

ASX Announcement 10 October 2022

Income Asset Management (IAM) Trading Update

IAM Group's bond trading revenue for October already passed \$1m achieving over 30% of FY22 revenue in less than a month.

Income Asset Management Group Ltd (**ASX:IAM**) (**IAM** or **Company**) is pleased to advise that **bond trading revenue has already exceeded \$1 million for the month of October**, a record month for the Group. In FY22 total trading revenue was \$2.95m. This follows the trading update released on 23 September 2022, noting that Group revenue surpassed \$1 million for that month.

The current interest rate changes are proving beneficial to the Group's fixed income offering to corporates and investors.

The new financial year has seen significant growth in client numbers as fixed income markets continue to deliver compelling investment opportunities. In the first quarter of FY23 IAM has seen;

- **20% increase in client numbers Quarter on Quarter.** The source of new clients includes private investors and through increasing engagement with our intermediary partners (financial advisers and stockbrokers) along with growth in the middle market segment.
- **\$300m increase in Assets under Advice (AuA).** Q1 2023 AuA increased to \$2.3bn. We see the pace of client growth continuing to accelerate as the fixed income market offers, in general, a lower risk alternative to equity market investments and higher returns than cash.
- **USD to AUD rotation.** We have also seen increased flow from USD bonds back into AUD issues as the AUD/USD has moved below \$0.65 with existing holders of USD issues (unhedged) taking advantage of the currency move.
- IAM Capital Markets have **successfully placed two asset backed transactions raising over \$44m** through September for Medpro Finance and Butn (ASX.BTN). Clients across institutional, middle market and private client investors participated.
- **Significant pipeline of over \$300m** in new debt transactions are working for completion in the second quarter.
- **Model Portfolios** - IAM launched a new revenue line via model portfolio service as an adjunct to **our Managed Account Service which has FUM \$160m**. The service was immediately well received by investors.
- IAM Model Portfolio service is a key offering to the advised market, allowing financial advisors to provide investors with a portfolio of investments carefully monitored by our funds management specialist, and backed by internal and external research from BondAdviser.

CEO Jon Lechte said "We are not surprised by the improved performance as these market conditions are ideal for our business. We are particularly pleased with the growth in our debt capital markets pipeline. In very difficult market conditions in recent weeks, we have been able to place very significant bids into one of the largest investment grade transactions the market has seen, and we have also been able to complete raises for our corporate clients.



“This growth in both debt issuance and secondary trading, is lifting IAM’s revenue and subsequently, we remain confident we will post a cash profit for the first half,” he added. Details of upcoming transactions being offered to our clients in coming days and weeks, will be announced immediately after being processed.”

IAM was established to provide market leading infrastructure to both issuers and investors in the sub-institutional (sub \$500m) transaction size. Our new issues are sold to investors only once we receive cornerstone support from our network of professional investors, to ensure all investors are buying at market levels. **Total Assets under Advice has grown in FY23 with Capital Markets over \$940m** and Cash Markets has grown to **over \$1.36bn**, a record for the group.

This announcement was approved for release by the Board.

For more information please contact:

Jon Lechte - CEO

E: shareholders@incomeam.com

W: incomeam.com

About Income Asset Management Group Ltd. (IAM) (ASX:IAM)

Income Asset Management Group Ltd (ASX:IAM), (IAM), has seen tremendous growth into a sophisticated investing solution provider. The Group delivers unique solutions in Treasury Management, Cash, Bonds and Funds Management for sophisticated investors and professional investment managers.

Our vision is to provide investors and portfolio managers with the most trustworthy and capable services to research, invest and manage their income and broader investments. We are a traditional investment firm with real clients and robust governance and compliance, reporting to the ASX, AUSTRAC and ASIC for regulatory obligations.

Our direct investment services include deposits, loans, and both listed and unlisted fixed-income securities. Our managed investment business incubates new funds and markets the services of those funds within our stable, Fortlake Asset Management and Tactical Global Management. We also own Trustees Australia Limited, an authorised Responsible Entity, regulated by ASIC.

Income Asset Management Group Limited ACN 010 653 862

IAM Capital Markets Limited ACN 111 273 048 | AFSL 283119;

IAM Cash Markets Pty Ltd ACN 164 806 357 corporate authorised representative (no. 001295506) of AFSL 283119;

Trustees Australia Limited ABN 63 010 579 058 | AFSL 260038; and,

IAM Funds Pty Ltd ACN 643 600 088 corporate authorised representative of AFSL 260038