

INVESTSMART

Helping all Australians grow and protect their wealth

ASX: INV

Investor Presentation

Dated 28 August 2024



Company highlights

InvestSMART has built Australia's premier direct-to-investor wealth platform featuring unique content, low-cost funds and wealth tools in an integrated technology ecosystem.

- 1 The website is the front end of our digital wealth platform encompassing tools, content and innovative products:
 - Average of 313,000 monthly unique visitors in financial year 2024
 - 23,000 fee paying accounts across funds management, subscriptions and insurance products
- 2 Three core products
 1. InvestSMART Professionally Managed Accounts (PMAs) – invests in portfolios of ASX listed ETFs (capped fees)
 2. Intelligent Investor – manages four of its own ASX listed 'active' ETFs (INIF, INES, IIGF and IISV)
 3. Subscriptions – premium paid content through:
 - Intelligent Investor – research-based views on companies and investment themes
 - Weekend Brief – commentary and insights, delivered by business commentator Alan Kohler
- 3 Low cost of customer acquisition through unique content and tools ecosystem
- 4 Well recognised ambassadors and visible Board
 - Paul Clitheroe AM – Chairman
 - Effie Zahos – Chief Content Officer
 - Alan Kohler AM – Editor-in-chief
 - Michael Shepherd AO – Non-executive Director

One Digital Platform

Our proprietary wealth platform operates within a content and tools ecosystem

- Self select, transact and manage multiple products and services
- Product & service delivery
- Administration and tax reporting

Investment products

InvestSMART
Professionally
Managed Accounts

Capped fees

Diversified ETF portfolios
Conservative, Balanced, Growth,
High Growth, Ethical Growth

Single Asset Class ETF portfolios
International, Interest Income, Hybrid Income,
Property and Infrastructure, Australian Equities

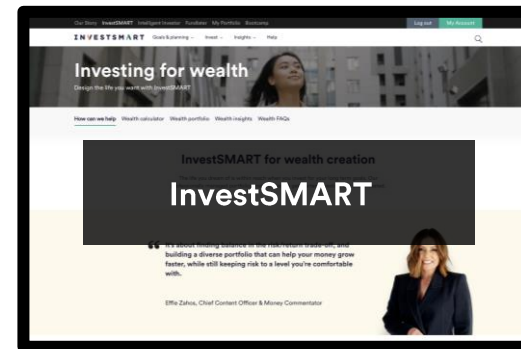
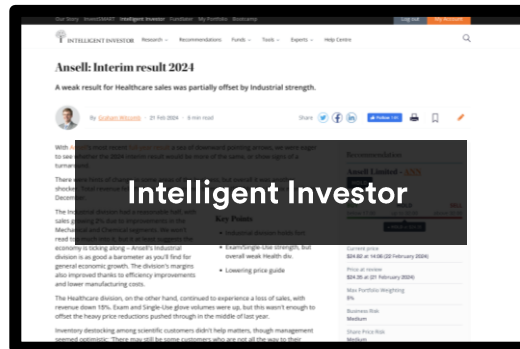
Fundlater
Lending service
+
White label
Variable fees

Intelligent Investor
Active ETFs –
ASX-listed

Variable fees

Australian Equity Income Fund (ASX: INIF)
Australian Equity Growth Fund (ASX: IIGF)
Ethical Share Fund (ASX: INES)
Select Value Fund incl. International (ASX: IISV)

Content and tools ecosystem



Well recognised and active ambassadors in the Board and executive

Paul Clitheroe AM
Chairman

Effie Zahos
Chief Content Officer

Alan Kohler AM
Founding editor

Digital advice platform


The InvestSMART website was relaunched in January 2024 to facilitate a goals-based advice journey:

Rated: Excellent 4.44 (139 reviews)
★★★★★

Investing made simple, bring your goals to life.

Take our 1 minute quiz. Tell us about your needs and goals. We'll create an investment plan that's right for you.

[Get Started](#)

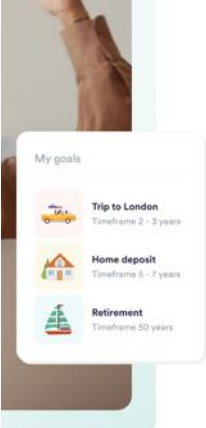


How it works. Tell us a bit about yourself and get a personalised investment plan.

- 1 Tell us a bit about yourself**
Answer a few simple questions about your needs and goals.
- 2 Get a personalised investment plan**
We'll provide you with a recommended investment portfolio to match your goal.
- 3 Invest & we'll manage the rest**
Complete the application and we'll handle the rest for you.

Tom from InvestSMART Group
Hi there. Have a question about your Bootcamp course? Ask

[Get Started](#)



Excerpt from Delivering Better Financial Outcomes Detailed Overview December 2023:

A principles-based advice record.

Statements of Advice will be replaced with a more fit-for-purpose, principles-based, advice record which must address the following four principles:

