

29 November 2016

Attention: Company Announcements
ASX Limited

By E-Lodgement

ANNUAL GENERAL MEETING OF INVESTSMART GROUP LIMITED (ASX Code: INV), HELD ON 29 NOVEMBER 2016 – 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 millions of Australians to protect and create wealth.

Why do we believe this is important? Because people should be able to take control of their future and it should not be hard or expensive for them to do that.

How are we seeking to do this? By providing innovative tools, research and advice that they can trust and empower them to make better investing decisions.

You will see from the statement on the cover of our 2016 Annual Report that we are already “empowering over 700,000 Australian investors”. We have some ground to cover to achieve our vision of helping millions of Australians, but we believe we are well placed to do so over time.

We have consolidated and aligned our business to maximise the opportunities available to us. Our business continues to grow organically and we supplemented that growth during 2015-16 through the acquisition of Eureka Report.

Shortly, our Managing Director, Ron Hodge, will present on the business and activity since the end of the last financial year.

Before handing over to Ron, I would like to comment on the investments we hold through minority shareholdings in some early-stage financial services businesses. Those investments date back to when the Company’s strategy included providing an incubator program for start-up businesses. That program terminated in June 2015. The investments are not core to our current business.

We recently sold our interest in Hashching Pty Ltd, which provides a platform that allows consumers to access the home loans from verified brokers. Our initial investment in this business was \$100,000. The sale of our shares resulted in a return on that investment of just over 50%.

The Company continues to seek to maximise the value of the 9 remaining investments without detracting management time and energy away from our core business.

I now have pleasure inviting 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



Peter Friend
Company Secretary



RON HODGE
CEO

INVESTSMART GROUP

AGM Presentation (FY2016)

PRESENTATION TO SHAREHOLDERS – 29 NOVEMBER 2016





Simplified Business



THREE SERVICES, ONE MEMBERSHIP



EUREKA REPORT

As one of Australia's leading investment publications, our financial advisors and wealth experts provide specialist advice on SMSFs, superannuation, tax, property, and estate planning.

- ✓ Economic commentary
- ✓ Wealth advice including super, tax & property



INVESTSMART

No matter how big or small your investments, InvestSMART's sophisticated portfolio management tools allow you to keep track of all your assets in the one convenient location, while tailoring the research relevant to your investments. Take a portfolio health check or broaden your investment coverage through our range of managed portfolios.

- ✓ Portfolio management tools
- ✓ Managed portfolios



INTELLIGENT INVESTOR

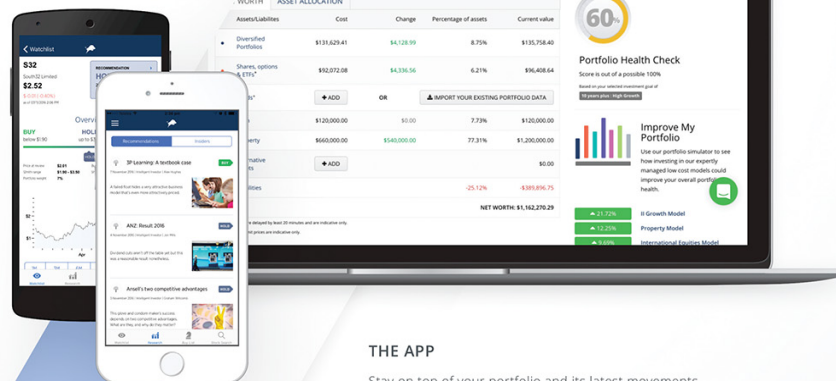
As value investors, our team of equity analysts look for underpriced stocks on the ASX. We explain the investment case for every recommendation, so you know exactly when to buy, how much to hold and when to sell. We've been doing this for a long time (15 years to be exact) and our performance is proof our methodology works.

- ✓ ASX share research
- ✓ Recommendations

PORTFOLIO MANAGER

Get a full view of your financial position. Use the Portfolio Manager to keep track of your shares, super, managed funds, property, cash plus liabilities in the one convenient location.

Track your performance and net wealth over time. Also, get all the latest research, changes to recommendations, ASX alerts and upcoming dividends on stocks you own, delivered straight to your portfolio dashboard.



THE APP

Stay on top of your portfolio and its latest movements wherever you are with the InvestSMART App. This tool also tailors content from Intelligent Investor and Eureka Report, relevant to the stocks held in your portfolio.



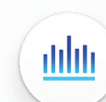
PORTFOLIO TOOLS



HEALTH CHECK

After adding your investments to the InvestSMART Portfolio Manager, you will receive a full analysis of all your assets and find out where you're underweight or overweight in each asset class.

