

INVESTSMART

Helping all Australians grow and protect their wealth

ASX: INV

Investor Presentation

Dated 22 February 2023



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

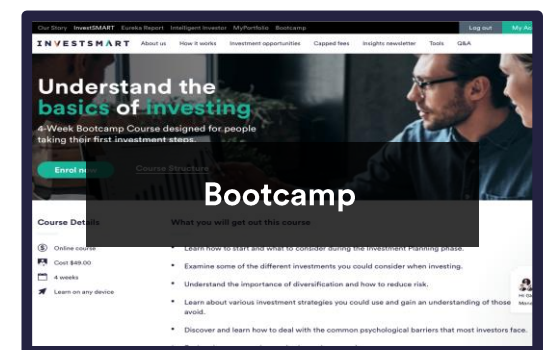
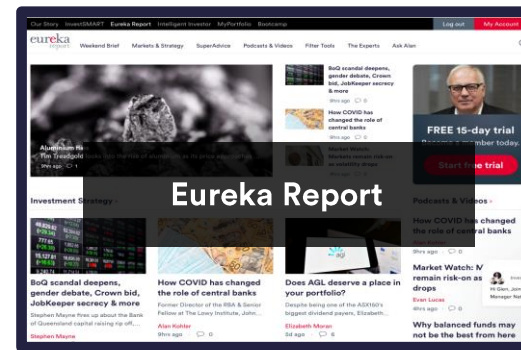
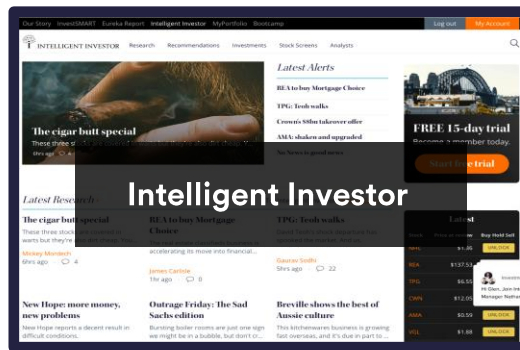
Single Asset Class ETF portfolios
International, Interest Income, Hybrid Income,
Property and Infrastructure, Australian Equities

Fundlater
Lending service
+
**Eureka Asset-Backed
Loan Fund**
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)

Content and tools ecosystem (subscription based)



Well recognised and active ambassadors in the Board and executive

Paul Clitheroe AM
Chairman

Effie Zahos
Non-executive
Director

Alan Kohler AM
Founding editor

Evan Lucas
Chief market
strategist

Company highlights

HY23

InvestSMART has built Australia's premier direct-to-investor wealth platform helping over 730,00 members achieve their financial goals through low-cost funds, content and tools ecosystem.

1 Digital Wealth Platform is delivering annual growth, achieved through trust, high quality content, technology, and innovative products. In the December 2022 half-year:

- Operating income grew by 7%
- Funds Management Fees are 24% higher than the prior comparative period
- Content-based Subscription income is 3% higher than the prior comparative period

2 Three core products

1. **InvestSMART Professionally Managed Accounts (PMAs)** – invests in portfolios of ASX listed ETFs (capped fees)
 - Fundlater launched in September 2021 to provide a lower entry point to a PMA for younger investors.
2. **Intelligent Investor** – manages three of its own ASX listed 'active' ETFs (INIF, INES and IIGF)
3. **Subscriptions** – premium paid content through
 - **Intelligent Investor** – research-based views on companies and investment themes
 - **Eureka Report** – commentary and insights, delivered by business commentator Alan Kohler

Low cost of customer acquisition through unique ecosystem

3 Well recognised ambassadors and visible Board

- **Paul Clitheroe** – Chairman
- **Effie Zahos** – Non-executive Director
- **Alan Kohler** – Editor-in-chief

Profit & loss HY23

(To be read in conjunction with InvestSMART Group Ltd Appendix 4D and Financial Report for half-year ended 31 December 2022)

	HY2023 \$	HY2022 \$	%
Operating Income			
Funds management fees	1,547,773	1,245,195	24%
Subscription income	2,709,875	2,625,863	3%
Commissions income - insurance	691,785	746,505	-7%
Other income	7,072	21,743	
Total operating income	4,956,505	4,639,306	7%
Operating Expenses			
Commissions rebates	211,845	230,423	-8%
Employment expenses	2,875,506	2,488,343	16%
Marketing costs	507,195	488,048	4%
Other operating expenses	1,582,263	1,447,833	9%
Total operating expenses	5,176,809	4,654,647	11%
Operating Profit/(Loss)	(220,304)	(15,341)	
Interest income	44,887	498	
Unrealised loss on call option	-	(96,000)	
Employee benefit expense	(83,751)	(202,591)	
Contingent payments	(51,799)	(236,529)	
Amortisation of intangibles	(285,344)	(285,344)	
Income tax benefit	111,982	126,788	
Statutory Profit/(Loss) for the period	(484,329)	(708,519)	
Cash at bank (end of period)	7,705,419	3,850,554	
Net tangible assets (end of period)	4,594,377	4,507,908	