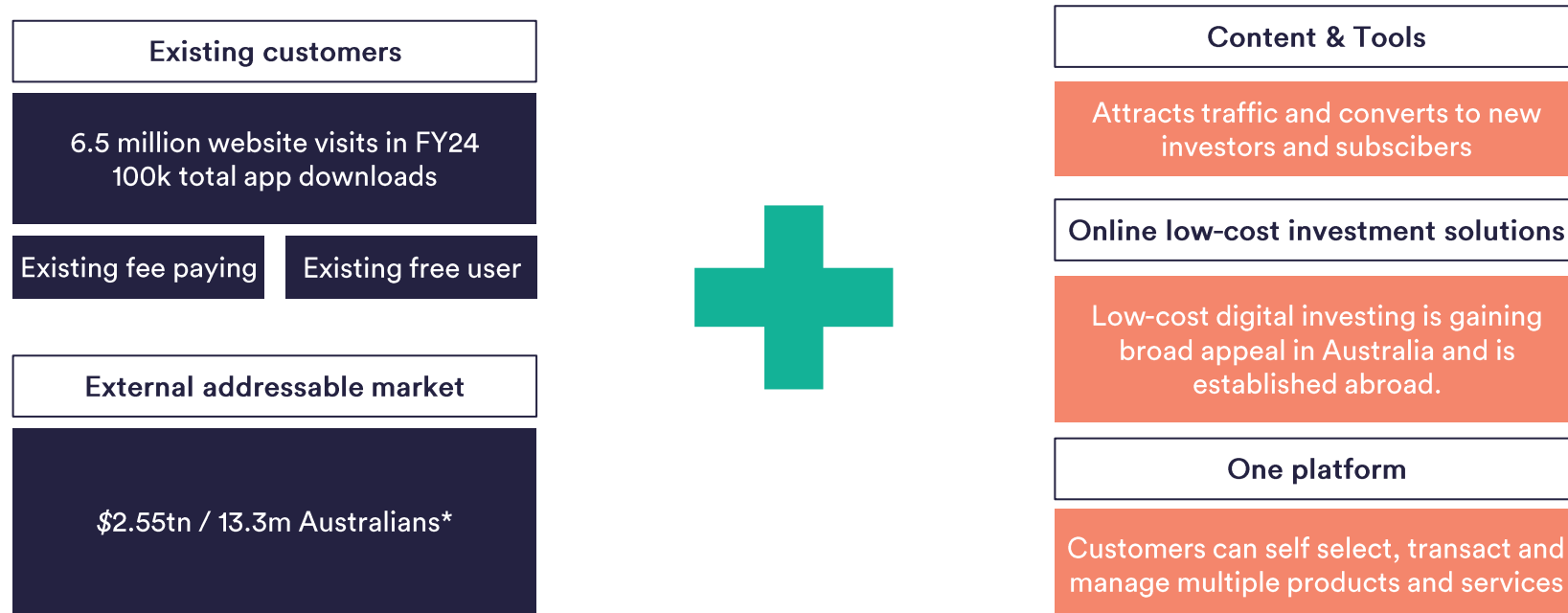
- subject matter/scope;
- the advice;
- reasons for the advice; and,
- the cost of advice to the client and/or benefits received by the adviser.

Source: [Final Government Response to the Quality of Advice Review](#)

Customer acquisition

InvestSMART can significantly grow FUM from existing and new customers attracted to its ecosystem

We have the content, tools, distribution and personnel to grow FUM direct to market from a large external addressable market



Measured:

- # Australian users
- # content subscribers
- # tool users
- # PMA accounts
- # portfolios set up
- # app Downloads
- # Fundlater Loans

* 10.2m Australian Adults hold investments outside super & property plus 1.3m intending investors plus 1.8m lapsed investors = 13.3m Australians (ASX Investor Study 2023) / \$2.85tn held outside Super, 42% of this is Investment Property -> \$1.65tn held outside superannuation excl. investment property (Rice Warner report 2020), plus \$0.9tn in SMSFs (ATO March 2023) = \$2.55tn addressable market (excludes \$2.9tn in APRA regulated superannuation entities).

Profit & loss FY2024

(To be read in conjunction with InvestSMART Group Ltd Appendix 4E and Financial Report for the year ended 30 June 2024)

	FY2024	FY2023	%
	\$	\$	
Operating Income			
Management fees - funds	3,390,763	3,150,693	8%
Performance fees - funds	233,236	160,557	45%
Subscription income	4,806,519	5,375,493	-11%
Commissions income - insurance	1,272,143	1,349,487	-6%
Other income	24,970	16,389	52%
Total operating income	9,727,631	10,052,620	-3%
Operating Expenses			
Commissions rebates	375,870	395,632	-5%
Employment expenses	5,824,824	5,922,906	-2%
Marketing costs	656,148	1,175,723	-44%
Other operating expenses	3,266,973	3,185,768	3%
Total operating expenses	10,123,816	10,680,029	-5%
Operating Profit/(Loss)	(396,185)	(627,409)	36.9%
Interest income	255,331	144,989	
Government grants	113,856	58,600	
Employee benefit expense and contingent payments	(102,551)	(148,379)	
Amortisation of intangibles	(541,692)	(570,688)	
Restructure costs	(230,982)	-	
Income tax benefit	137,877	168,321	
Statutory Profit/(Loss) for the period	(764,346)	(974,566)	
Cash at bank (end of period)	7,736,213	7,812,215	-1%