This invaluable tool helps you keep track of your overall exposure to any given asset class at any point in time.



PORTFOLIO SIMULATOR

This tool allows you to simulate changes to your current investments and/or add new investments to see how they could affect your overall portfolio's diversification.

It is based on latest real-world asset prices and shows a "Transactions Required" section for you to consider making those changes to optimise your portfolio.



INVESTMENT PORTFOLIOS

InvestSMART's developed several low-cost expertly managed portfolios to help our members access a broad range of asset classes.

Developed by our expert team of analysts and overseen by our Investment Committee, the portfolios are designed to work with your existing investments, diversify your portfolio and ensure you have the right mix of securities to meet your investment objectives.



Business Highlights: Growth and Scale

Market guidance for FY17 remains on track:

- 🐂 Forecast \$15m revenue growing circa 28% from FY16
- 🐂 Operating PBTA expected to grow by circa 30% from FY16
- 🐂 Funds under Management growing
- 🐂 Subscription revenue growing
- 🐂 No debt, positive cash flow

Large and active subscriber base

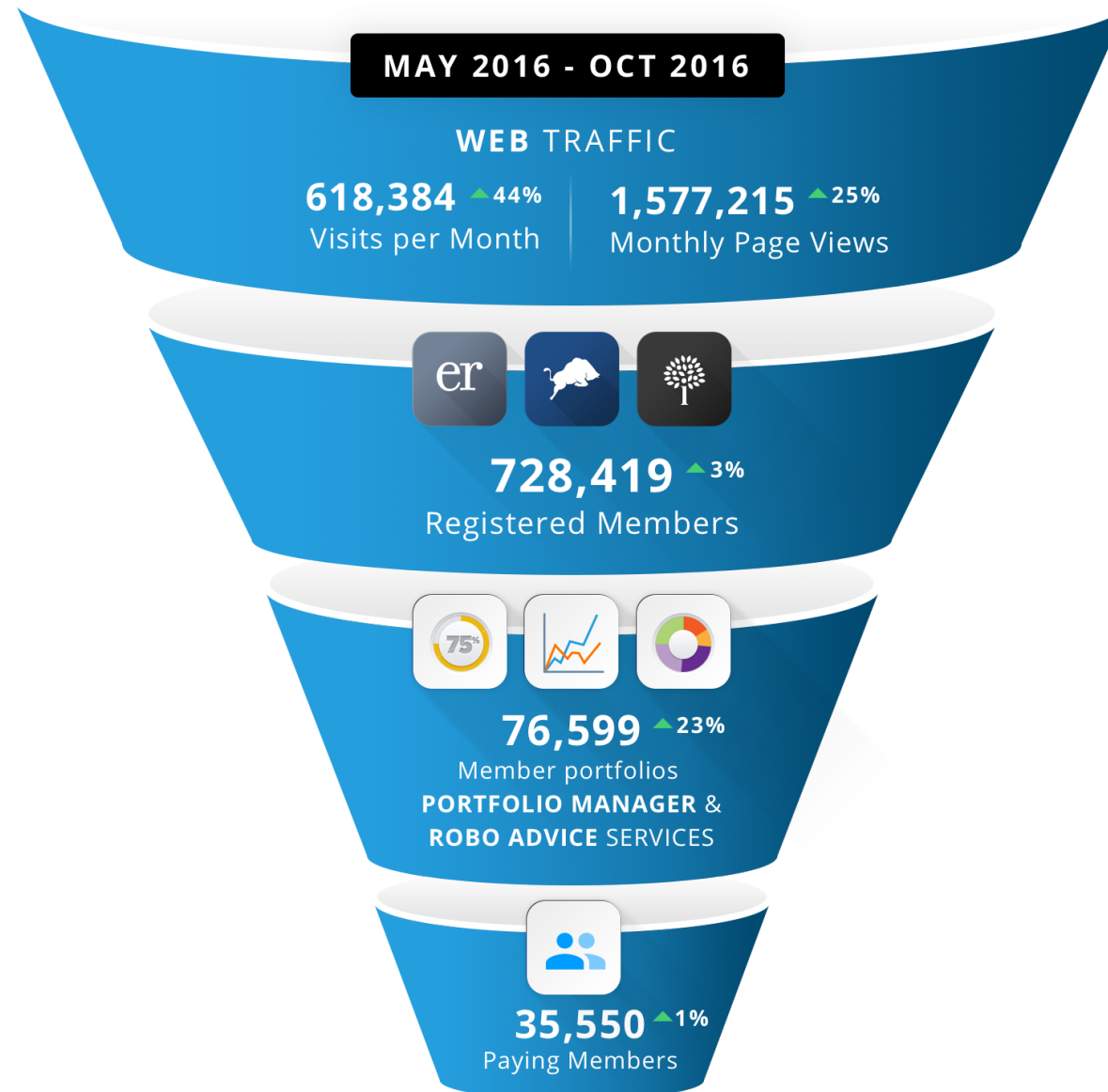
- 🐂 Over 600,000 visits and 300,000 unique browsers to our websites each month
- 🐂 Over 700,000 subscribers to our free weekly updates
- 🐂 Over 35,000 paying members (including FUA members)

