

Attention: Company Announcements, ASX Limited

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## An Australian first: InvestSMART announces introduction of capped investment fees

**SYDNEY, November 12 2018:** Digital wealth provider InvestSMART (INV) has announced it is capping investment fees on its diversified portfolios, no matter the size of the investment.

Fees for the InvestSMART Diversified Portfolios start at just \$99 per annum for clients with lower balances. For those with higher balances of \$82,000 and over, fees are capped at \$451 per annum (**including all administration costs**), excluding indirect costs such as ETF management costs and brokerage. Investors can also benefit from low brokerage costs of \$5.50 or 0.11% (whichever is greater) on buys and sells.

### FEE SCHEDULE

Investment Amount	Investment Fee
\$10,000 - \$18,000	\$99 p.a. capped (inc GST)
\$18,001 - \$81,999	0.55% p.a. (inc GST)
From \$82,000	\$451 p.a. capped (inc GST)

Commenting on the announcement, InvestSMART CEO Ron Hodge said: “Our mission is to make wealth happen for all Australians and to raise awareness of the impact of fees and costs on investor portfolios. Nowadays, there is no need for investors to sacrifice their long term investment returns to fees”.

“On a 30-year investment, an annual fee of 2% means losing 45% of potential portfolio value to fees<sup>2</sup>. For clients with over \$1 million, InvestSMART’s annual fee would be just \$451, or 4.5 basis points (0.045%), perhaps the lowest in the world. This makes a huge difference to long-term returns, whatever the investment amount.”

Under InvestSMART's Professionally Managed Account\* (PMA) platform, investors hold their shares in their own names. They can also make regular contributions and withdraw with ease if they wish to terminate the capped fee arrangement.

"Investors can combine our model portfolios in any proportion they choose, creating a portfolio that is tailored and unique to their individual investment objectives and needs," Mr Hodge said.

For the capped fee, investors get

- online account viewing,
- regular rebalancing of the portfolio by an experienced investment team,
- annual tax statements, and
- regular performance reports.

"We think this model will appeal to all investors – from those starting out to the more experienced. It's about time investors who want a professionally managed investment portfolio have a low, fixed fee option. Our new PMA platform provides this," Mr Hodge said.

#### **Ends**

For further information, please contact Ron Hodge on 02 8305 6000 (InvestSMART) or Susie Bell (Honner) 0420 949 852.

#### **Notes**

Portfolios that will not be included in the \$451 capped fee schedule are the Intelligent Investor Portfolios, which have a fee of 0.97% p.a. and the InvestSMART Hybrid Income Portfolio, which charges 0.92%. Both products are actively managed portfolios of individually-selected stocks.

#### **About InvestSMART**

InvestSMART Group Ltd (ASX:INV), was founded in 1999 and is a leading Australian digital wealth advisor which has over 32,000 clients and over \$1.4B in assets under advice. It owns Intelligent Investor, Eureka Report and has launched a number of its own funds.

Paul Clitheroe AM was appointed Director and Chairman in 2014, and is Chair of the Investment Committee. Paul has 37 years of experience and is regarded as one of Australia's leading "money" experts, is Chairman of The Australian Government Financial Literacy Board and holds the Chair of Financial Literacy at Macquarie University.