Two main business areas
– the focus of InvestSMART moving forward

Revenue growth of 7%

Increase in team size for growth in a tight labour market

Scale marketing activity up/down opportunistically

Scalable business model

Strong runway to grow the
business

Results highlights

HY23

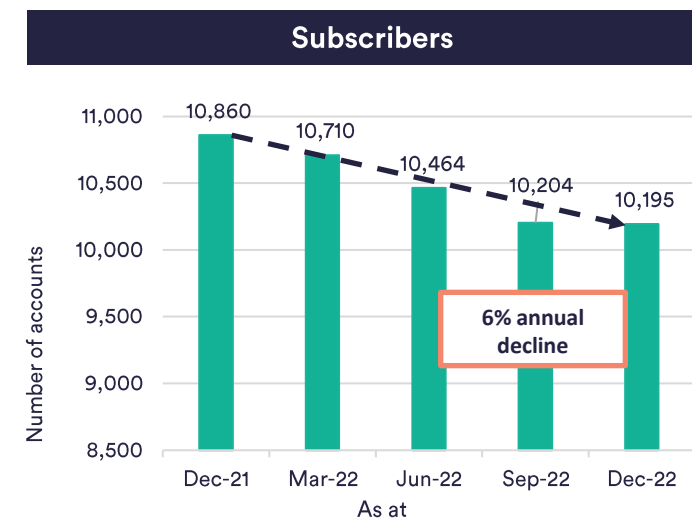
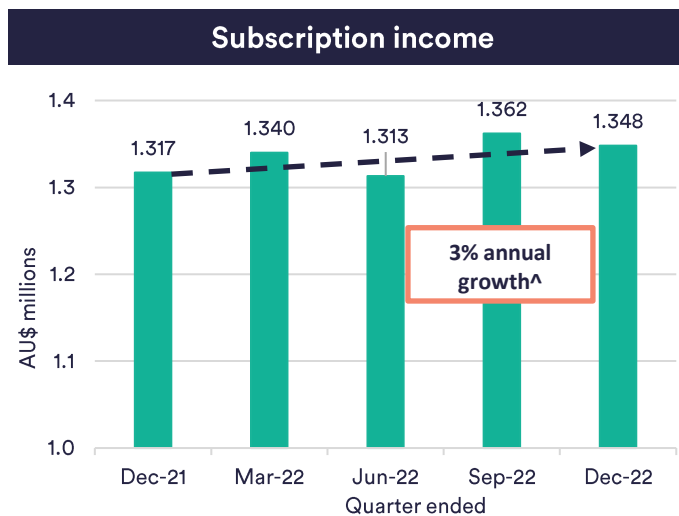
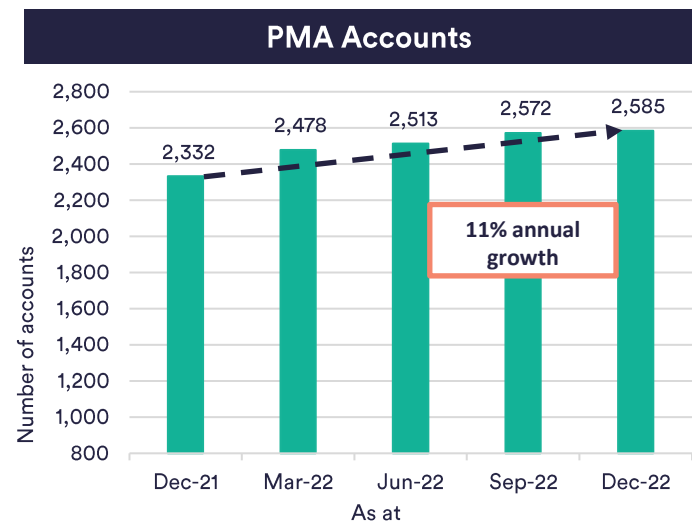
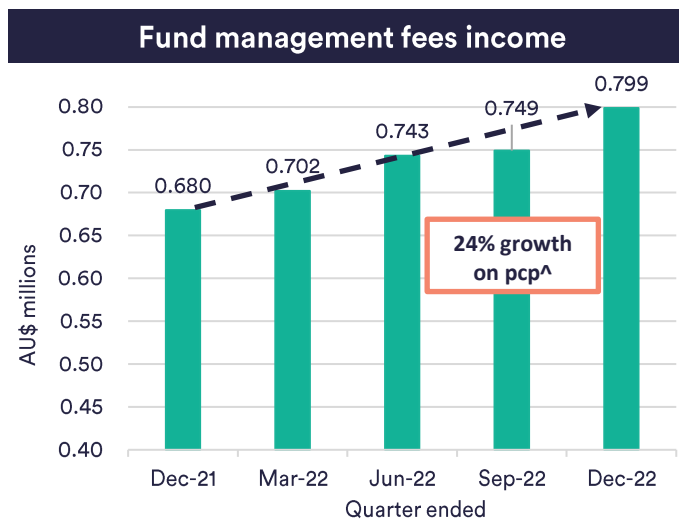
Digital wealth platform continues to deliver revenue growth.

FUM growth driven by:

- Targeted campaigns and organic growth in Professionally Managed Accounts
- Secondary offers for Intelligent Investor Funds

Subscription income growth driven by price increases:

