

Lodged with the ASX Online

10 July 2019

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000
Australia

Dear Sir/Madam

SALE OF 50% INTEREST IN SMARTER MONEY INVESTMENTS

Yellow Brick Road Holdings Limited (ASX:YBR) (**YBR** or the **Company**) announces that it has today entered into a conditional contract for the sale of its 50% equity interest in Smarter Money Investments Pty Ltd (**SMI**) to one of the shareholders in Coolabah Capital Investments Pty Ltd (**CCI**), the owner of the other 50% equity interest in SMI.

This will mean that CCI and its shareholders will own 100% of SMI. As at 30 June 2019, SMI had more than \$1 billion in funds under management (**FUM**), while CCI is responsible for approximately \$3 billion in FUM, including the SMI funds. CCI is the sub-investment manager for SMI's funds while also offering institutional funds management services outside of SMI.

The effective date of the sale is 1 July 2019, with completion expected to occur on 12 July 2019.

The Purchase Price is \$7.5m, payable in cash as to:

- \$5.0m on Completion;
- \$2.0m 12 months after Completion; and
- \$0.5m 18 months after Completion.

CCI will absorb all of the staff that worked in the distribution and administration side of the SMI joint venture business prior to Completion. YBR's network will continue to offer SMI's and CCI's existing and future cash and fixed interest products.

There will otherwise be no change in SMI's or CCI's business services, which will continue to operate as normal.

YBR Executive Chairman, Mark Bouris, said, "We were very pleased to have been a 50% founding shareholder of the SMI business along with its other co-founders who, with YBR, have built from a start-up in 2011 a significant \$1 billion plus, market-leading, funds management business in their area of expertise in fixed interest. However, given YBR's recent strategic pivot away from wealth management to focus on the mortgage market, it made sense that we exited from this business in a controlled and profitable manner."

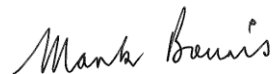
"We note that our YBR franchised branches and our independent Vow broker network will continue to be able to distribute the Smarter Money and Coolabah Capital investment products to their customer bases."

CCI director and co-founder, Darren Harvey, commented, "The SMI joint venture has been a tremendous success and Coolabah and its shareholders are delighted to take full control of the business, which made sense given our strong growth in the retail and institutional markets. The existing investment team comprising four portfolio managers, eight analysts, and a range of operations, compliance and finance

professionals will be expanded to include the four SMI product specialists who have worked very closely with the CCI team over the last 8 years.”

For and on behalf of

YELLOW BRICK ROAD HOLDINGS LIMITED

A handwritten signature in black ink, appearing to read "Mark Bouris". The signature is written in a cursive, flowing style.

Mark Bouris

Executive Chairman

ENDS