In-house proprietary technology anchored by our Portfolio Manager

- 🐂 Nearly 48,000 active users with over 76,000 portfolios



Performance Review: Key Metrics

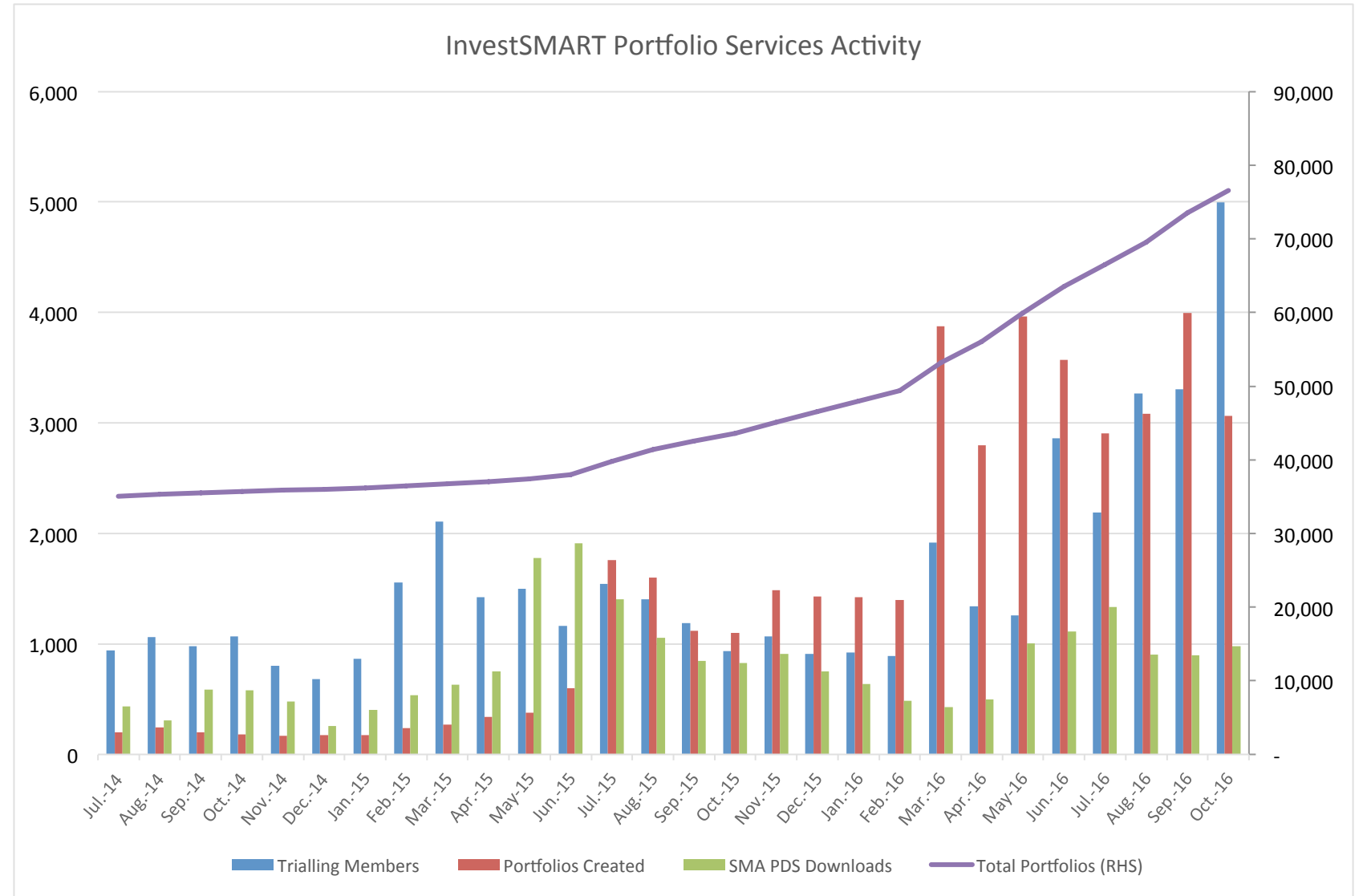




Portfolio Manager Activity

Major increase in activity in our major metrics

- 🐄 New free trialling members increasing by around 3,000 a month
- 🐄 Circa 3,000 new portfolios created each month
- 🐄 Around 1,000 SMA Product Disclosure Statements downloaded per month