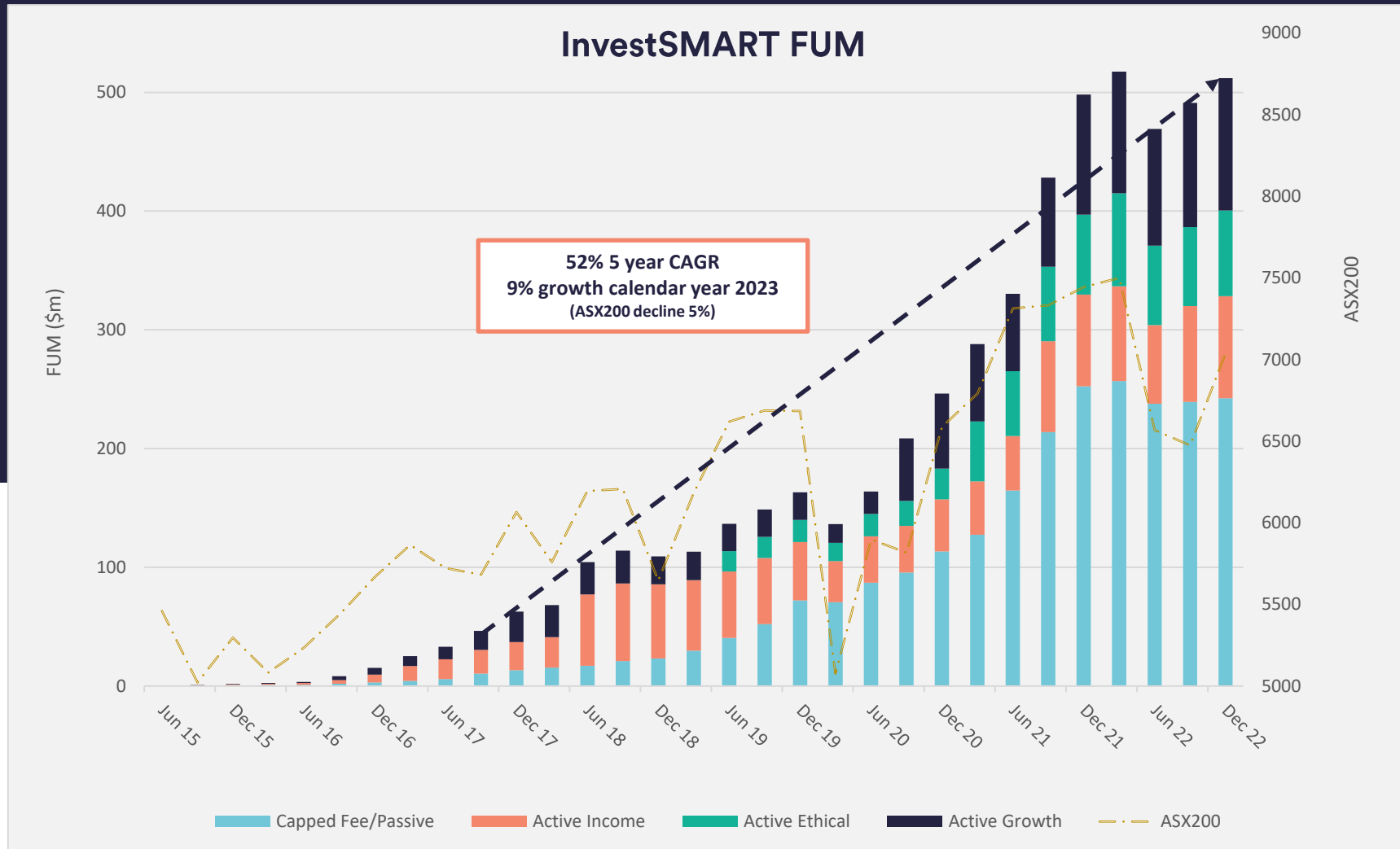
- Intelligent Investor
- Eureka Report



[^] Growth on prior corresponding period (HY22 compared to HY21)

^{*} InvestSMART Professionally Managed Accounts (PMAs) invest in portfolios of ASX-listed ETFs (under a capped fee model)

Growth of funds under management (FUM)



PMA Capped Fee FUM = InvestSMART: 10 ETF portfolios (single and diversified across asset classes)

Active Ethical = Intelligent Investor ASX listed ETF: INES

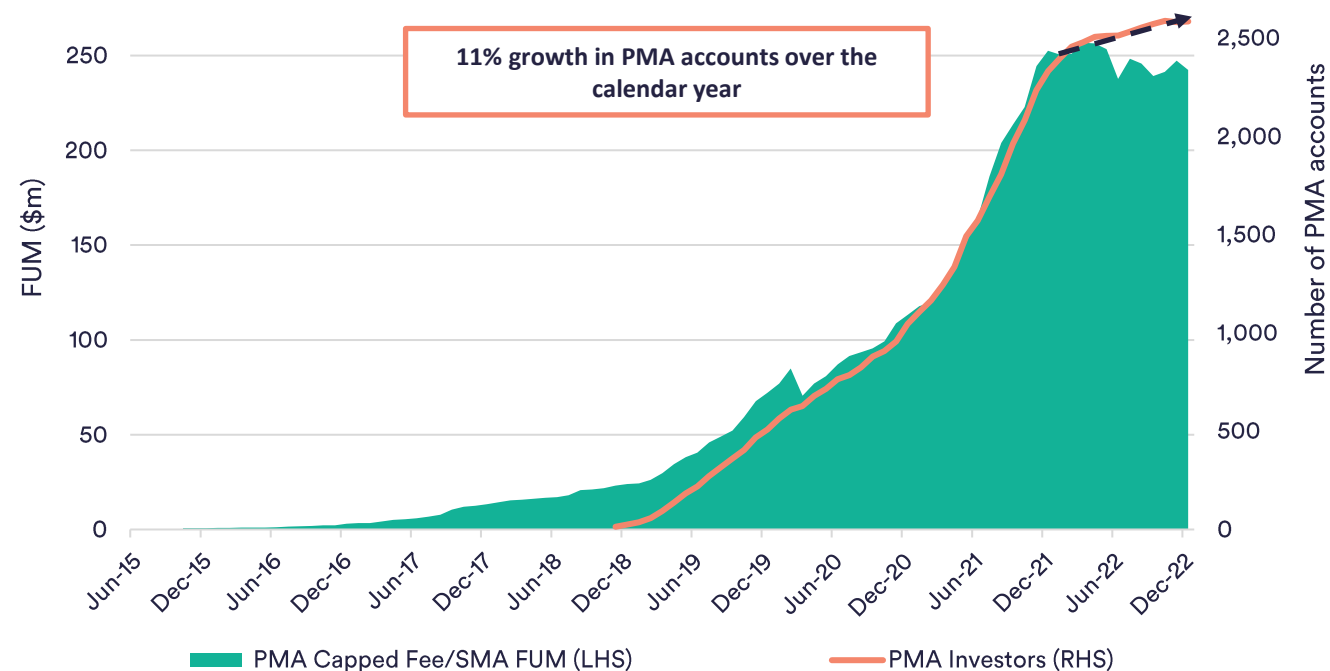
Active Income = Intelligent Investor ASX listed ETF: INIF

Active Growth = Intelligent Investor ASX listed ETF: IIGF

Funds under management

InvestSMART PMA capped fee FUM (investment ETFs)

- Our low-cost capped fee ETF portfolios continue to outperform their peers and gain traction with retail investors.
- During HY23 marketing pivoted to a younger demographic for growth through Fundlater. 43% of new PMA accounts in HY23 were Fundlater clients
- Fundlater helps first time investors invest in a PMA Account. The investor deposits \$4,000 and is provided with a \$6,000 loan
- Fee structure simplified from May 2022. Capped Fee increased to \$550 (i.e \$100k invested) (prior \$451, \$88k). Minimum investment of \$10k remains with minimum fee scrapped (previously \$99)
- SMSFs continue to find our capped fee proposition of \$550 per annum attractive.
- Many clients have money in multiple portfolios across the platform.



