

1 March 2021

Attention: Company Announcements
ASX Limited

By E-Lodgement

INVESTOR PRESENTATION

Attached is a copy of the investor presentation for InvestSMART Group Limited.

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

By order of the Board



**Helping all Australians grow
and protect their wealth.**

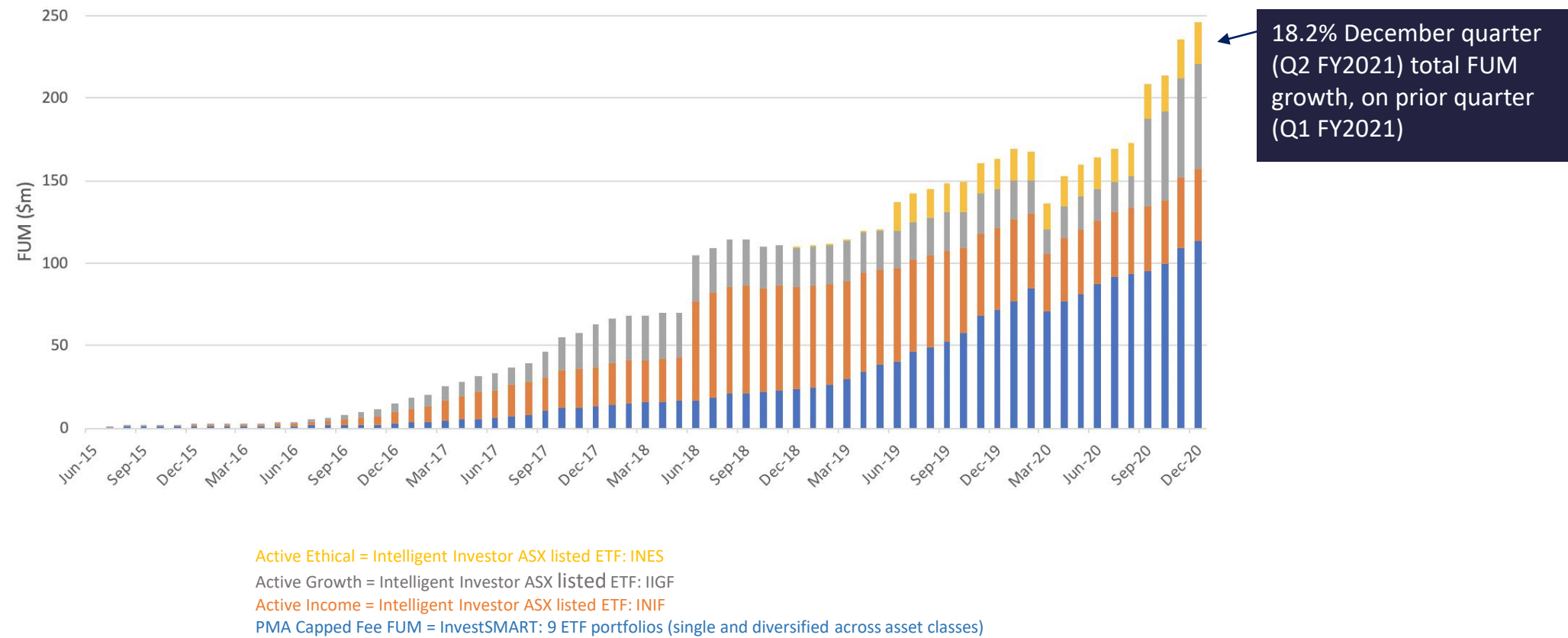
ASX: INV

Investor Presentation: 1 March 2021

INVESTMENT HIGHLIGHTS

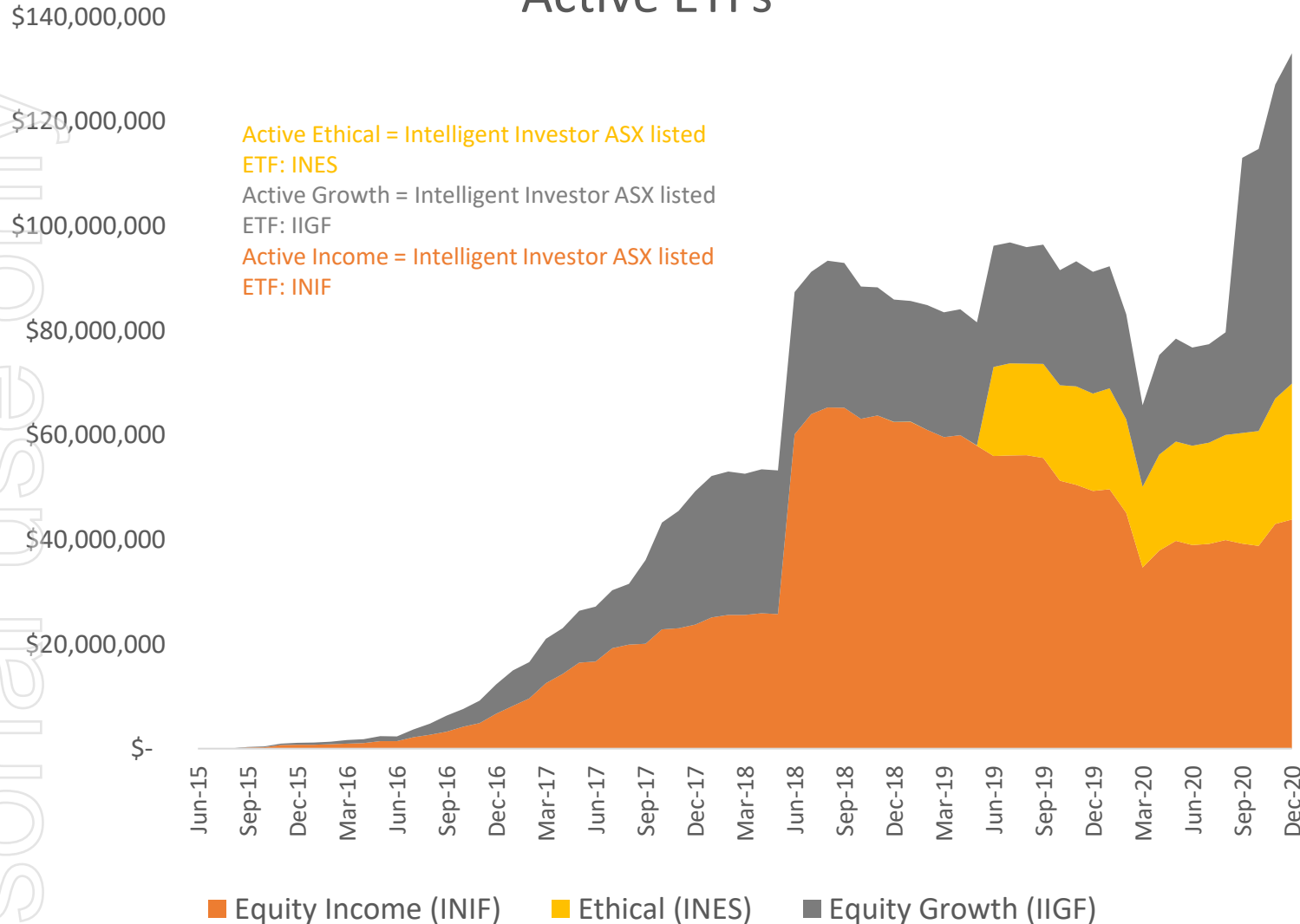
1. Leading well established Australian **digital wealth and advice platform** – unique, efficient, low cost and highly diversified investment solutions delivered within a knowledge-based content ‘ecosystem’
2. **Growing funds under management (FUM) – \$246m end 2020**
3. Two core funds management product growth areas:
 - InvestSMART Professionally Managed Accounts (PMAs) – 1,045 accounts invest into global listed ETFs, single and multi-asset class (under capped fees)
 - Intelligent Investor – ASX listed ‘active’ ETFs (under variable fees)
4. Investment solutions built on proprietary investment research methodology screens of listed ETFs
5. Integrated content driven products build out the ecosystem – 10,073 fee generating subscribers, key products include:
 - Intelligent Investor (research-based views on companies and investment themes)
 - Eureka Report (commentary and insights) – delivered by business commentator Alan Kohler
6. High growth potential – large member database and strong digital marketing capability driving FUM growth (over 690,000 Australians interact with our products and services) and a large addressable market; highly scalable platform offering
7. Successfully transitioned away from legacy grandfathered commissions income (fully discontinued from 1 January 2021)
8. Well recognised brand, ambassadors and visible Board. The Board is Chaired by Paul Clitheroe. Effie Zahos is a non-executive Director and Alan Kohler is Editor-in-chief