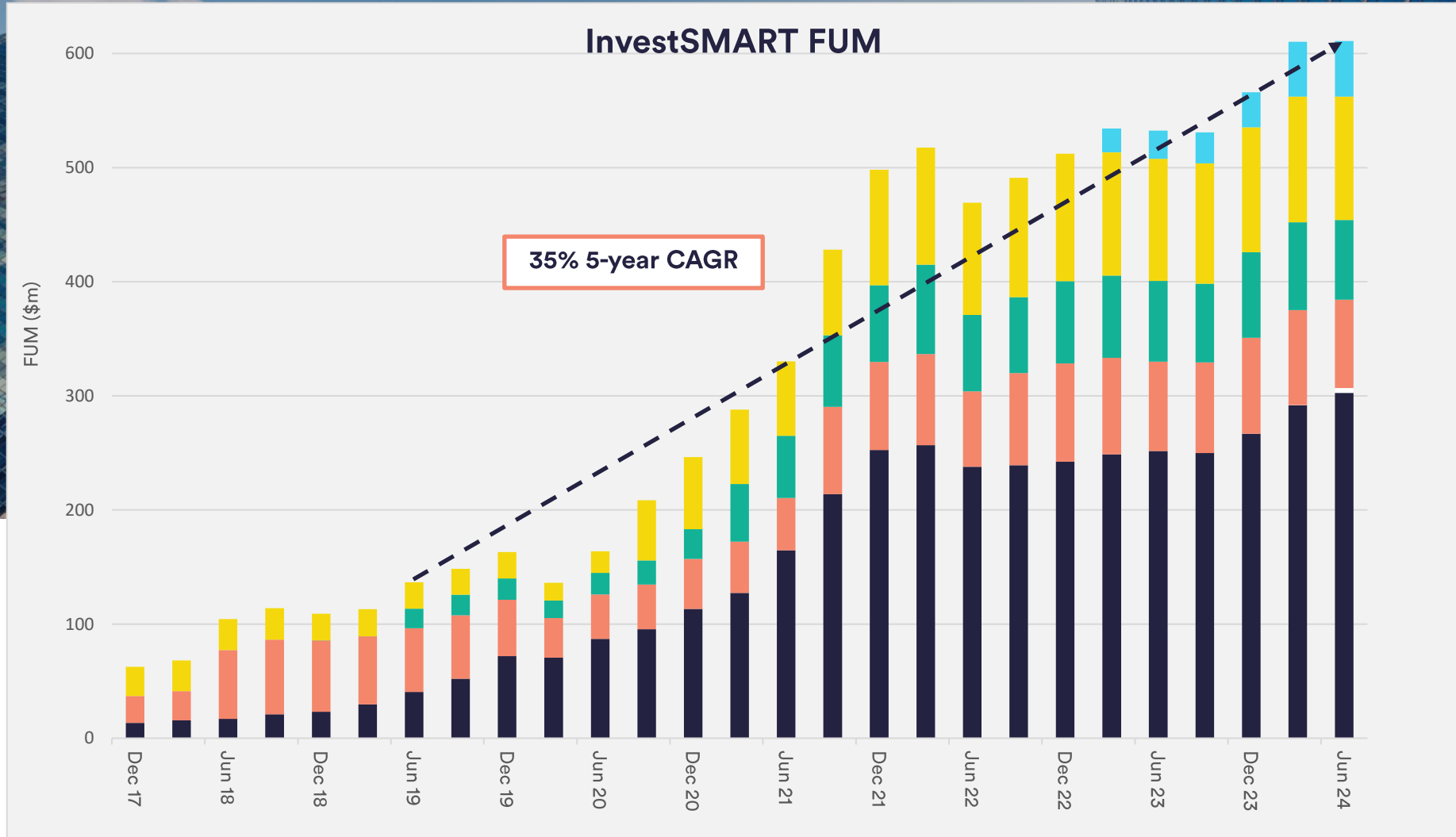
Two main business areas
– the focus of InvestSMART moving forward

36 Staff , built for a highly scalable business

Content based marketing. Scale other marketing activity
up/down opportunistically

Strong runway to grow the
business

Growth of funds under management (FUM)



PMA Capped Fee FUM = InvestSMART: 11 ETF portfolios (single and diversified across asset classes) which hold passive exchange traded funds

Equity Income Fund managed by Intelligent Investor and listed on the ASX (ASX: INIF)

Ethical Fund managed by Intelligent Investor and listed on the ASX (ASX: INES)

Growth Fund managed by Intelligent Investor and listed on the ASX (ASX: IIGF)

Select Value Fund (incorporates international stocks) managed by Intelligent Investor and listed on the ASX (ASX: IISV)

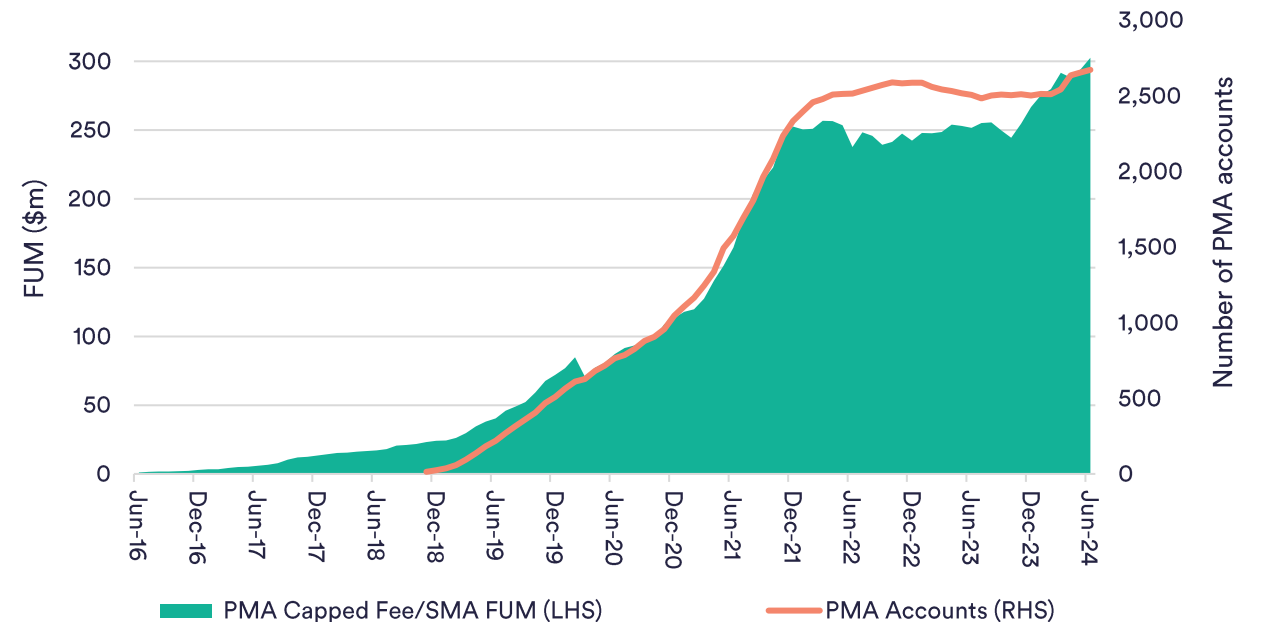
Small white bar = White label launched in March 2024 – InvestSMART technology, PMA structure and RE utilised for managers with digital audience

