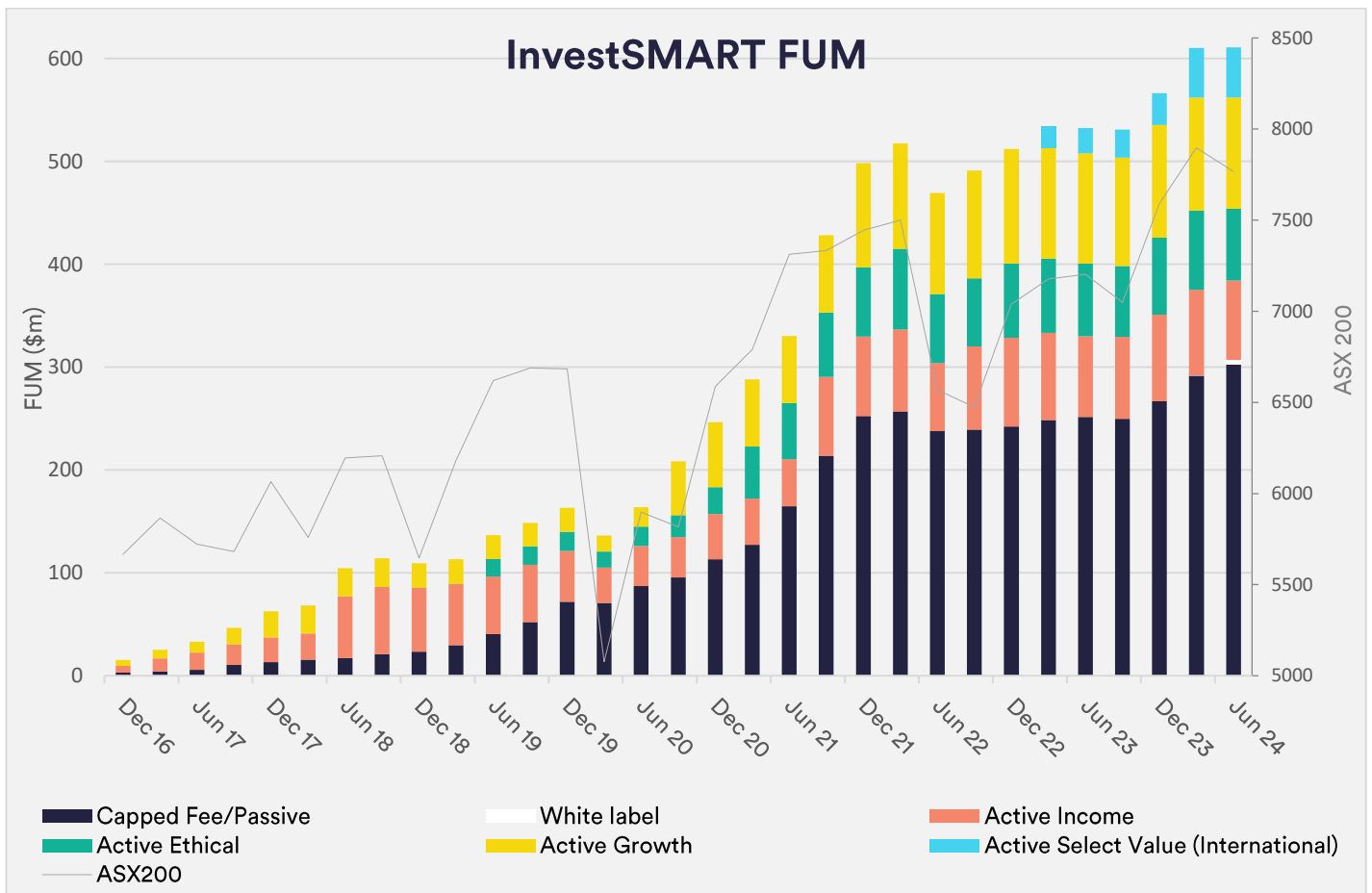


12 July 2024

Business update – quarter ending 30 June 2024

- Total Funds Under Management (FUM) is \$611 million at 30 June 2024.
 - Management fees - funds increased by 3.2% compared to the prior quarter.
 - Total PMA accounts increased by 5.1% during the quarter to 2,671 accounts at 30 June 2024.