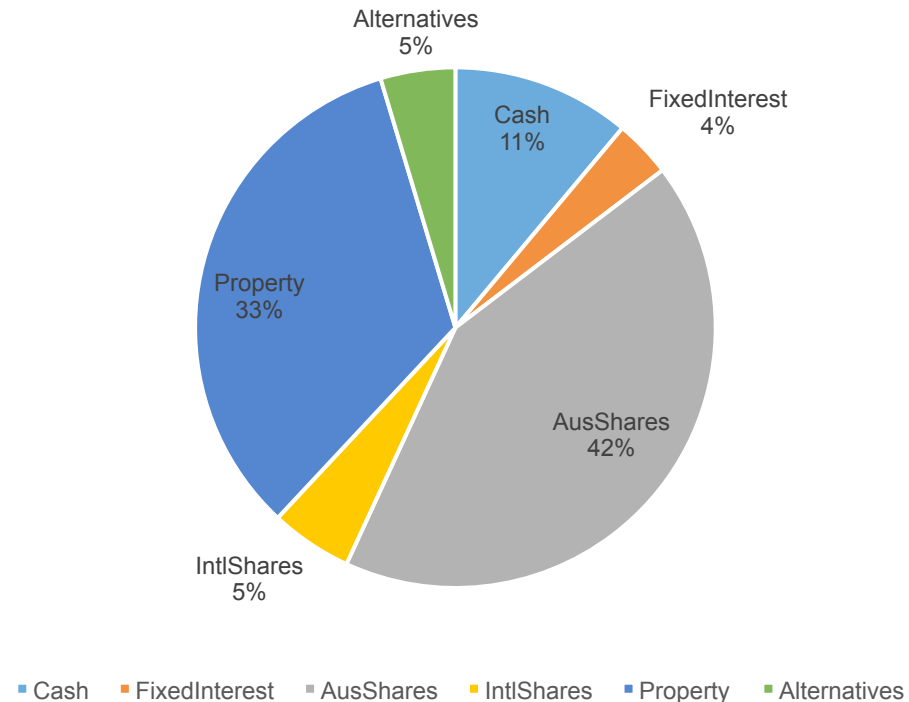
Assets held on Portfolio Manager

Steady increase in Portfolio Manager users and assets on the system

- 47,907 members using PM
- 76,599 portfolios managed through our Portfolio manager

	Nov-15	Oct-16	Change
Total Number of Portfolios on PM system	49,527	76,500	+54%
Value of Shares	3.57b	6.69b	+87%
Value of Funds	1.32b	1.66b	+25%
Value of Property	3.58b	5.90b	+65%
Value of Cash	1.12b	1.38b	+23%

InvestSMART All Member Portfolios at Oct 2016 by asset class





In-house Products and System Integration

Currently 10 investable model portfolios, including:

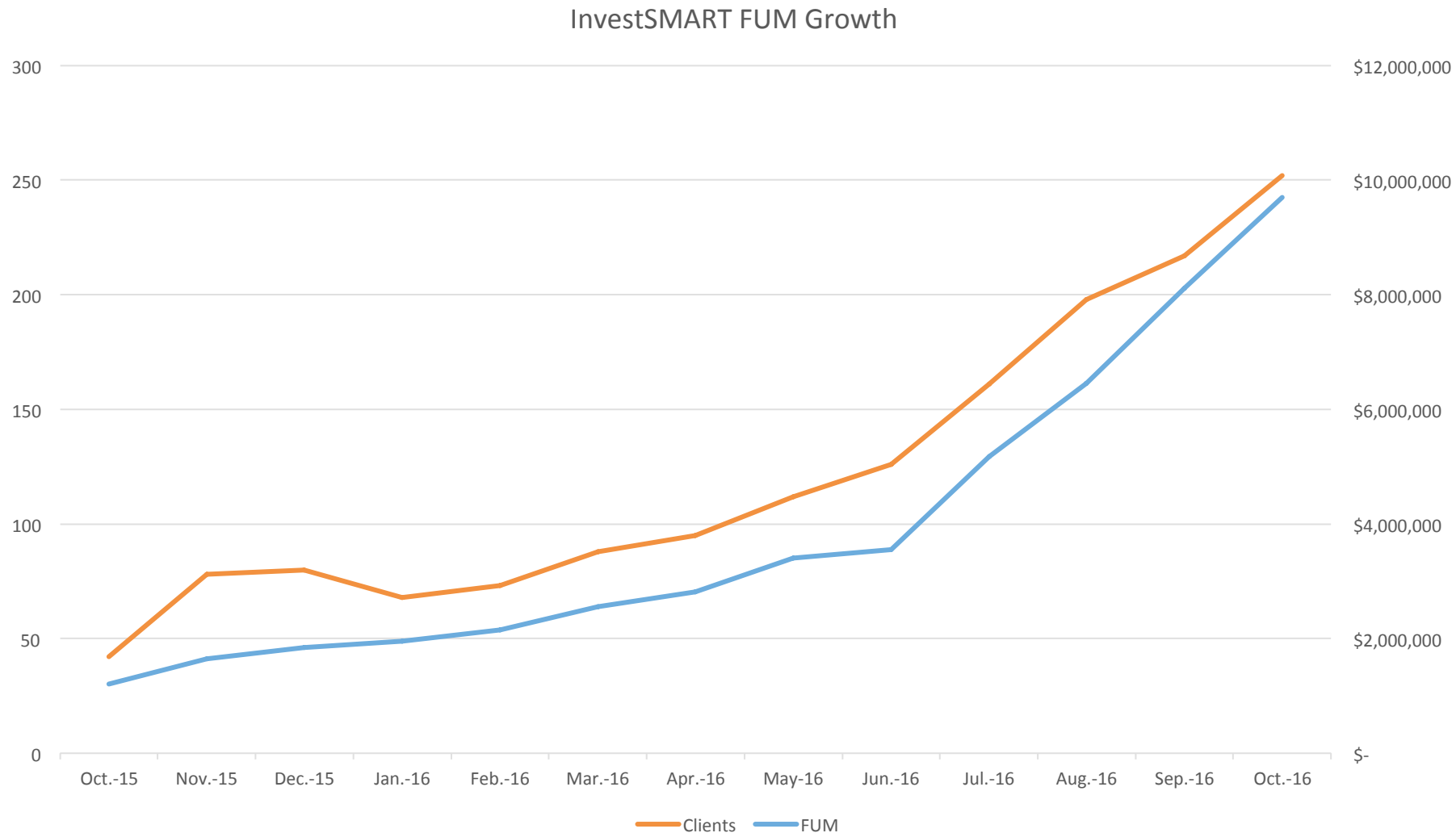
- 5 InvestSMART Diversified portfolios of exchange traded funds
- 3 InvestSMART sector specific portfolios – Fixed Interest, Property, International Equities
- 2 Intelligent Investor ASX diversified direct equity portfolios

Systems integration completed, including:

- Integration of robust enterprise systems such as Salesforce to improve conversions
- Automatic customer communication - EMILIA
- Automatic renewal notification and payments implemented
- Straight through processing of SMA online applications



Growth in Funds Under Management





Growth Opportunities and Focus

Our focus is on growing funds under management, including:

- 🦏 Improving automation and execution capabilities within our portfolio manager
- 🦏 Increasing funds in SMA and proposed new products
- 🦏 Investigate 3rd party fund manager collaboration

Significant marketing synergies expected, including:

- 🦏 Internal cross promotion of products & services between brands
- 🦏 Repackaging existing products and services to suit multiple audiences
- 🦏 Affiliation of content across multiple channels

Product Development

- 🦏 Develop a broader range of products with ease of access and price points
- 🦏 Adding additional products to our platform – cash, fixed interest
- 🦏 Creating additional tools to package with Subscription products



Disclaimer

This document has been compiled by InvestSMART Group Limited (INV) for the benefit of brokers, analysts and investors and not as specific advice to any particular party or person. The information is based on publically available information and other sources. Where an opinion is expressed in this document, it is based on assumptions and limitation herein and are an expression of present opinions only. No warranties or representations can be made as to the accuracy, validity, completeness or reliability of the information.

INV disclaims and excludes all liability (to the extent permitted by law), for any losses, claims, damages, costs and expenses of whatever nature arising in any way out of or in connection with information contained in this document, its accuracy, completeness or by reason of reliance by any person on any of it.

INV does not have any obligation to advise any person if it becomes aware of any inaccuracy in or from any forecast or to update such forecast.