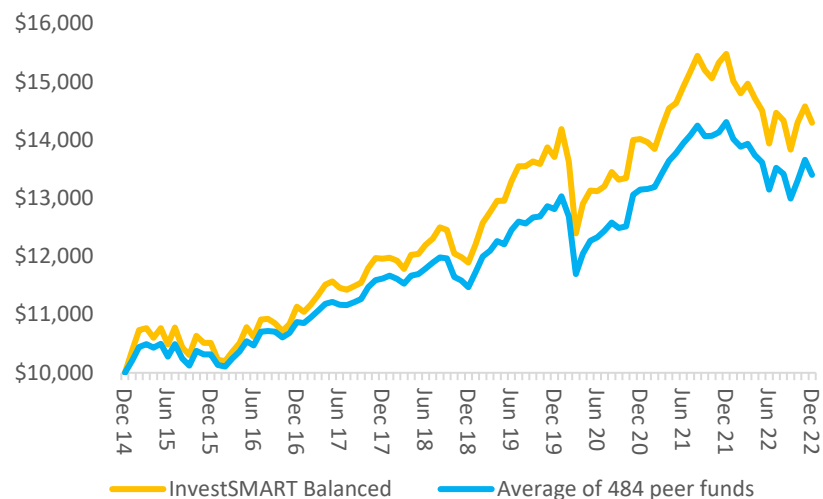
Professionally Managed Accounts was established in November 2018. Professionally Managed Accounts is a unique portfolio solution where the investor holds legal and beneficial ownership. The underlying securities are registered under their name, within the investment portfolio ("on HIN"). Prior to Dec 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 31 December 2022.

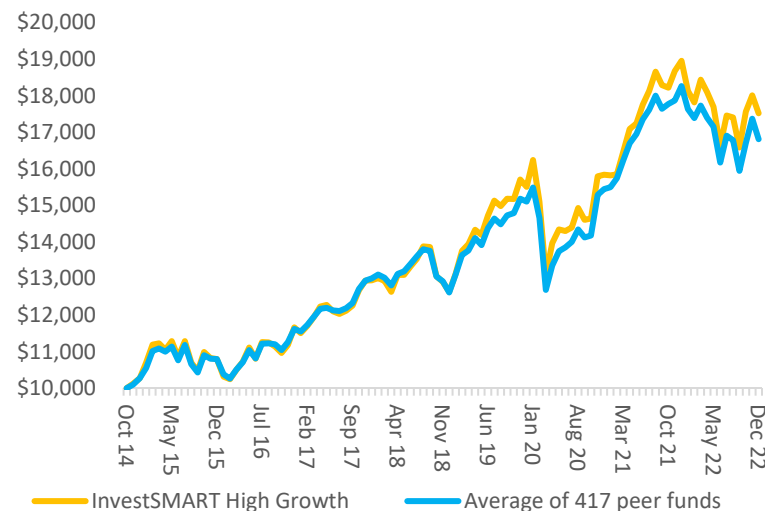
Balanced Model performance

(growth of \$10k)
Inception date 29 Dec 2014



High Growth Model performance

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



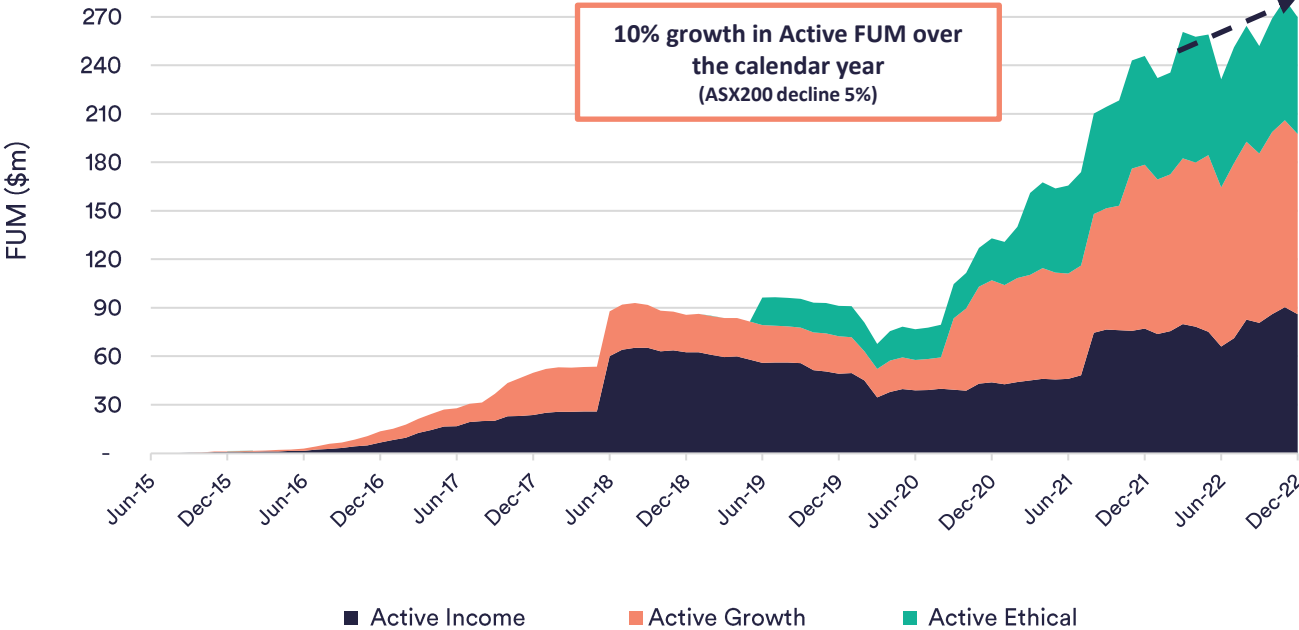
Capped Fees
Unique to InvestSMART our fees are 0.55% p.a. capped at \$550 for investments over \$100k