FUNDS UNDER MANAGEMENT (FUM)
TOTAL — INVESTSMART ETFs + INTELLIGENT INVESTOR ACTIVE ETFs



FUNDS UNDER MANAGEMENT (FUM) — INTELLIGENT INVESTOR ACTIVE ETFs (ASX LISTED)

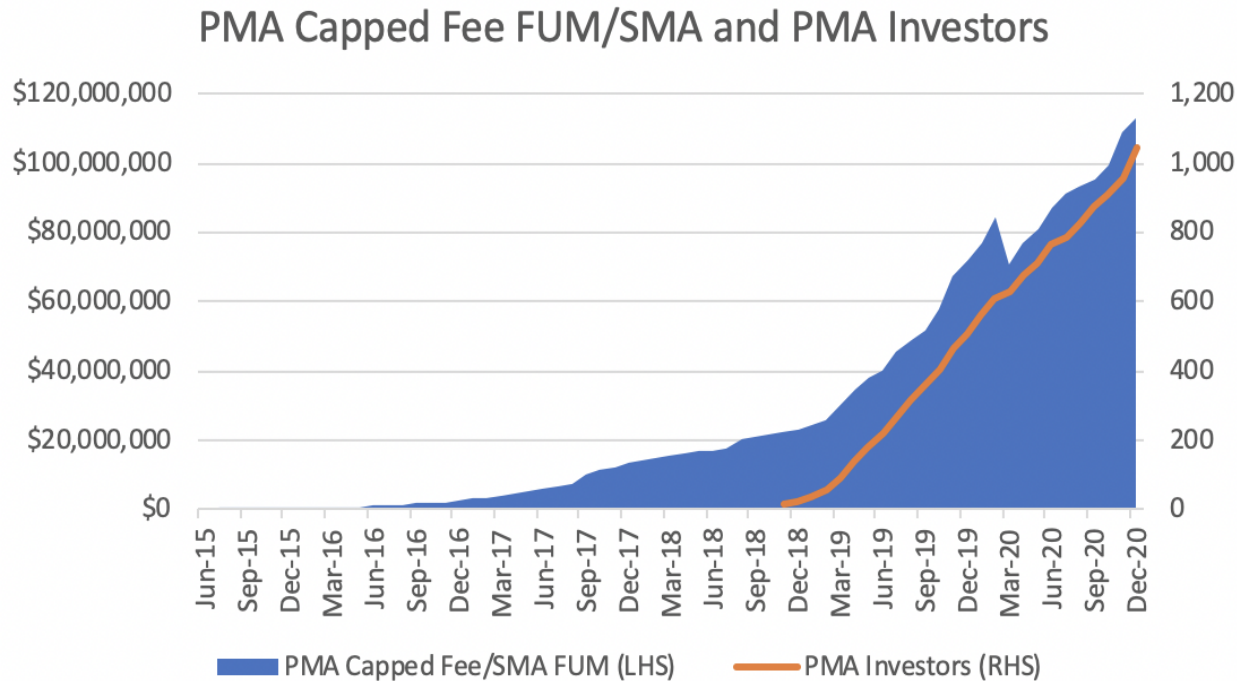
Active ETFs



- After a period of poor performance suffered by most value investing-based funds, our ASX listed active portfolios have enjoyed good performance over the last several months.
- Our third ETF, Intelligent Investor Australian Equity Growth Fund (IIGF), was listed on the ASX on 6 October 2020 raising \$33m across 1,612 investors.
- All previous Active PMA investors have been transferred into the corresponding listed ETFs.
- All our active portfolios have a management fee of 0.97% with no performance fees.

Note: Graph above shows combination of all previous Active PMA / SMA accounts now recorded in the listed ETFs.

FUNDS UNDER MANAGEMENT (FUM) — INVESTMART'S PMA* CAPPED FEE FUM (INVESTMENTS INTO ETFs)



- Our low-cost capped fee ETF portfolios continue to outperform their peers and gain traction with retail investors.
- SMSFs continue to find our capped fee proposition of \$451 per annum attractive.
- Many clients have money in multiple portfolios across the platform.
- PMA investors: prior to December 2018 investors were within the Praemium platform

Personal use only

* 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

DECEMBER 2020 QUARTER (Q2 FY2021) — KEY RECENT DEVELOPMENTS

FUM	Subscriptions	Product & Services
<ul style="list-style-type: none">Funds under management (FUM) at \$246.4m, in the December quarter, up 18.2% on the prior quarter.Funds Management Fees growth of 55.8% in the December quarter to \$351,066.	<ul style="list-style-type: none">10,073 subscribers to our content-driven publications (Intelligent Investor and Eureka Report).Subscription income at \$1.186m in the December quarter, down 3.0% on the prior quarter.	<ul style="list-style-type: none">InvestSMART Professionally Managed Account (PMA) Platform continues to grow and receive fund inflows under a \$451 p.a. 'capped fee' model – 16.5% growth in PMA accounts 1,045 in the December quarter.Intelligent Investor, ASX listed ETFs grow to 3 following the recent launch of 'Intelligent Investor Australian Equity Growth Fund' (ASX: IIGF), raising \$33 million.