Funds under management

InvestSMART Professionally Managed Accounts capped fee portfolios

- Established in November 2018. Professionally Managed Accounts is a unique portfolio solution where the investor holds legal and beneficial ownership. The underlying securities are registered under their name, within the investment portfolio (“on HIN”)
- PMA accounts is our core growth engine for digital financial advice
- 5 diversified portfolios and 6 single asset portfolios which invest in passive ETFs
- Simple, low-cost fee structure of 0.55% capped at \$550 per annum. Minimum investment of \$10k
- Data driven investment process
- Portfolios outperform their peers in the long term and short term
- Supplemented by Fundlater product:
 - Fundlater helps first time investors invest in a PMA Account. The investor deposits \$4,000 and is provided with a \$6,000 loan
- Increase in interest rates and cost of living had an adverse impact on new accounts and, to a lesser extent, retention of accounts through to December 2023
- Many clients have money in multiple portfolios across the platform

PMA FUM and PMA Accounts



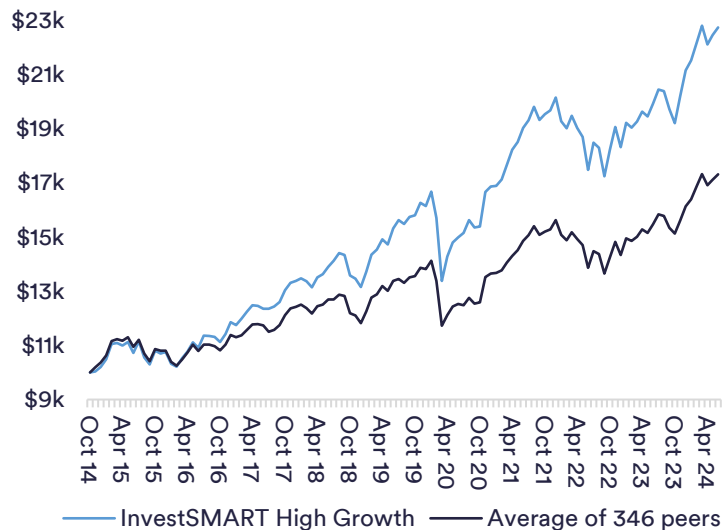
Professionally Managed Accounts was established in November 2018. Professionally Managed Accounts is a unique portfolio solution where the investor holds legal and beneficial ownership. The underlying securities are registered under their name, within the investment portfolio (“on HIN”). Prior to Dec 2018 investors were on the Praemium platform.

InvestSMART Capped Fee Portfolios Performance

Our InvestSMART branded [Capped Fee portfolios](#) continue to outperform their peers^ (sample performance of 2 of 10 Portfolios). Performance is to 30 June 2024.

High Growth Model performance

(growth of \$10k)
Inception date 27 October 2014



International Equities Model performance

(growth of \$10k)
Inception date 27 Oct 2014



Capped Fees
Unique to InvestSMART our fees are 0.55% p.a. capped at \$550 for investments over \$100k

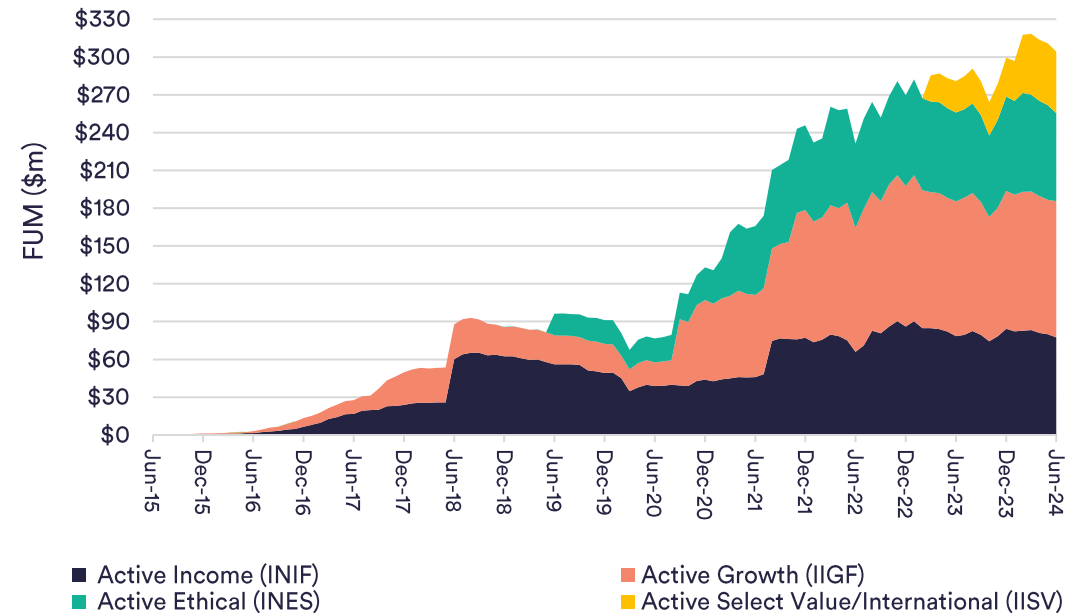
^ Performance figures are after management and admin fees excl. brokerage and assuming dividends re-invested and no withdrawals. Performance figures for periods greater than one year are annualised and presented as "per annum" values. The peer comparison figures have been sourced from Morningstar data and is therefore limited to the funds and investment products included in their database. This may not include all funds available for retail investment in Australia. The peer calculation is inclusive of admin and management fees; excludes brokerage and no withdrawals have been made. InvestSMART cannot determine whether or not franking has been included, nor if dividends have been reinvested. Whilst every care has been taken in producing these numbers, InvestSMART does not guarantee the accuracy of the figures produced in the table. Fee data may not include all costs being charged such as platform and adviser fees. For the effect of fees on your cumulative returns, please see our report [How Fees Can Destroy Your Wealth](#). Historical performance is not a reliable indicator of future performance.