^ 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)

- Intelligent Investor Australian Equity Income Fund (ASX: INIF) raised \$9m in August 2022 under a secondary offer.
- Intelligent Investor Australian Equity Growth Fund (ASX: IIGF) raised \$11m in May 2022 under a secondary offer.
- Intelligent Investor Ethical Share Fund (ASX: INES) raised \$12m in March 2022 and \$4m in November 2022 under secondary offers.



All active funds have a management fee of 0.97% with no performance fees. Graph shows combination of all previous Active PMA / SMA accounts now recorded in the listed ETF's.

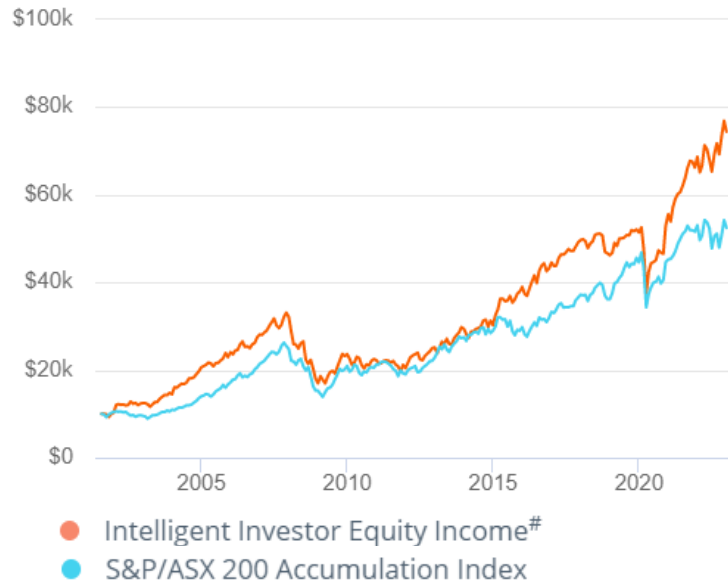
Active Intelligent Investor ETFs Performance



Our Intelligent Investor branded active ETFs. Since inception (SI), all 3 strategies have outperformed the relevant benchmark. Performance is to 31 December 2022.

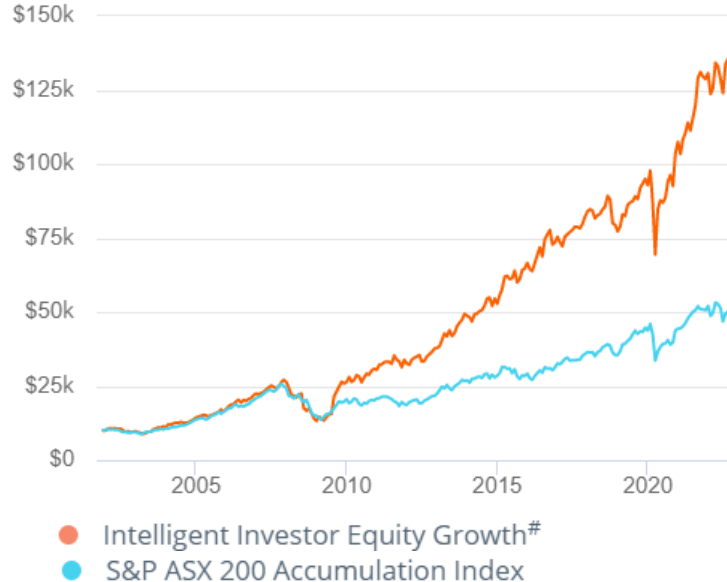
Equity Income Model Performance

(growth of \$10k)



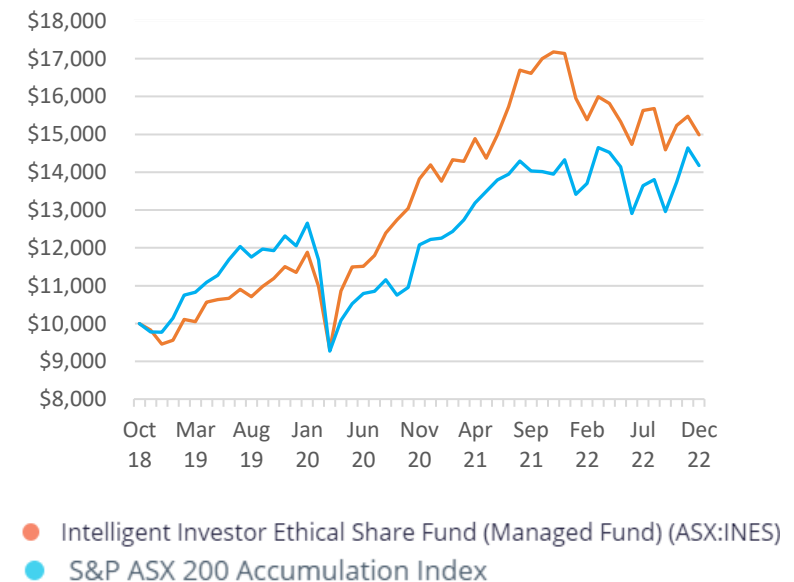
Growth Model performance

(growth of \$10k)