InvestSMART Managing Director, Ron Hodge (Business Update, 5 Feb 2021)

"It is pleasing to see InvestSMART has now successfully transitioned away from its legacy grandfathered commissions and built its own suite of investment and advice solutions. We expect to see the company growing total revenue quarter on quarter as we continue to build funds under management in both InvestSMART's Professionally Managed Accounts and Intelligent Investor ETFs, following the industry wide cessation of grandfathered commissions income on 1 January 2021."

Legacy business

Commissions Income (Fund Managers) – phasing out during calendar year 2020 and fully discontinued from 1 January 2021 (industry wide cessation of grandfathered commissions income - Treasury Laws Amendment).

DECEMBER 2020 QUARTERLY — FINANCIALS

Financial Results Summary*	FY2021 Q1 September quarter \$	FY2021 Q2 December quarter \$	%
Income			
Funds management fees	225,357	351,066	55.8
Subscriptions#	1,223,269	1,186,186	-3.0
Commissions income – Insurance (contains elements of legacy business which will discontinue from 1/1/2021) (~ 12%)^	358,089	373,883	4.4
Commissions income – Fund Managers (legacy business fully discontinued from 1/1/2021)	354,876	239,349	-32.6
Other income	27,959	9,838	-64.8
Total Income	2,189,550	2,160,322	-1.3
Operating Expenses			
Rebates paid	122,030	100,592	-17.6
Employee costs	1,192,740	1,143,647	-4.1
Marketing costs	130,050	185,706	42.8
Other expenses	668,777	707,899	5.8
Total Operating Expenses	2,113,597	2,137,845	1.1
Operating Profit /(Loss)	75,953	22,476	-70.4
Cash at Bank (end of period)	5,218,113	4,722,258	

Two business areas
– the focus of InvestSMART
moving forward

Legacy business to
discontinue from 1/1/2021

Stable cost base, on a
highly scalable business
model

Strong cash runway to
grow the business

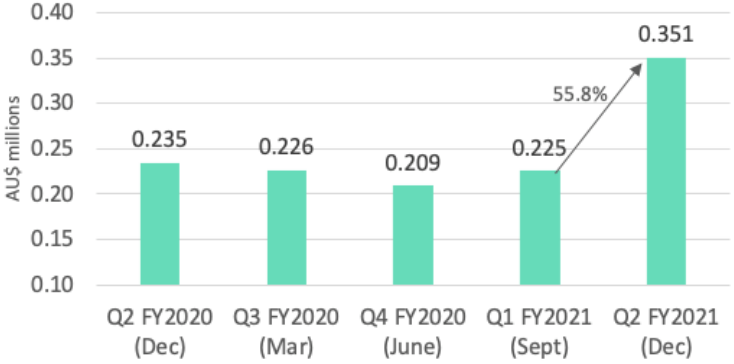
* Quarterly results are prepared by management and are unaudited.

Investment content driven publications.

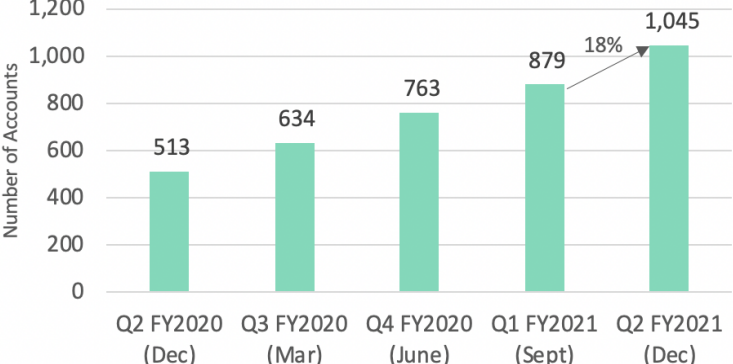
^ Relating to Superannuation derived products.

DECEMBER 2020 QUARTER — KEY RESULTS

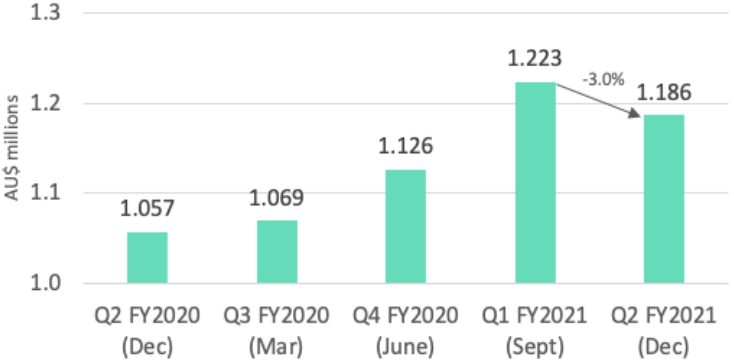
Fund management fees income - quarterly



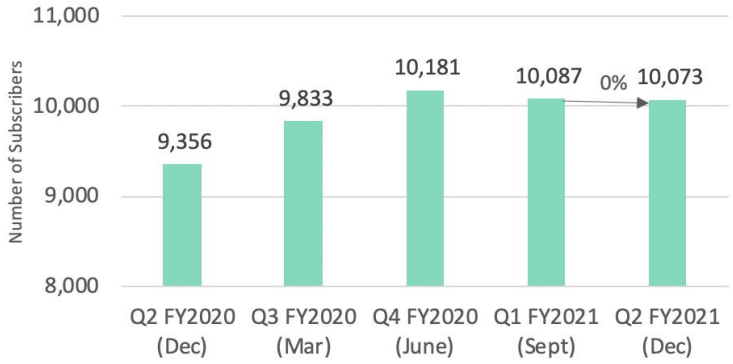
PMA Accounts - quarterly



Subscription income - quarterly



Subscribers - quarterly



INVESTMENT PRODUCTS

Additional customers have a low marginal cost and additional investment solutions can be launched at low additional cost

