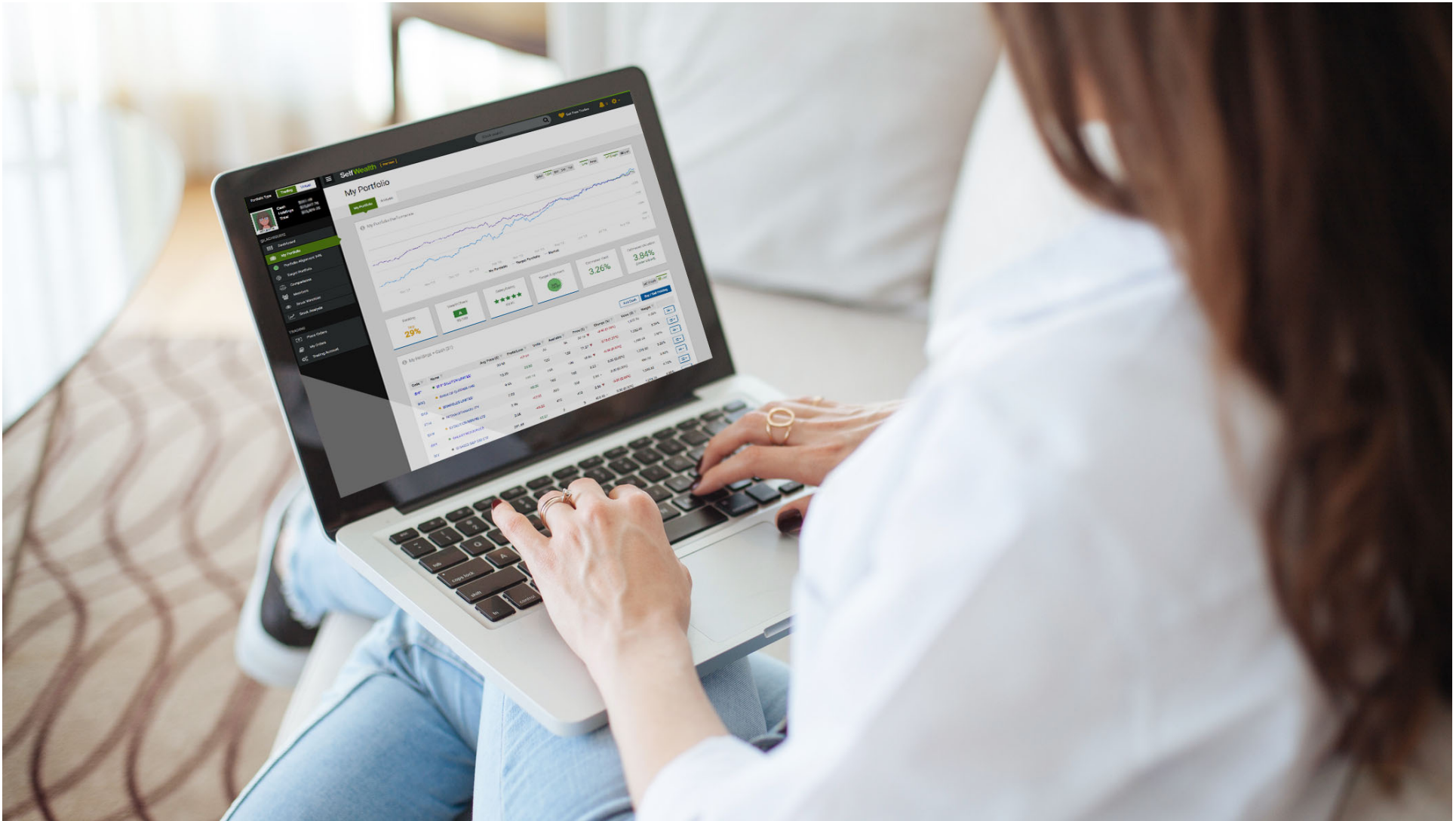


# SelfWealth

AGM 2018

Managing Director – Andrew Ward

November 2018



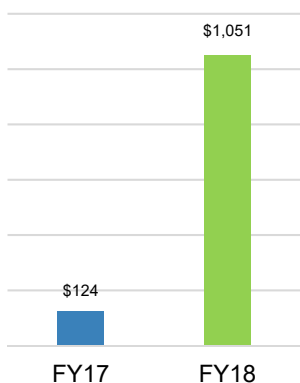
## Who is SelfWealth?