Ethical performance

(growth of \$10k)

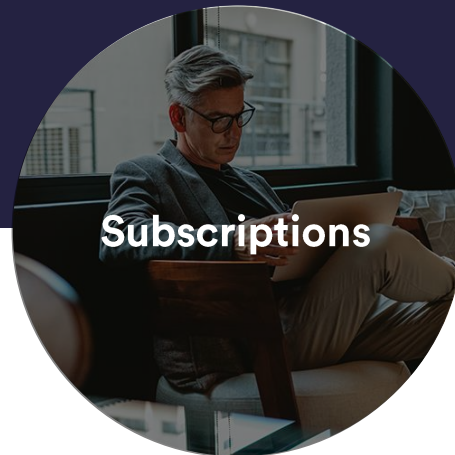


[#]The performance figures for the Intelligent Investor Income and Growth Model Portfolios are since inception on 1 August 2001 using theoretical buys and sells without brokerage and management fees until 1 July 2015. After the 1 July 2015 performance figures (after fees and brokerage) were recorded 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 Income ETF (ASX: INIF) which mirrors the Income Model and after 5 October 2020 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.

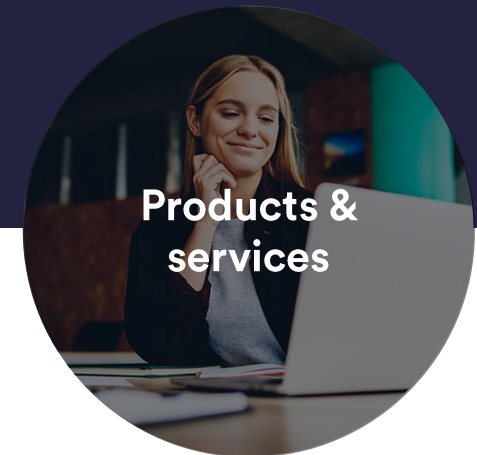
Growth outlook FY2023



- PMA Platform Investor accounts organic growth augmented by Fundlater programme.
- International exposure through listed Intelligent Investor fund utilising existing expertise and product development.
- Continued secondary offers for Intelligent Investor Growth (ASX: IIGF), Income (ASX: INIF) and Ethical (ASX: INES) Funds.



- Maintain retention rates above 85%.
- New model with International exposure and research utilising existing Intelligent Investor expertise.

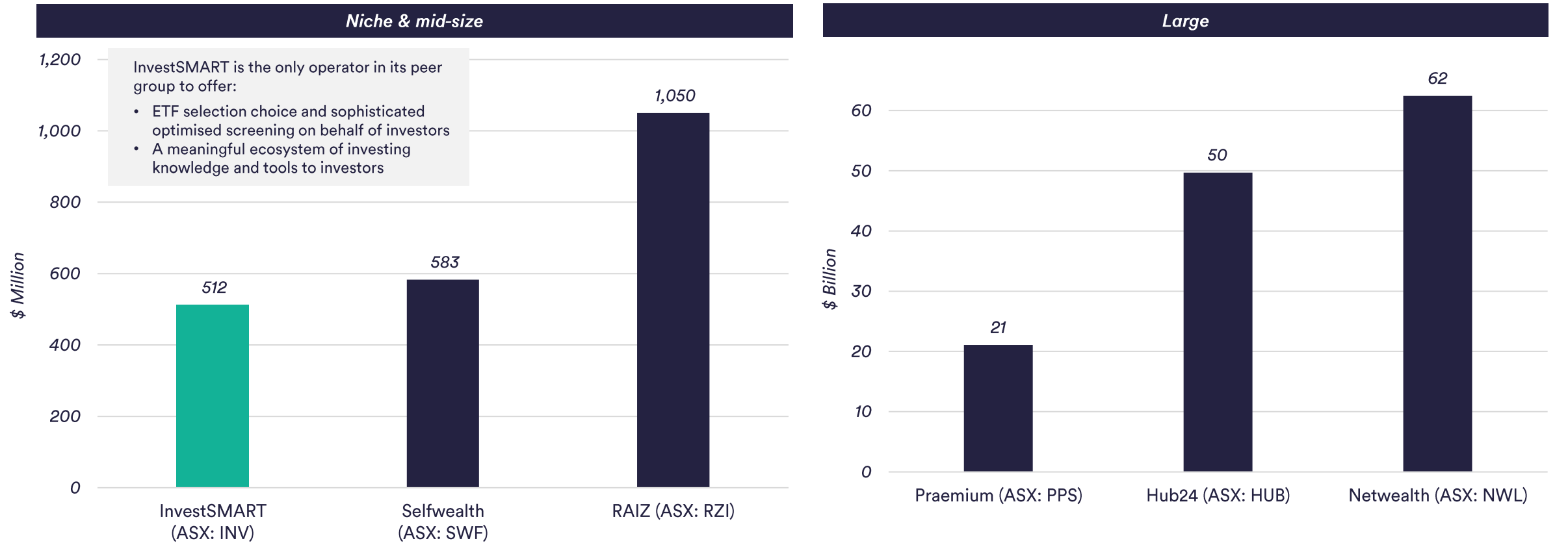


- Expanded developer, product and marketing teams enhance website, products and distribution.
- Eureka Asset-Backed Loan Fund soft launched in April 2022 to provide higher balance members with enhanced income yields for funding InvestSMART Fundlater loans.
- Insurance book attrition continues. Product development subject to regulatory outcomes

Company benchmarks

InvestSMART is a niche operator with a high potential to quickly grow into a mid-size player; highly scalable platform and service offering.