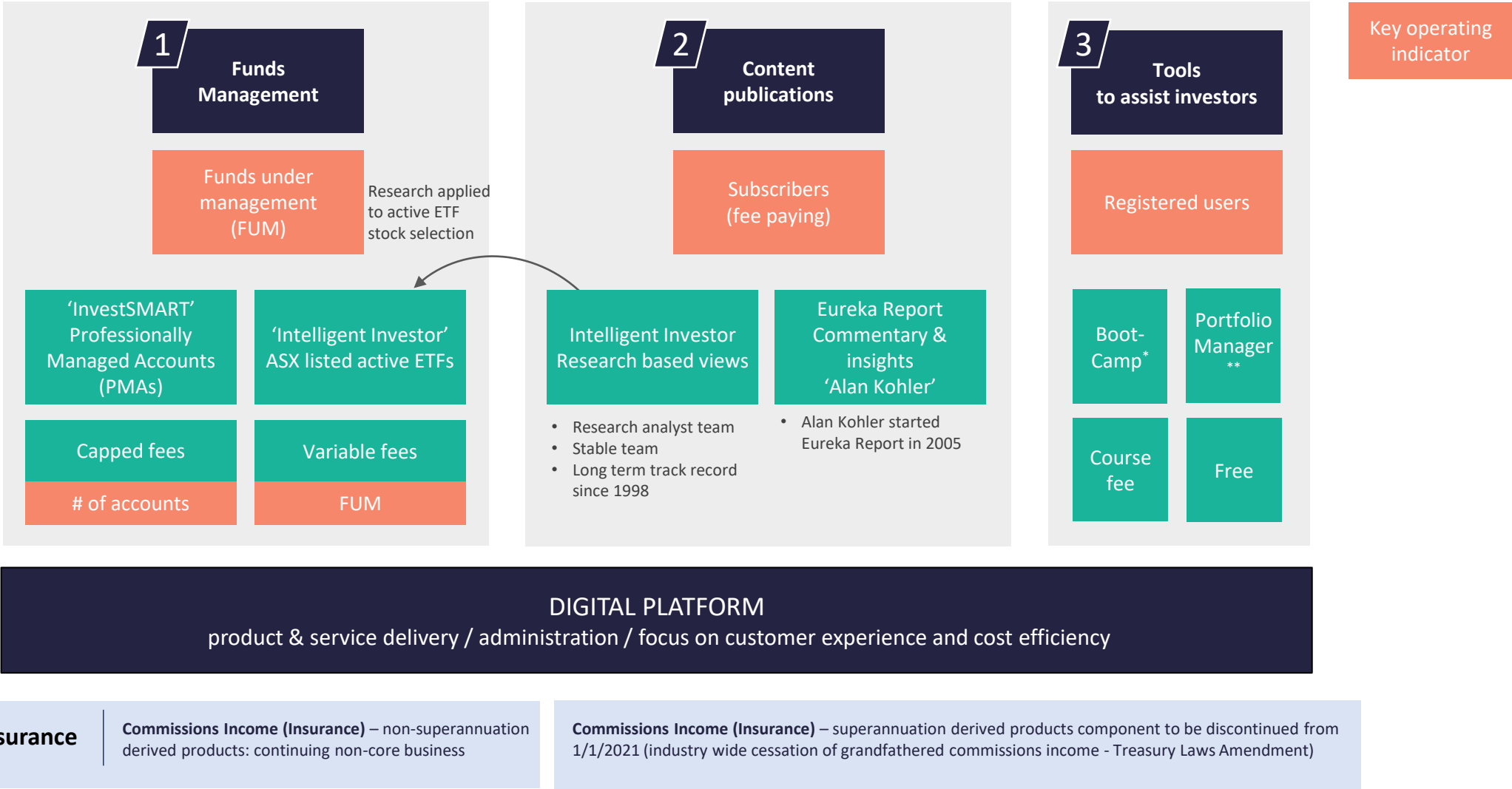
Name	Type	Description
Professionally Managed Accounts with 'capped fees'*	Professionally managed risk adjusted portfolios	Investments into preferred ETFs (ASX listed)
<ul style="list-style-type: none">InvestSMART Conservative Portfolio (diversified across asset classes)InvestSMART Balanced Portfolio (diversified across asset classes)InvestSMART Growth Portfolio (diversified across asset classes)InvestSMART High Growth Portfolio (diversified across asset classes)InvestSMART 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 ETFs run by InvestSMART Group	Active ETF directly invests into ASX listed equities
<ul style="list-style-type: none">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.

BUSINESS MODEL – OVERVIEW

Unique model: digital investment platform delivering investment solutions, knowledge-based content and tools to assist investors