ACN 111 772 359

Digital Wealth Platform Results

InvestSMART Group Limited (InvestSMART or the Company) (ASX: INV), a leading Australian digital wealth and advice platform providing low-fee investment solutions, is pleased to provide a business update for the June ended quarter, Q4 FY2024.

Financial Results

	FY2024 Q4 June quarter \$	FY2024 Q3 March quarter \$	%
Operating Income			
Management fees - funds	892,665	864,704	3.2%
Performance fees - funds	233,236	-	
Subscription income	1,185,282	1,183,989	0.1%
Commissions income - insurance	322,017	284,536	13.2%
Other income	8,166	5,998	
Operating income	2,641,366	2,339,227	12.9%
Operating Expenses			
Commissions rebates	103,911	67,424	54.1%
Employment expenses	1,419,971	1,470,861	-3.5%
Marketing costs	158,804	153,424	3.5%
Other operating expenses	790,134	806,717	-2.1%
Total operating expenses	2,472,820	2,498,426	-1.0%
Operating Profit/(Loss)	168,546	(159,199)	205.9%
Cash at bank (end of period)	7,736,212	6,281,454	23.2%

* Quarterly results are prepared by management and are unaudited.

Operating income increased by 12.9% to \$2.64 million (Q4 FY2024 v Q3 FY2024).

Income from management fees - funds increased by 3.2% to \$893k in Q4 FY2024 compared to the prior quarter. Funds Under Management (FUM) was flat at \$611 million compared to the prior quarter. The number of Professionally Managed Accounts increased by 5.1% over the quarter to 2,671 accounts at 30 June 2024. The primary focus of InvestSMART is growth in Funds Under Management in Professionally Managed Accounts (portfolios of ETFs, capped at \$550 per annum per account) and actively managed, ASX listed Intelligent Investor funds (see About InvestSMART at the end of this announcement for further details).

We recorded a performance fee for the Intelligent Investor Select Value Share Fund (ASX: IISV) of \$233k. Performance fees are realised at 30 June each year.

Subscription income was flat compared to the prior quarter at \$1.18 million in Q4 FY2024 vs \$1.18 million in Q3 FY2024. Subscription fees will increase by 12% from 1 July 2024 for Intelligent Investor products. We allowed subscribers to renew in advance of the price increase before 30 June. 2,500 subscribers renewed in advance which accounts for the increase in cash at bank.

Income from management fees on funds and subscriptions remain the focus areas for long-term business growth.

Commissions income from insurance increased by 13.2% compared to the March 2024 quarter. The increase compared to the March 2024 quarter is seasonal. Management expects a previously communicated attrition rate of ~8% to continue. Rebates on commissions increased due to seasonality and the timing of renewals.

Employment expenses decreased due to a reduction in staff in March 2024. Total staff decreased from 36 at 31 December 2023 to 33 at 30 June 2024. Operating profit for the March 2024 quarter excludes restructure costs of \$187k.

