 'learn more' to view each portfolio.

Intelligent Investor ASX listed ETFs

- 1. Intelligent Investor Australian Equity Income Fund ASX: INIF
 - Latest quarterly report here
- 2. Intelligent Investor Ethical Share Fund ASX: INES
 - Latest quarterly report here
- 3. Intelligent Investor Australian Equity Growth Fund ASX: IIGF
 - Latest quarterly report here

CORPORATE

Sale of AWI Ventures

InvestSMART disposed of its entire holding in AWI Ventures in May 2022 for a cash consideration of \$3.2 million. The disposal concludes InvestSMART's process of disposing of ventures entities where liquidity events arise. View ASX announcements on 11 May 2022 and 13 May 2022 to learn more.

Interview with InvestSMART CEO

Alan Kohler, Editor of the *Eureka Report*, interviewed InvestSMART CEO, Ron Hodge, on 4 May 2022. The interview can be accessed at www.eurekareport.com.au/investment-news/investsmart-plans-eureka-fund-to-back-fundlater-growth/151240.

Full year results

The audited Financial Report for the year ended 30 June 2022 is expected to be released on 25 August 2022.

OUTLOOK

InvestSMART Managing Director, Ron Hodge, said "Over the last few years we have changed our business model considerably and it was pleasing to see funds management fees continuing to grow in the last quarter. On the flip side it was disappointing but not surprising with current market conditions to see our FUM growth over the past quarter has slowed."

This document has been authorised for release by order of the Board.

For further information or comment, please contact Paul Clitheroe, Chairman, or Ron Hodge, Managing Director and CEO, at InvestSMART Group on 02 8305 6000.



About InvestSMART Group Limited (ASX: INV)





We seek to be Australia's #1 wealth platform to do-it-yourself investors

InvestSMART has built Australia's premier direct to investor wealth platform focused on digital investment advice. Our proprietary wealth platform helps clients achieve their financial goals through our low fee funds, content and tools ecosystem, including Intelligent Investor and Eureka Report.

Today, we interact with over 720,000 Australians who are building investing knowledge by consuming our content, using our tools and growing and protecting their wealth through our investment solutions. Funds Under Management (FUM) total \$518m (end March 2022).

Products & services. InvestSMART Group runs Professionally Managed Accounts (PMA)* using ETFs (with capped fees up to \$550 p.a.) and three active ASX listed ETFs under its Intelligent Investor brand.

PMA Investment Accounts focus on investing into a large universe of preferred ETFs selected to provide a unique balance between performance returns, cost efficiency and risk diversification. Our proprietary investment research methodology screens a large universe of Australian and overseas ETFs, selecting only those which deliver leading returns relative to performance benchmarks and which have low management fees. Investors can create customised and diversified investment portfolios (based on ETFs) to suit their individual needs. Investment portfolios differ in the levels of risk and return, and each offers a different investment emphasis.

The Intelligent Investor and Eureka Report membership-based content publications and tools were developed to assist investors. Intelligent Investor is a provider of research-based views on companies and investment themes. The Eureka Report, founded by Alan Kohler, provides commentary and insights on investment strategy, markets and companies.

Technology. InvestSMART deploys and develops proprietary digital solutions to efficiently and effectively run its business to deliver exceptional customer experience – quality advice, research and easy-to-use tools for its clients.

Investment tools developed by InvestSMART provide foundational knowledge for investors, such as through our short course 'Bootcamp', and free tools to monitor and assess investment performance via our 'Portfolio Manager'.

* Professionally Managed Account (PMA): the investor holds legal and beneficial ownership (HIN based) and the underlying securities are registered under their name, within the investment portfolio.

Overview of InvestSMART's Investment Products

Name	Туре	Description		
Professionally Managed Accounts with 'capped fees'*	Professionally managed risk adjusted portfolios	Investments into preferred ETFs (ASX listed)		
 InvestSMART Conservative Portfolio (diversified across asset classes) InvestSMART Balanced Portfolio (diversified across asset classes) InvestSMART Growth Portfolio (diversified across asset classes) InvestSMART High Growth Portfolio (diversified across asset classes) InvestSMART Ethical Growth Portfolio (diversified across asset classes) InvestSMART Australian Equities Portfolio (single asset class) InvestSMART International Equities Portfolio (single asset class) InvestSMART Property & Infrastructure Portfolio (single asset class) InvestSMART Interest Income Portfolio (single asset class) InvestSMART Hybrid Income Portfolio (single asset class) 				
Active investment ETFs**	ASX listed active ETFs run by InvestSMART Group	Active ETF directly invests into ASX listed equities		
 Intelligent Investor Australian Equity Income Fund – ASX: INIF Focused on cash rich businesses with ability to pay growing dividends (launched June 2018) Intelligent Investor Ethical Share Fund – ASX: INES Focused on ethically and socially responsible undervalued stocks (launched June 2019) Intelligent Investor Australian Equity Growth Fund – ASX: IIGF Focused on capital growth by investing in undervalued Australian equities (launched October 2020) 				

- * Professionally Managed Account (PMA): the investor holds legal and beneficial ownership and the underlying securities are registered under their name, within the investment portfolio.
- ** 'Active' ETFs can be directly purchased on market (are ASX listed) and can also be accessed via InvestSMART's PMAs.