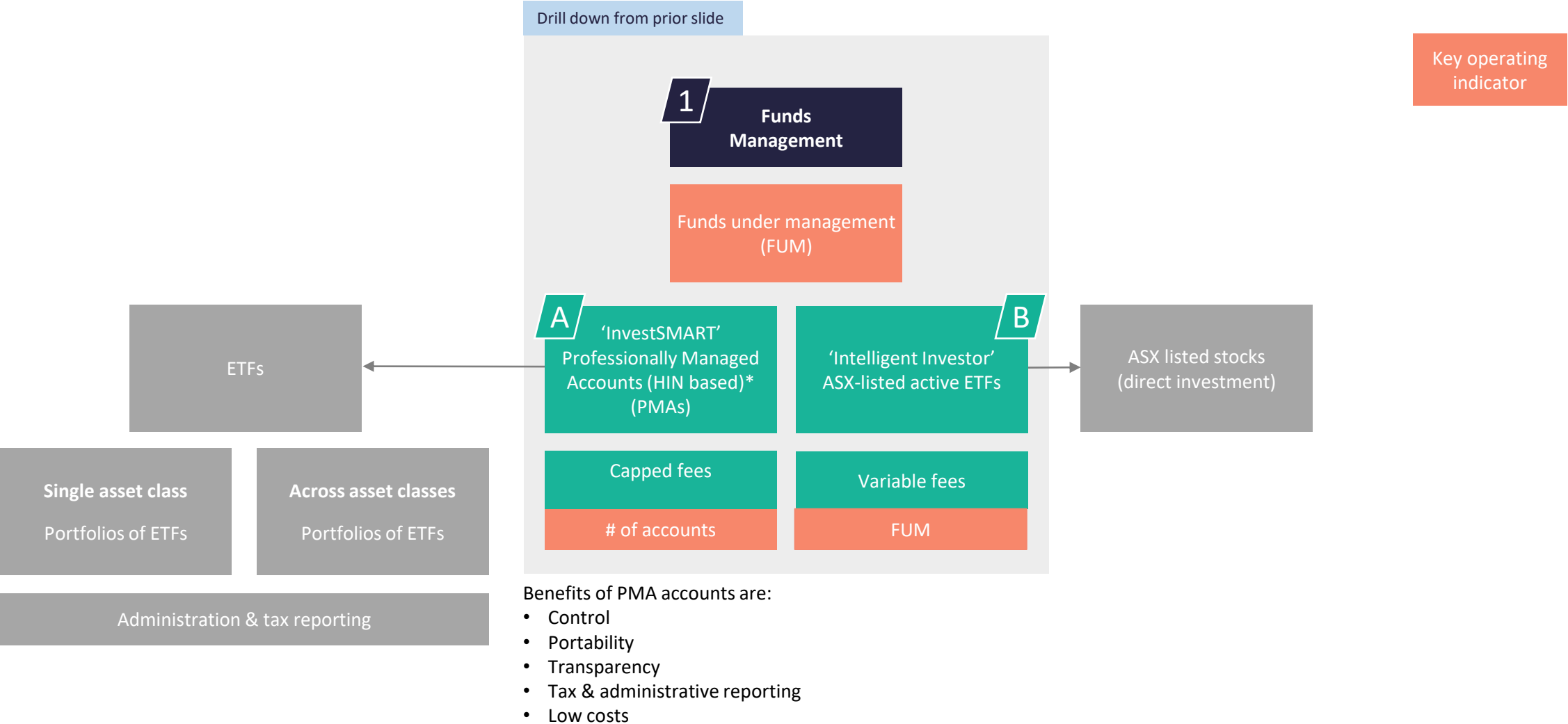


* 499 Bootcamp courses completed since launch (July 2020 to end December 2020).

** 126,803 portfolios created at 31/12/20 (at end December 2020).

BUSINESS MODEL – FUNDS MANAGEMENT

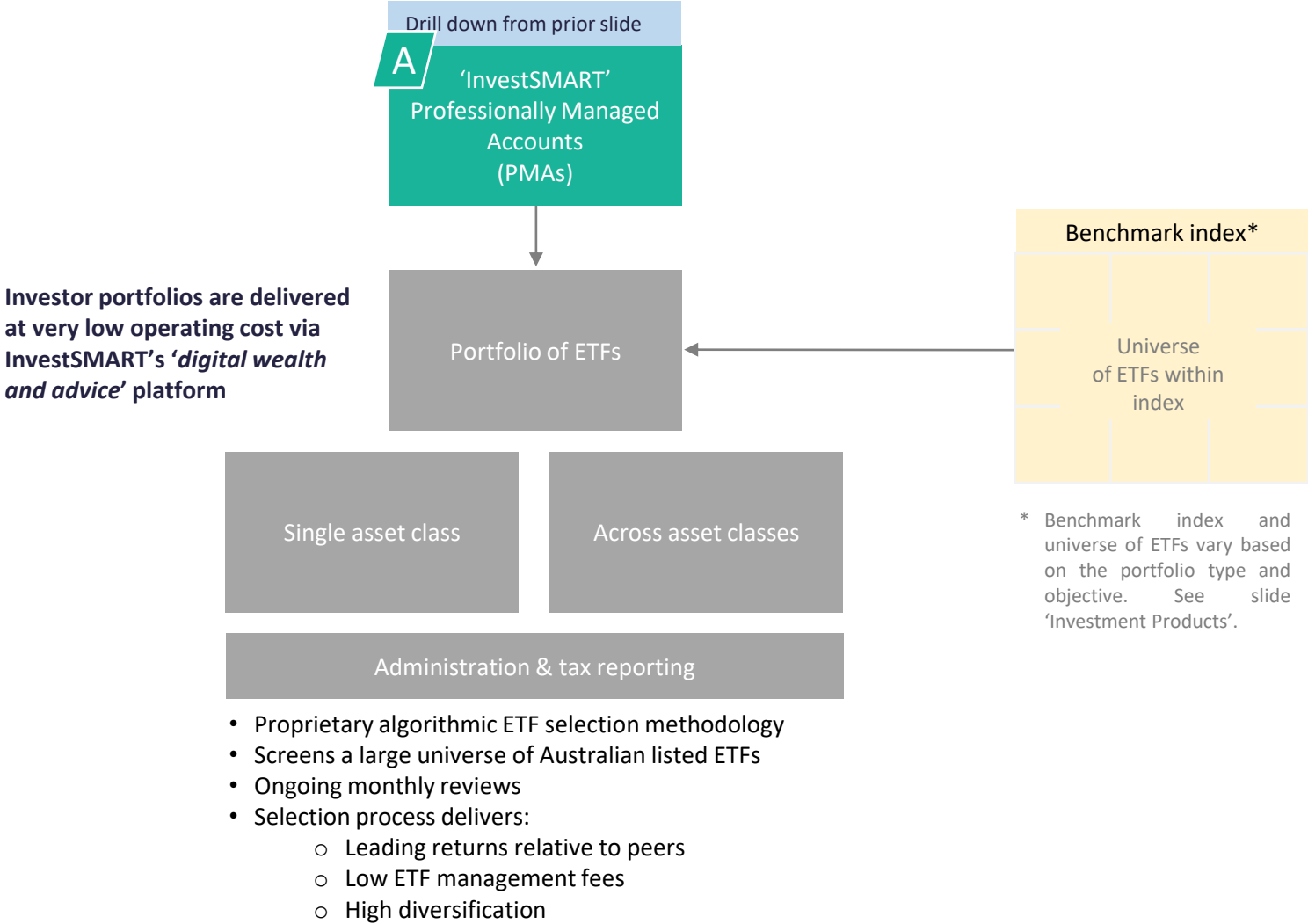
Two types of ETF products available to investors: (A) ETFs via PMAs and (B) InvestSMART’s own branded ‘*Intelligent Investor*’ ASX listed ETFs



* 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.