Funds Under Management / Advice



Market Cap:	\$41m	\$47m	\$47m	\$387m	\$1.99bn	\$3.02bn
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FUM per 31/12/2022, Market Cap per 23/01/2023

Selfwealth – broker, based on ‘client cash held’ (FUA: ‘securities held on HIN’ = \$8.05bn). Raiz – Includes Super FUM

Praemium – based on platform FUA (not FUM), excluding VMAAS non-custodial FUA; Hub24 – based on ‘Platform FUA’ / excluding non-custodial FUA; Netwealth based on platform FUA

Company corporate structure & holders

Capital structure	
Share price at 24 January 2023	\$0.30
- Ordinary shares on issue*	139,719,201
- Market cap*	\$42m
Net Tangible Assets (31/12/2022)	\$4.6m
Cash at bank (30/06/2022)	\$7.7m

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

* Includes 28,826,664 EDSP (employee) shares. These shares consist of 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 and 455,000 shares issued in September 2022 at 34c.

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 interact with 730,000 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 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. 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.

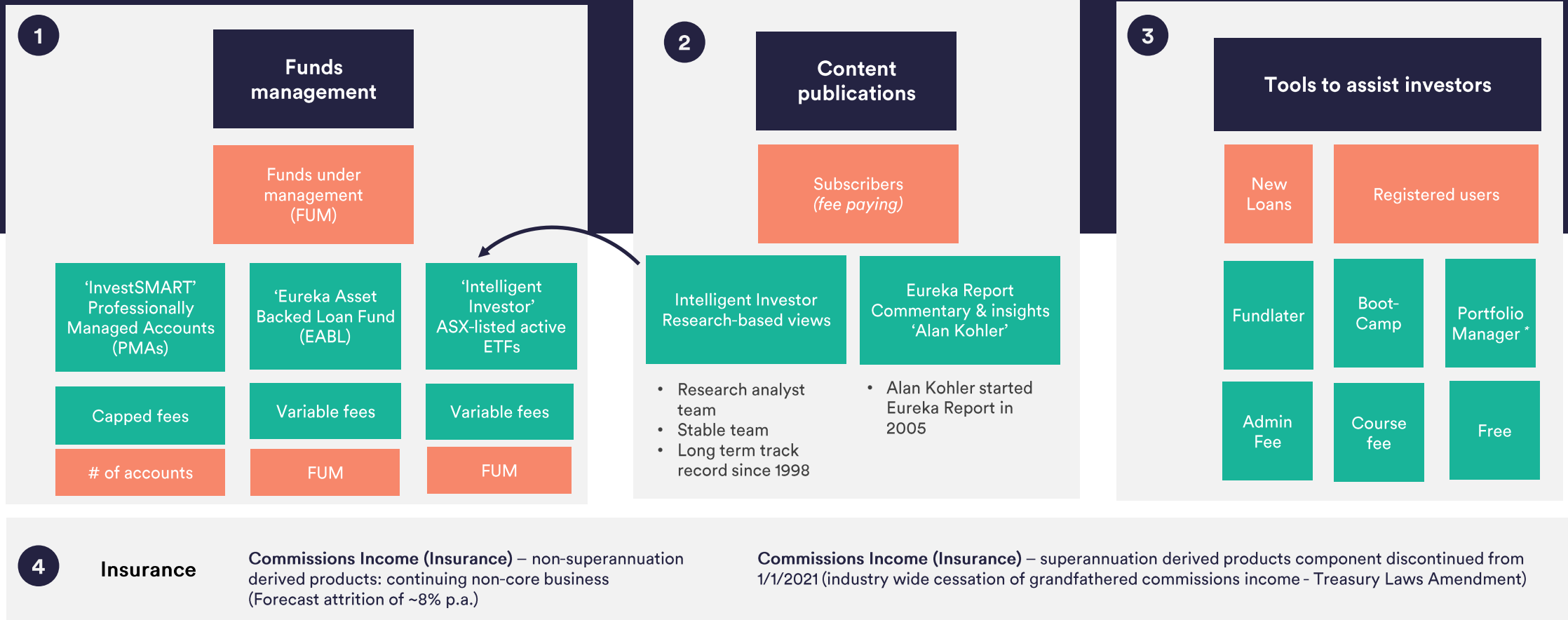
Investment tools developed by InvestSMART provide foundational knowledge for investors, such as through our short course **Bootcamp**, and free tools to monitor and assess investment performance via our **Portfolio Manager**.

* 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
\$516m
(at 16 Aug 2022)