Funds under management

Intelligent Investor active ETFs (ASX-listed)

- Four Intelligent Investor ASX listed Active ETFs:
 - Income (ASX: INIF) – Australian listed Income Portfolio
 - Growth (ASX: IIGF) – Australian listed Growth Portfolio
 - Ethical (ASX: INES) – Australian listed Ethical portfolio
 - Select Value (ASX: IISV) – Internationally listed Select Value portfolio
- The Select Value/International Fund (ASX: IISV) is the first fund to incorporate internationally listed shares and performance fees
- The Ethical Fund (ASX: INES) pds has been amended to allow up to 30% allocation in international ethical shares from 1 July 2024
- Intelligent Investor active ETFs are listed on the ASX, providing a convenient, transparent and reliable process for applications, withdrawals and pricing
- We conduct secondary offers for each Fund on a quarterly basis

Active ETF FUM



All active funds have a management fee of 0.97%. IISV has a performance fee of 15% (where outperforms great of ASX 200 AI and RBA Cash rate subject to a high water mark).

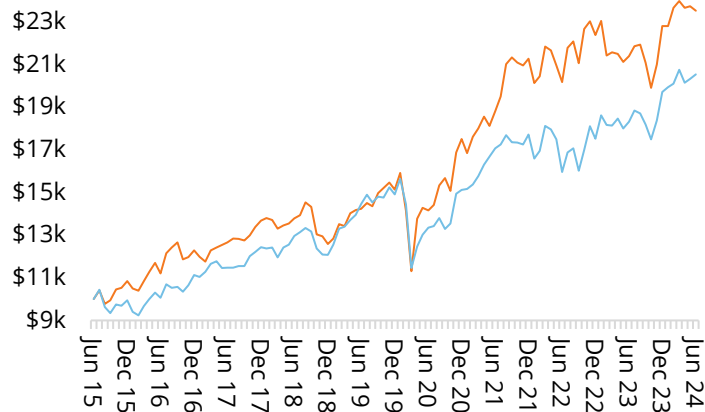
Active Intelligent Investor ETFs Performance



Our Intelligent Investor branded active ETFs. Since inception (SI), all 4 strategies have outperformed the relevant benchmark. Performance is to 30 June 2024.

Growth Model Performance

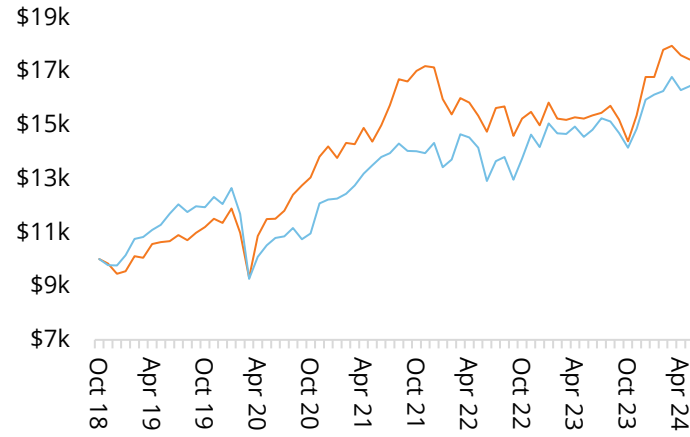
(growth of \$10k)



- Intelligent Investor Equity Growth#
- S&P/ASX 200 Accumulation Index

Ethical performance

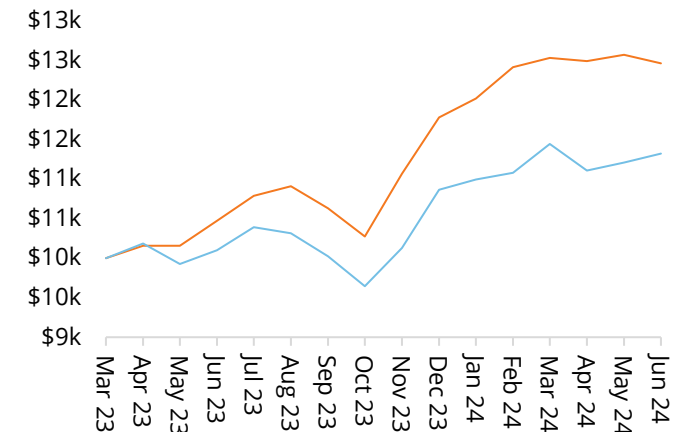
(growth of \$10k)



- Intelligent Investor Ethical Share Fund (Managed Fund) (ASX:INES)
- S&P ASX 200 Accumulation Index

Select value (international) performance

(growth of \$10k)