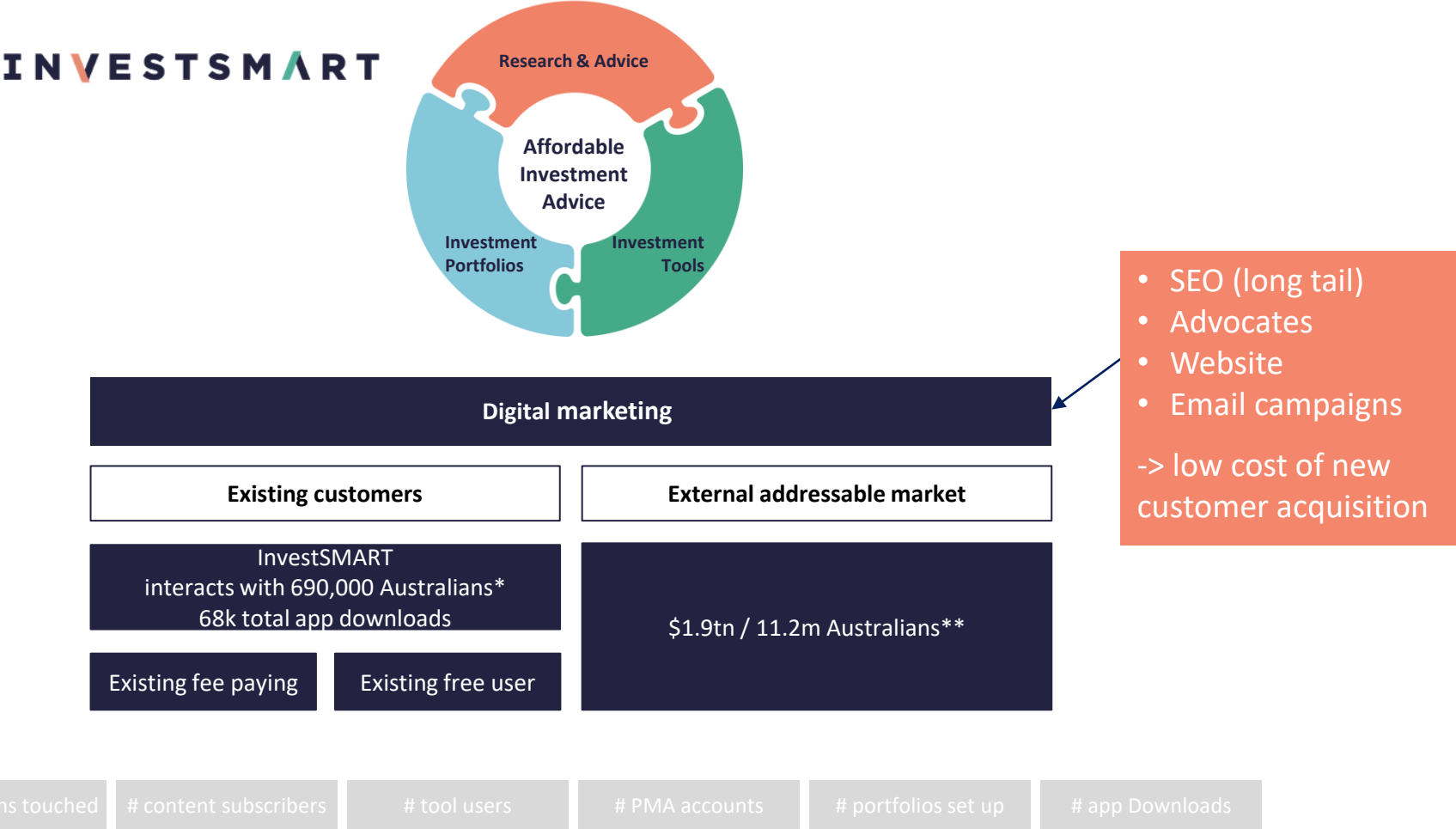
BUSINESS MODEL – FUNDS MANAGEMENT (ETF PORTFOLIO BUILD FOR PMAs)

Substantial investor portfolio diversification and low fees achieved through ETF investment structure and selection process



MARKETING

InvestSMART can significantly grow FUM from existing ‘touched’ customers and has a huge external addressable market



* Within the InvestSMART ecosystem - using or subscribed to InvestSMART’s fee paying or free tools, content and investment products.

** 60% of Australian Adults = 11.2m Australians hold investments outside their institutional superannuation fund (Deloitte Access Economics / ASX Australian Investor Study 2017, p1) / \$2.2tn held outside Super, 42% of this is Investment Property -> \$1.2tn held outside superannuation excl. investment property (Rice Warner report 2015), plus \$740bn in SMSFs (APRA) = \$1.9tn addressable market (excludes \$600m in estimated retail superannuation funds).

PEER BENCHMARK — INVESTING PLATFORMS

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

Personal use only

Funds Under Management

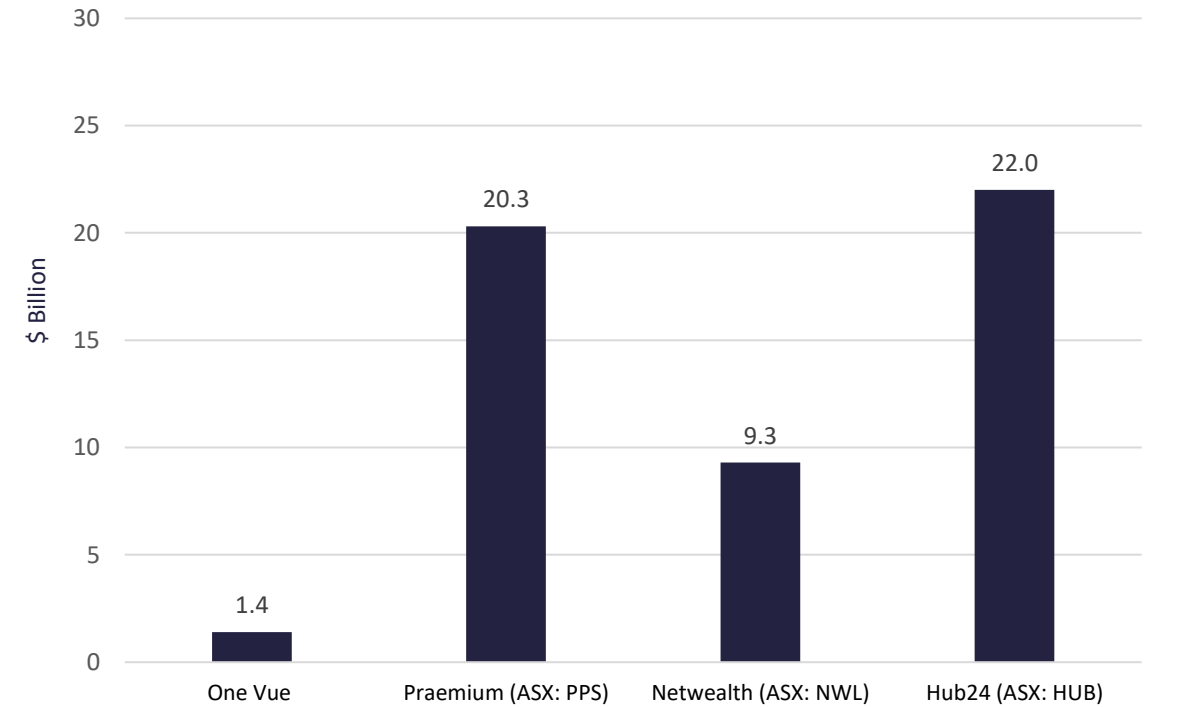
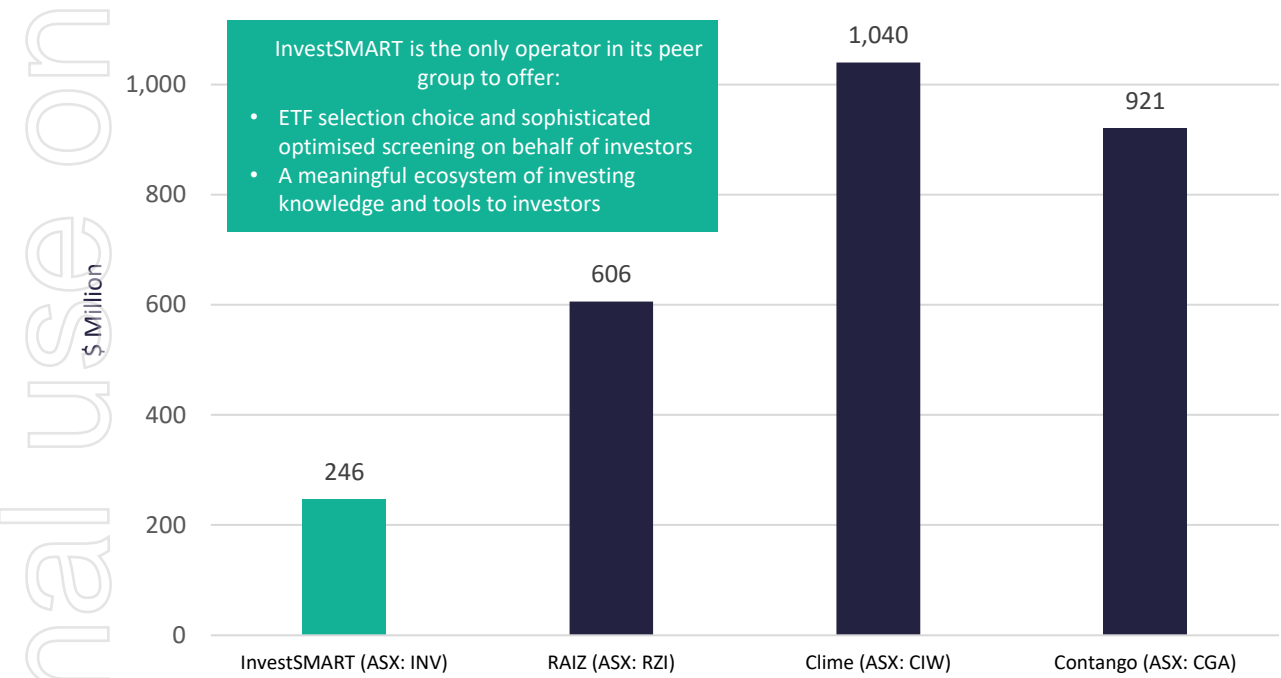
Niche