Appendix 1: Unique digital wealth platform

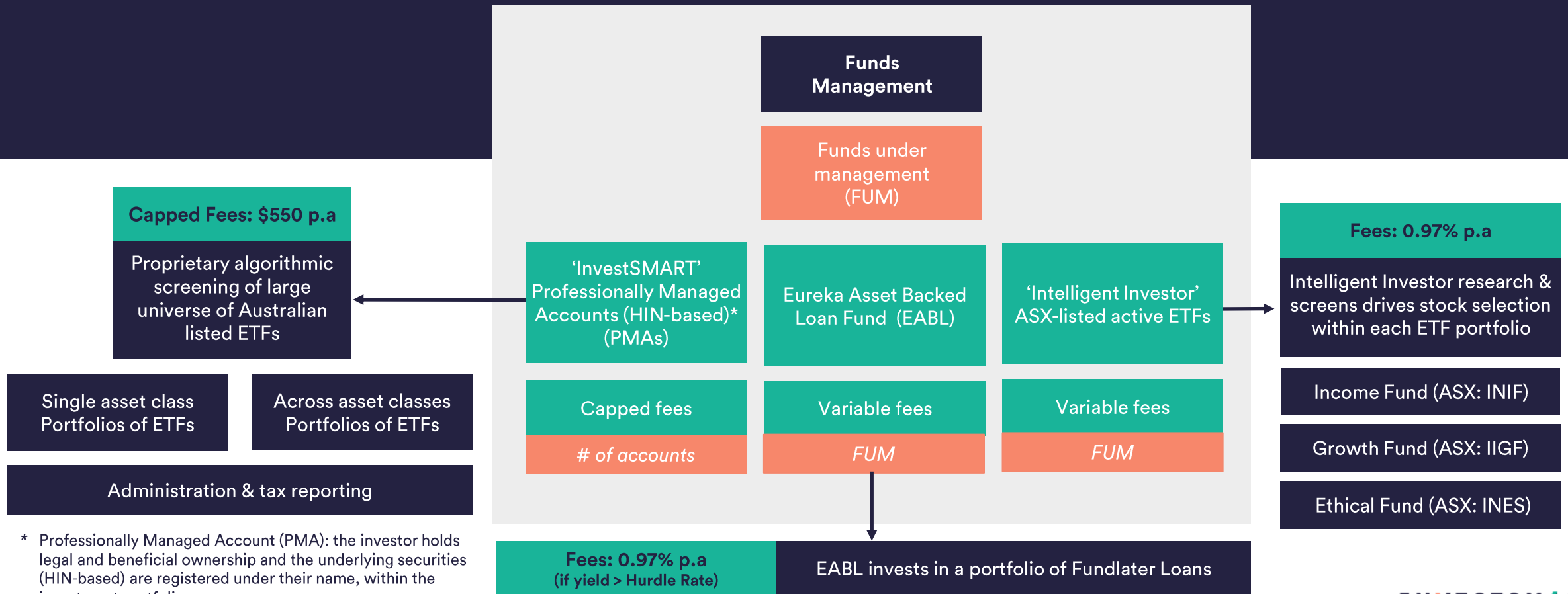
InvestSMART has built Australia's premier direct to investor wealth platform helping over 730,00 members achieve their financial goals through low-cost funds, content and tools ecosystem.



= Key operating indicator

Appendix 2: Low-cost base enables low fees

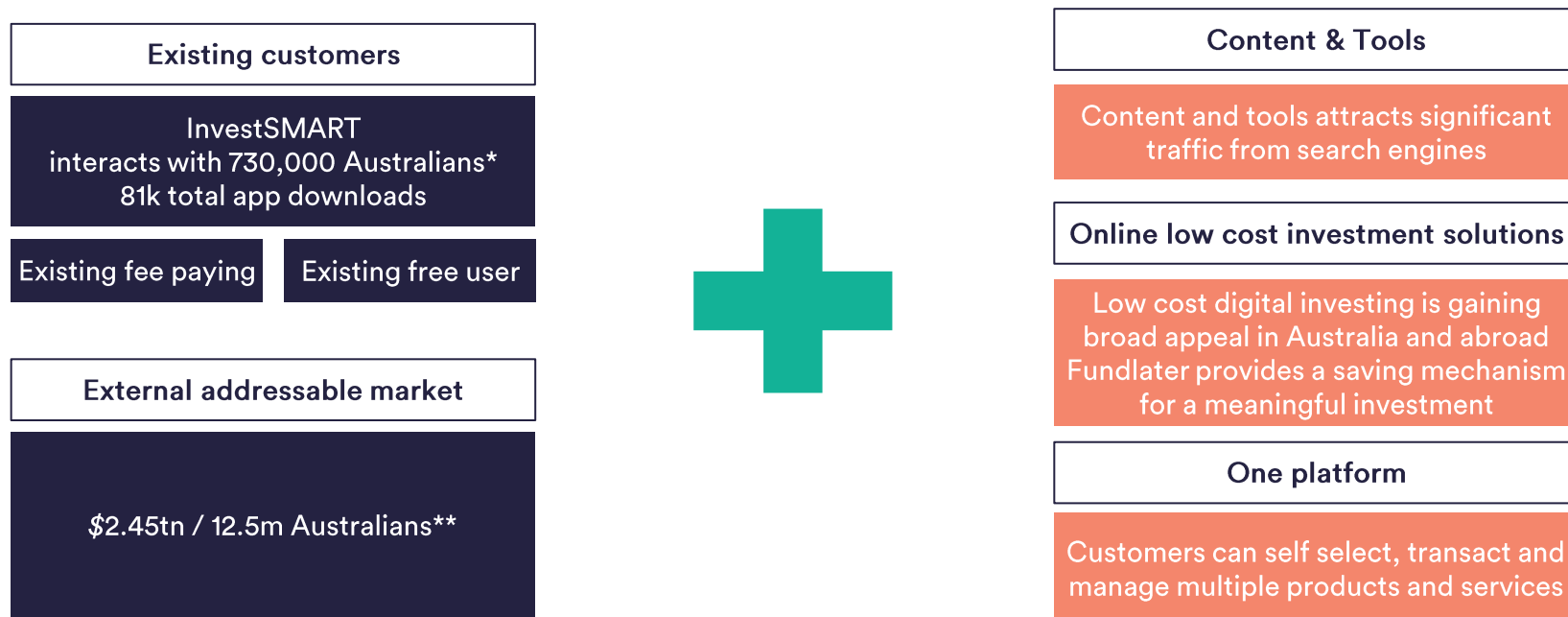
Innovative HIN-based investing structures, algorithmic screening and self-directed online account administration within the ecosystem keeps costs low, fees low and profit margins high.



* 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.

Appendix 3: Low cost per customer acquisition

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



Measured:

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

* Within the InvestSMART ecosystem - using or subscribed to InvestSMART's fee paying or free tools, content and investment products (under a capped fee model).

** 9m Australian Adults hold investments outside super & property plus 900k intending investors plus 2.6m lapsed investors = 12.5m Australians (ASX Investor Study 2020) / \$2.85tn held outside Super, 42% of this is Investment Property -> \$1.65tn held outside superannuation excl. investment property (Rice Warner report 2020), plus \$0.8tn in SMSFs (APRA June 2021) = \$2.45tn addressable market (excludes \$2.3tn in APRA regulated superannuation entities).

Thank you

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