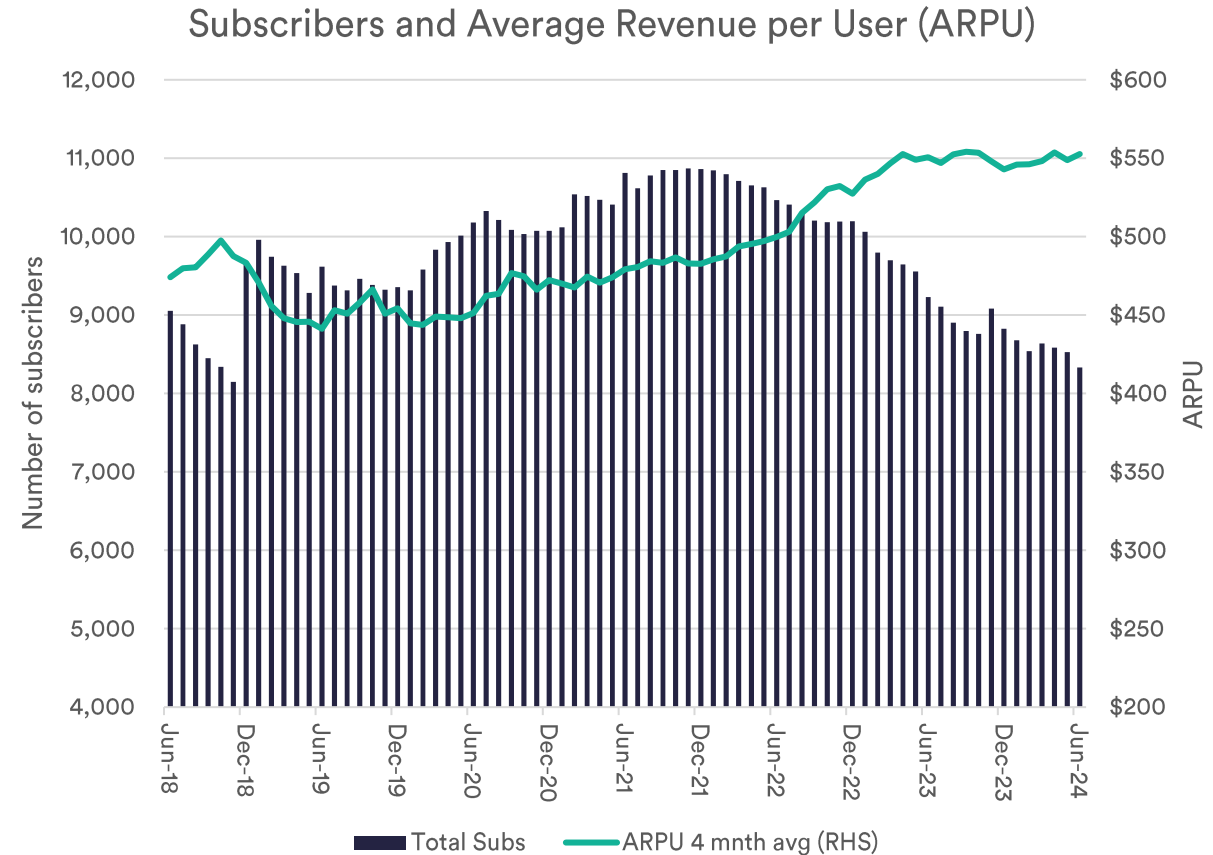
- Intelligent Investor Select Value Share Fund (ASX:IISV)
- S&P ASX 200 Accumulation Index

#The performance figures for the Growth Model Portfolio since 1 July 2015 (after fees and brokerage) were recorded from the Separately Managed Accounts that mirrored these models. After 18 June 2019 performance figures (after fees and brokerage) have been recorded from the Australian Equity Growth ETF (ASX: IIGF) which mirrors the Growth Model. Past performance may not be a reliable indicator of future performance. Intelligent Investor has recorded the performance of recommendations since 1 August 2001 using theoretical buys and sells without brokerage and management fees until 1 July 2015. Figures for this performance can be found on our website.

RIAA's RI Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Intelligent Investor Australian Ethical Share Fund (ASX: INES) adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Registered Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Intelligent Investor Australian Ethical Share Fund (ASX: INES) methodology, performance and stock holdings can be found at www.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Subscriptions

- Intelligent Investor was founded in 1998 and provides high quality research-based views on companies and investment themes.
- Alan Kohler provides commentary and insights on investment strategy, markets and companies.
- Intelligent Investor and Eureka Report have been merged into one product from 1 November 2023
- Provides the backbone for digital general advice and Active ETF portfolio construction
- Provides a long tail for search engine optimisation
- Annual retention rate of 75%
- Price increase of 12% from 1 July 2024
 - Existing subscribers allowed to renew in advance ahead of price rise before 30 June 2024. 2,560 subscribers chose to renew in advance



Looking ahead



- **Content led** marketing for organic growth of **PMA Platform Investor accounts**.
- 10-year anniversary of InvestSMART Portfolios
- Continued **secondary offers** for Intelligent Investor Growth (ASX: IIGF), Income (ASX: INIF), Ethical (ASX: INES) and International/Select Value (ASX: IISV) Funds.
- Consolidating subscriptions through II and ER merger