Mid-size

Large

InvestSMART is the only operator in its peer group to offer:

- ETF selection choice and sophisticated optimised screening on behalf of investors
- A meaningful ecosystem of investing knowledge and tools to investors



Market Cap:	\$13m	\$134m	\$36m	\$40m	\$115m	\$366m	\$3.5b	\$1.55b
-------------	-------	--------	-------	-------	--------	--------	--------	---------

FUM per 31/12/2020
Market Cap per 24 February 2021
Hub24 – excluding non-custodial funds under administration (FUA)
Praemium – based on FUA (not FUM)

CORPORATE – CAPITAL STRUCTURE & HOLDERS

Capital structure	
Share price as at 24 February 2021	\$0.095
- Ordinary shares on issue*	138,539,535
- Market cap*	\$13.16m
- Market cap – adjusted (excluding EDSP)*	\$10.50m
Cash at bank (31/12/2020)	\$4.7m
Other	
Financial assets**	\$1.97m

Substantial shareholders	
Leyland Private Asset Management Pty Ltd	18.94%
Perpetual Limited	10.67%
Ron Hodge	8.88%

* Includes 28,031,998 EDSP (employee) shares issued on 9 December 2020. These shares are divided into 3 equal tranches: 15 cents, 20 cents and 30 cents.

** Investments in 3 start-up companies in the financial technology sector. See Financial assets and held at fair value – [Half-year Interim Financial Report](#) (31 December 2020), page 7 and note 3.

CORPORATE – BOARD / INVESTMENT COMMITTEE / MANAGEMENT



Investment
Committee
member

Paul Clitheroe AM, Chairman and Non-executive Director

Paul has 37 years of investment experience and is regarded as one of Australia's leading "money" experts. From 1993 to 2002, Paul hosted the popular Channel 9 program Money and now currently writes for newspapers across Australia and is a frequent guest expert on Australia's major television networks and radio. Paul is the founder of the Money Magazine and Chairman of Financial Literacy at Macquarie University.



Head of Audit
& Risk
Committee

Michael Shepherd AO, Independent Director

Michael Shepherd has had a successful career in financial services over more than 40 years. He was a director of ASX Limited and group between 1988 and 2007, including a term as Vice-Chairman between 1993 and 2007. Mr Shepherd was also Chairman of the ASX Derivatives Board and Chairman of the ASX Market Rules Committee.

Mr Shepherd is currently Chairman of Navigator Global Investments Limited (a listed investment management company, commenced 16/12/2009) and a member of the Responsible Entity Compliance Committee of UBS Global Asset Management (Australia) Limited. He is also a Senior Fellow and Life Member, Financial Services Institute of Australasia, after being a director of that body between 2001 and 2009, including 2 years as National President.



Investment
Committee
member

Effie Zahos, Independent Director

Effie is one of Australia's leading personal finance commentators with more than two decades of experience helping Australians make the most of their money. A regular money expert on Channel 9's Today Show and on radio around Australia, Effie is also the author of *Ditch the Debt and Get Rich*, *The Great \$20 Adventure* and *A Real Girl's Guide to Money*.

Effie was editor of Money magazine until 2019, having helped establish it in 1999 and is now Editor-at-Large of Canstar. Passionate about financial literacy, Effie sits on the board of directors for Ecstra, a not-for-profit organisation committed to building the financial capability of all Australians.

Effie holds a Bachelor of Economics Degree (University of Queensland).



Investment
Committee
member

Ron Hodge, Managing Director

Ron has worked in financial services for over 25 years, including UBS in Singapore and Bell Commodities in Sydney and founded InvestSMART in 1999. Ron holds a Masters degree in Computer Science, Bachelor Degrees in Commerce and Economics, a Graduate Diploma in Applied Finance and Investments and is a Graduate of the Australian Institute of Company Directors.



Investment
Committee
member

Alan Kohler AM, Editor-in-Chief

Alan has been covering business and markets as a financial journalist for 50 years, including two stints as the Financial Review's Chanticleer columnist, editor of the Financial Review and editor of The Age. He also started Eureka Report in 2005 and Business Spectator in 2007.