Divisional Commentary

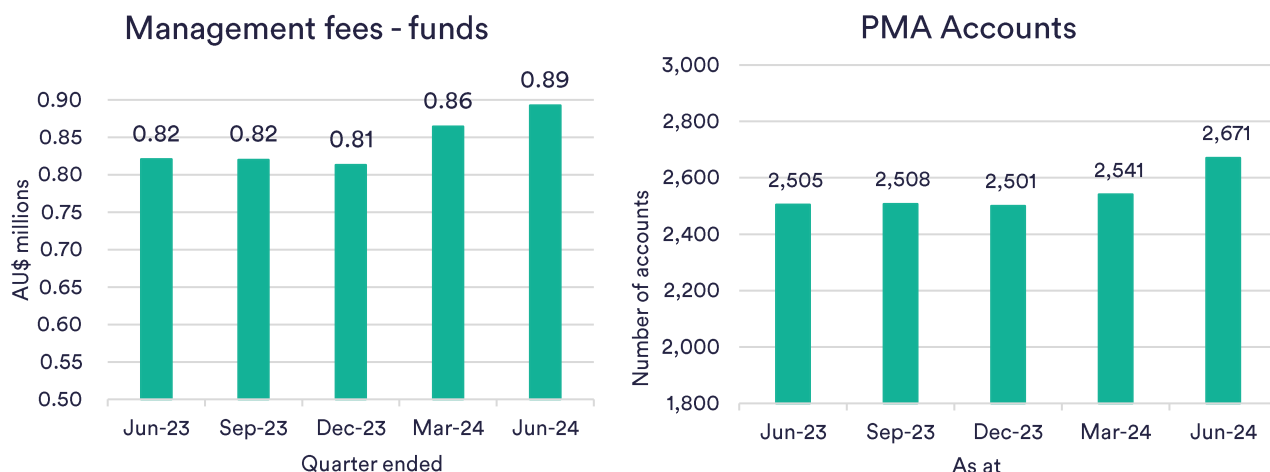
Funds Under Management (FUM)

InvestSMART PMA Platform

The InvestSMART Professionally Managed Accounts (PMA) Platform was launched in November 2018. The number of accounts on the Platform (under a capped fee model) increased by 5.1% during the quarter to 2,671 accounts at 30 June 2024 compared to 2,541 accounts at 31 March 2024.

Intelligent Investor ASX listed ETFs

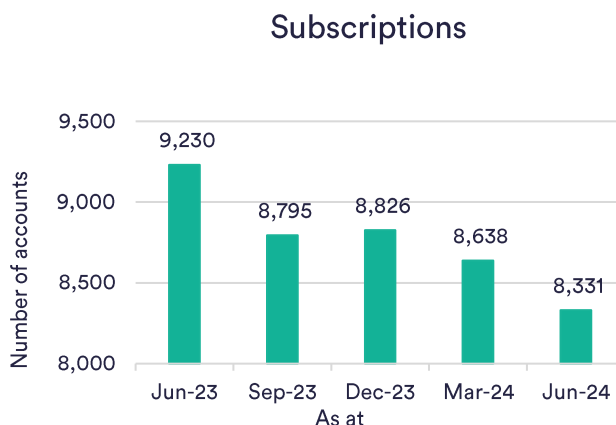
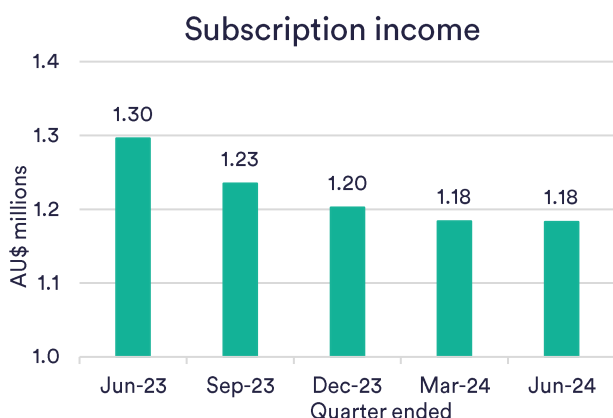
Total funds under management (FUM) across Intelligent Investor investments (under a variable fee model) is \$305 million at 30 June 2024, a 4.5% decrease compared to 31 March 2024.



Subscriptions

Subscription income from fee paying subscribers to our *Intelligent Investor* and *Eureka Report* content-driven publications was flat compared to the prior quarter at \$1.18 million. Total subscribers decreased by 3.6% to 8,331 subscribers at 30 June 2024. We announced a [12% increase in prices for Intelligent Investor subscriptions from 1 July 2024](#). Approximately 2,500 subscribers chose to renew in advance of the price rises.