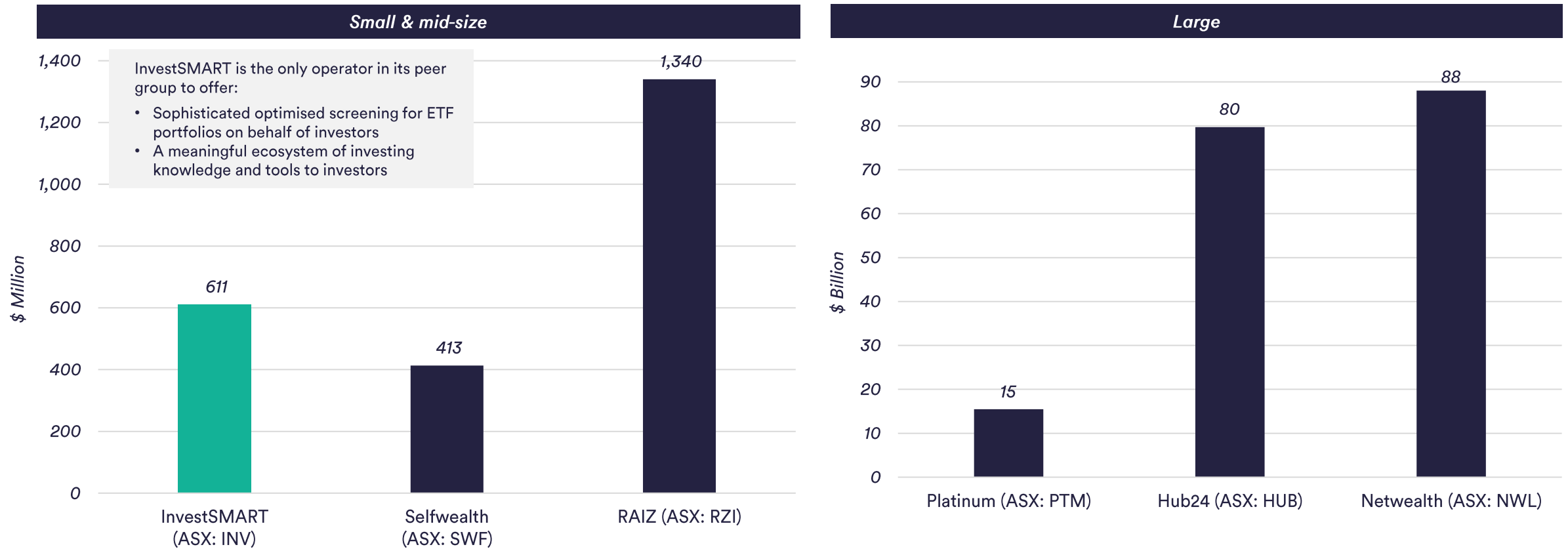


- Launch our financial literacy quiz to:
 - improve investing knowledge, and
 - demonstrate how low-cost diversified portfolios of ETFs achieve financial goals for Australians
- After the successful launch of our first white label PMA partner, Rask, in April 2024, bring on more partners in FY25
- Scale through organic growth and partnering with like minded businesses

Company benchmarks

InvestSMART has a highly scalable platform and service offering with potential to quickly grow into a mid-size player

Funds Under Management / Advice



Market Cap:	\$16m	\$31m	\$35m	\$602m	\$4.2bn	\$5.7bn
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Market Cap is at 20/08/2024. FUM is at 30/06/2024 except for Selfwealth (31/12/23). Selfwealth – broker, based on ‘client cash held’ (FUA: ‘securities held on HIN’ = \$10.1bn). Raiz – Includes Super FUM Hub24 – based on ‘Platform FUA’ / excluding non-custodial FUA; Netwealth based on platform FUA

Company corporate structure & holders

Capital structure	
Share price at 20 August 2024	\$0.11
- Ordinary shares on issue*	142.7m
- Market cap*	\$15.7m
- Market cap – excluding EDSP	\$12.2m
Net Tangible Assets (30/06/2024)	\$4.09m
Cash at bank (30/06/2024)	\$7.74m

Substantial shareholders	
Leyland Private Asset Management Pty Ltd	18.94%
Perpetual Limited	11.70%
Ron Hodge	9.90%

*Includes 31,787,947 EDSP (employee) shares. The shares are issued at various prices from 14.5c to 75c. If an employee sells their shares they must repay the loan from the company at the price issued i.e. the shares are similar to options and result in a capital inflow at the issue price to the company when the employee sells the shares. The shares are broken down as follows:

- 27,481,664 shares issued in November 2020 divided into 3 equal tranches: 15 cents, 20 cents and 30 cents.
- 910,000 shares issued in September 2021 at 25c, 575,000 shares issued in Sep/Dec 2022 at 34c, 1,500,000 shares issued in March 2023 divided into 3 equal tranches at 45c, 60c and 75c, 961,000 shares issued in Sep/Dec23 at 14.5c and 500,000 shares issued in September 2023 divided into 3 equal tranches at 26.5c, 33c and 40c.

About InvestSMART Group Ltd

ASX:INV

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

Today, we see an average of 313,000 unique website visits monthly by Australians who are building investing knowledge by consuming our content, using our tools and growing and protecting their wealth through our investment solutions.

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

Products & services

InvestSMART Group runs Professionally Managed Accounts (PMAs)* using ETFs (with capped fees up to \$550 p.a.) and four 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. Our 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.

 INTELLIGENT INVESTOR

 eureka
report

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.