As well as being Editor-in-Chief of InvestSMART Group, Alan is currently finance presenter on ABC News, a columnist for The New Daily and an adjunct professor and Vice Chancellor's Fellow at Victoria University.



Investment
Committee
member

Alastair Davidson, Head of Funds Management

Alastair has held executive positions in the banking and financial services industry for over 27 years in the UK, USA and Australia. Prior to joining InvestSMART in 2014, he held Director positions with Aurora Funds Limited, Challenger and Salomon Smith Barney. Alastair has an Honours degree in Economics from the University of St Andrews and is currently the Chairman of the Investment Committee of the Centenary Institute Endowment Fund and member of the Institute of Chartered Accountants in Scotland.

ABOUT INVESTSMART GROUP LIMITED (ASX: INV)

InvestSMART is an ASX listed leading Australian wealth platform focused on digital advice, helping clients achieve their financial goals through the use of exchange traded funds (ETF), under a low cost investment model.

Today, we interact with over 690,000 Australians who are building investing knowledge by consuming our content, using our tools and investing and growing and protecting their wealth through our products.

Products & services. InvestSMART Group runs **Professionally Managed Accounts (PMA)* with capped fees** (up to \$451 p.a.) and **three active ASX listed ETFs** under its Intelligent Investor brand.

PMA 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.



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'.

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

Funds under management (FUM) of \$246m (end 2020).

* 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.

CONTACT

Paul Clitheroe, Chairman

Ron Hodge, Managing Director and CEO

02 8305 6000

BUSINESS MODEL – FUNDS MANAGEMENT PERFORMANCE

Our Intelligent Investor branded active ETFs – since inception (SI), all 3 strategies have outperformed the relevant benchmark*

Equity Growth (ASX: IIGF) (Inception date: July 2015)

Performance to 31 December 2020	1 Year	3 Years (p.a.)	5 Years (p.a.)	SI (p.a)
Intelligent Investor Equity Growth	15.10%	8.28%	9.88%	10.54%
S&P/ASX 200 TR AUD	1.40%	6.73%	8.73%	7.79%
Excess to Benchmark	13.70%	1.55%	1.15%	2.76%
Peers	-2.07%	1.98%	5.05%	Na
Excess to Peers	17.17%	6.30%	4.83%	
Income return	1.20%	2.46%	2.64%	2.62%

Equity Income (ASX: INIF) (Inception Date: July 2015)

Performance to 31 December 2020	1 Year	3 Years (p.a.)	5 Years (p.a.)	SI (p.a)
Intelligent Investor Equity Income	7.62%	3.65%	7.24%	8.19%
S&P/ASX 200 TR AUD	1.40%	6.73%	8.73%	7.79%
Excess to Benchmark	6.22%	-3.08%	-1.48%	0.40%
Peers	-2.07%	1.98%	5.05%	Na
Excess to Peers	9.69%	1.66%	2.19%	
Income return	2.03%	3.45%	3.41%	3.35%

Ethical (ASX: INES) (Inception Date: October 2018)

Performance to 31 December 2020	6 Months	1 Year	SI (p.a)
Intelligent Investor Ethical Share	22.86%	24.05%	16.57%
S&P/ASX 200 TR AUD	13.20%	1.40%	9.69%
Excess to Benchmark	9.66%	22.65%	6.88%
Peers	14.79%	-2.07%	Na
Excess to Peers	8.07%	26.12%	
Income return	0.23%	0.78%	0.13%

*Performance is for the Intelligent Investor portfolios. The ASX listed Active ETFs mirror these portfolios. Performance figures are after management and admin fees excl. brokerage and assuming dividends re-invested and no withdrawals. 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. Historical performance is not a reliable indicator of future performance. 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](#).

BUSINESS MODEL – FUNDS MANAGEMENT PERFORMANCE

Our InvestSMART branded Capped Fee portfolios – continue to outperform their peers#

Conservative Portfolio

Performance to 31 December 2020	1 Year	3 Years (p.a.)	5 Years (p.a.)	SI (p.a)
InvestSMART Conservative	1.89%	4.18%	4.78%	4.51%
Average of 537 Peers Funds^	1.87%	3.07%	3.43%	Na
Excess to Peers	0.02%	1.11%	1.35%	

Fees^: InvestSMART Conservative 0.55% & Average of 537 peers 1.44%

Note: The InvestSMART Conservative Portfolio is benchmarked against Morningstar Multisector Moderate Index

Balanced Portfolio

Performance to 31 December 2020	1 Year	3 Years (p.a.)	5 Years (p.a.)	SI (p.a)
InvestSMART Balanced	2.29%	5.46%	5.96%	5.91%
Average of 548 Peers Funds^	2.41%	4.13%	4.84%	Na
Excess to Peers	-0.12%	1.33%	1.12%	

Fees^: InvestSMART Balanced 0.55% & Average of 548 peers 1.34%

Note: The InvestSMART Balanced Portfolio is benchmarked against Morningstar Multisector Balanced Index

Growth Portfolio

Performance to 31 December 2020	1 Year	3 Years (p.a.)	5 Years (p.a.)	SI (p.a)
InvestSMART Growth	2.16%	6.47%	7.15%	7.27%
Average of 901 Peers Funds^	1.89%	4.53%	5.62%	Na
Excess to Peers	0.27%	1.93%	1.53%	

Fees^: InvestSMART Growth 0.55% & Average of 901 peers 1.60%

Note: The InvestSMART Conservative Portfolio is benchmarked against Morningstar Multisector Growth Index

Performance figures are after management and admin fees excl. brokerage and assuming dividends re-invested and no withdrawals. 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. Historical performance is not a reliable indicator of future performance. 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](#).

DISCLAIMER

The material contained in this document is a presentation of general information about the activities of InvestSMART Group Limited (**InvestSMART**) and its wholly owned entities (together, the **Group**). The information in this document is current as at the date of this presentation (1 March 2021). It is provided in summary and does not purport to be complete. You should not rely on it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by InvestSMART, including any of its related bodies corporate.

This document may contain forward-looking statements with respect to the financial condition, results of operations, and business strategy of the Group. These forward-looking statements are based on estimates, projections and assumptions made by the Group about circumstances and events that have not yet taken place. Although the Group believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Group's control, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results). The Group makes no representation or warranty as to the accuracy of any forward-looking statements in this document and undue reliance should not be placed upon such statements.

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.

Past performance information in this document is given for illustrative purposes only. Past performance information cannot be relied on as an indicator of (and provides no guidance as to) the future performance of InvestSMART. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

This document may not be reproduced or published, in whole or in part, for any purpose without the prior written consent of InvestSMART.