Intelligent Investor and Eureka Report merged in November 2023. The merger is designed to ensure a more coherent and streamlined reader experience for members. It will also have the added benefit of reducing the administrative burden on our developers and focus marketing efforts on only one subscription product.



Products And Services

We launched our white label online investing platform in March 2024 with the appointment of our first external investment manager, The Rask Group Pty Ltd (Rask Invest). Under the arrangement, Rask Invest clients will have their funds professionally managed by Rask Invest in one of three Rask investment portfolios within the InvestSMART Professionally Managed Accounts. InvestSMART will provide the back-end administrative, compliance and technological platform utilising InvestSMART’s proprietary digital solutions. White label FUM is \$4.2 million at 30 June 2024.

Marketing

Marketing has focussed on content since January 2024. Content forms the bedrock for digital retargeting, search engine optimisation and media coverage through our key spokespeople. This strategy has seen a material increase in conversion of new unique website visitors to free sign ups to InvestSMART. The June quarter averaged a conversion rate of 0.87% compared to the March 2024 quarter of 0.66% and the December 2023 quarter of 0.51%. We will continue to focus on content to improve traffic to new free members within Intelligent Investor and conversion to paying clients across all of our products. With over 20 years of experience in dealing directly with small balance retail clients, we know that awareness builds trust and engagement, which leads to conversions.

Fund Performance

InvestSMART PMA Platform

The latest quarterly report and performance of each of InvestSMART’s eleven investment portfolios can be viewed [here](#). Click ‘learn more’ to view each portfolio.

Intelligent Investor ASX listed ETFs

- Intelligent Investor Australian Equity Income Fund – ASX: INIF
 - Fund profile [here](#)
- Intelligent Investor Ethical Share Fund – ASX: INES
 - Fund profile [here](#)
- Intelligent Investor Australian Equity Growth Fund – ASX: IIGF
 - Fund profile [here](#)
- Intelligent Investor Select Value Share Fund – ASX: IISV
 - Fund profile [here](#)

Corporate

Full year results

The audited Financial Report for the year ended 30 June 2024 is expected to be released on 28 August 2024.

Interview with Alan Kohler

InvestSMART Managing Director, Ron Hodge, was interviewed by the founder of Eureka Report, Alan Kohler. Click [here](#) for the interview and transcript.

On-market buyback

InvestSMART announced an on-market share buyback on 29 February 2024. 10,000 shares were bought back on 21 June 2024. InvestSMART intends on conducting the buyback taking into account the prevailing share price, market conditions and the capital requirements of the business.

Outlook

InvestSMART Managing Director, Ron Hodge, said “It was good to see an operating profit for the quarter after rationalising our cost base and enduring a sluggish period as inflation and cost of living pressures took hold. In particular we are buoyed by growth in our Professionally Managed Accounts and look forward to the remainder of the year.”

This document has been authorised for release by order of the Board.

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

About InvestSMART Group Limited (ASX: INV)



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

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

Every day we interact with Australians who are building investing knowledge by consuming our content, using our tools and growing and protecting their wealth through our investment solutions. Funds Under Management (FUM) total \$611m (at 30 June 2024).

Products & services. InvestSMART Group runs **Professionally Managed Accounts (PMA)* using ETFs** (with fees capped at \$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. Investment portfolios differ in the levels of risk and return, and each offers a different investment emphasis. **Fundlater** helps Australians with smaller starting balances invest in a PMA, with an initial investment of \$4,000 and then 20 monthly instalments of \$325 thereafter.

Intelligent Investor is a membership-based content publication developed to assist investors. Intelligent Investor provides research-based views on companies and investment themes together with The Eureka Report team, founded by Alan Kohler, which 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.'**

* 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.

Overview of InvestSMART's Investment Products

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 Ethical 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) InvestSMART Cash Securities Portfolio (single asset class)
Active investment ETFs **	ASX listed active 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) Intelligent Investor Select Value Share Fund – ASX: IISV Focused on capital growth by investing in undervalued global equities (launched March 2023)

* 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.