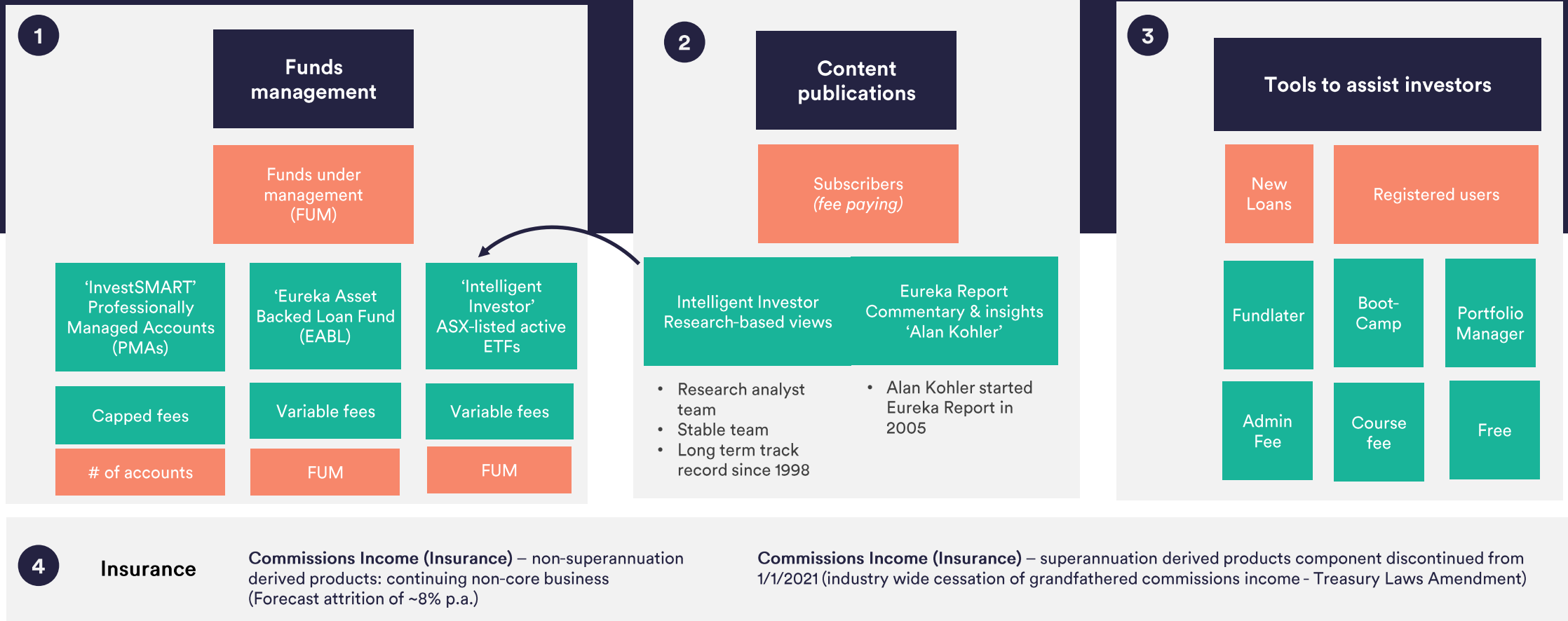
Investment tools developed by InvestSMART provide foundational knowledge for investors, such as through our short course **Bootcamp**, and free tools to monitor and assess investment performance via our **Portfolio Manager**.

* 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.

FUM of
\$611m
(at 30 June 2024)

Appendix 1: Unique digital wealth platform

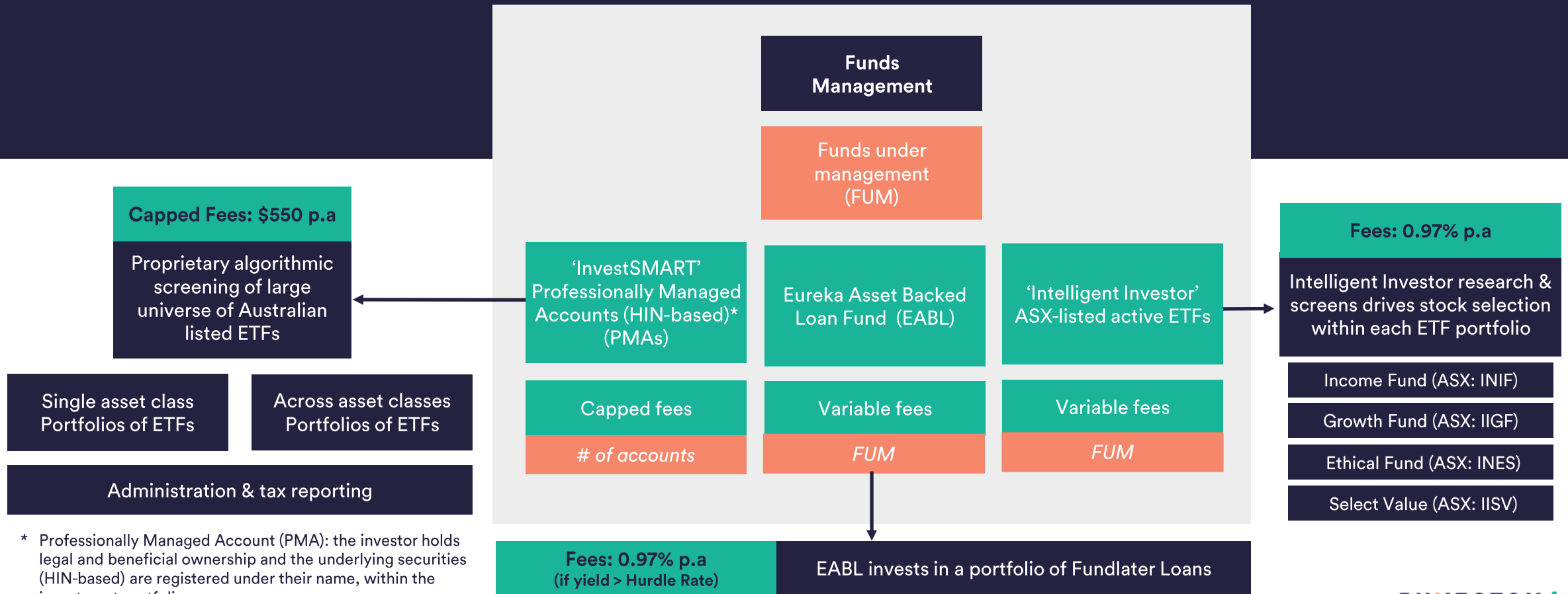
InvestSMART has built Australia's premier direct to investor wealth platform helping over 740,000 members achieve their financial goals through low-cost funds, content and tools ecosystem.



= Key operating indicator

Appendix 2: Low-cost base enables low fees

Innovative HIN-based investing structures, algorithmic screening and self-directed online account administration within the ecosystem keeps costs low, fees low and profit margins high.



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

Thank you

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Disclaimer

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Forward-looking statements may be identified by words such as "aim", "anticipate", "assume", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "should", "will", or "would" or the negative of such terms or other similar expressions that are predictions of or otherwise indicate future events or trends.

The forward-looking statements included in this document speak only as of the date of this document. The Group does not intend to update the forward-looking statements in this document in the future.

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