- SelfWealth (ASX: SWF) is an exciting FinTech pioneer for traders and investors
- Leading the market as Australia's lowest-cost, flat-fee ASX share trading provider
- High-value community of 60,000+ portfolios provides Members with invaluable insights into peer portfolios, including holdings, risk and return relative
- Operate the SelfWealth Adviser Portal - a platform for advisers to access cost-saving tools and the famous low-cost brokerage (currently in Beta release)
- Entering the ETF market

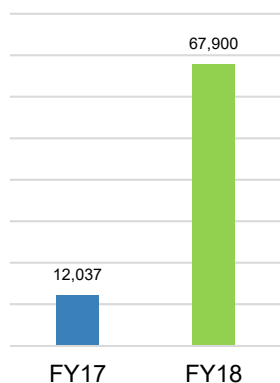
## Financial Year 2018 Performance Comparatives

Key metrics	Unit	Quarter-on-quarter			Year-on-year		
		Q4FY18	Q3FY18	% Change	FY18	FY17	% Change
Revenue	\$000	455	318	↑ 43%	1,051	124	↑ 748%
Active Users		4,694	3,382	↑ 39%	4,694	998	↑ 370%
Trade Volume		21,458	20,167	↑ 6%	67,900	12,037	↑ 464%
Client stock holding	\$M	502	363	↑ 38%	502	91	↑ 452%
Client cash	\$M	40	29	↑ 38%	40	17	↑ 135%

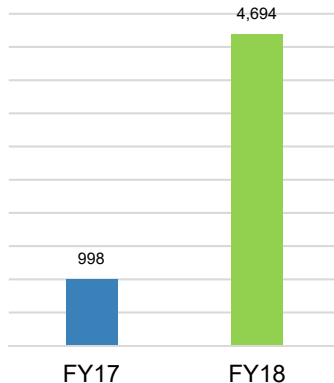
Revenue Growth ('000s)



Trade Volume Growth



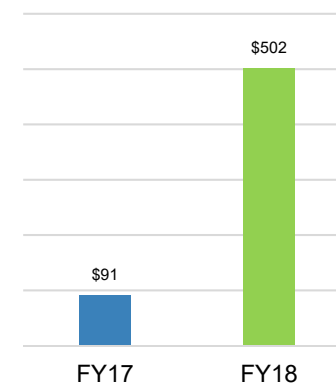
Active Traders Growth



Client Cash Growth (\$m)



Client Stock Holdings (\$m)



# Revenue

## Current

### Trades

- Flat-fee \$9.50 / trade
- Price leader

### Premium Membership

- Essential and unique SMSF investor toolset
- \$20 per month
- New features releases

### Interest on Cash Balances

- Income from client cash accounts (ANZ)
- RBA cash rate + 0.75% p.a

### Key drivers

- Marketing – CAC, conversion to active (education)
- Turnover per member (education, Premium features)
- ETF Marketing / Business Development
- Feature development

## Imminent

### ETF Revenue

### SelfWealth Adviser Portal

## Future

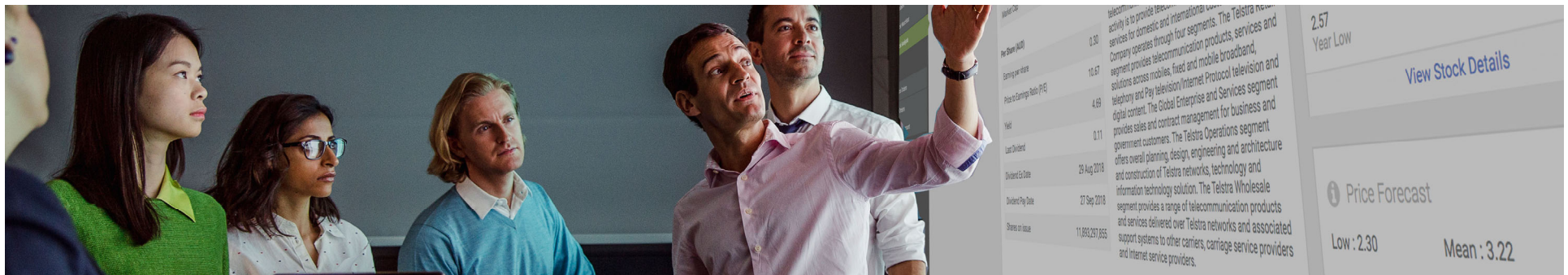
### Margin Lending

### Data Licensing

### International Shares

## Investment Highlights

- Very high and sustained growth of members (+48% Sep quarter) and trading activity (+42% Sep quarter) since launch of the trading platform in Sep 2016
- Record customer acquisition and trading numbers in recent months, despite reducing marketing spend
- GP margin increases – lower cost tier applicable to brokerage paid given new volume levels
- Continued feature releases enhancing platform
- Beta launch of SelfWealth Adviser Portal in September 2018
- Will soon launch Australia's first representative SMSF ETF, powered by data from 50,000+ SMSF portfolios



Market Cap	11,892,297,655
Per Share (AUD)	0.30
Earnings per share	10.67
Price to Earnings Ratio (P/E)	4.69
Yield	0.11
Last Dividend	29 Aug 2018
Dividend Cut Date	27 Sep 2018
Dividend Pay Date	27 Sep 2018
Shares on Issue	11,892,297,655

telecom... activity is to provide tele... services for domestic and international... Company operates through four segments. The Telstra re... segment provides telecommunication products, services and... solutions across mobiles, fixed and mobile broadband... and Pay Television/Internet Protocol television and... digital content. The Global Enterprise and Services segment... provides sales and contract management for business and... government customers. The Telstra Operations segment... offers overall planning, design, engineering and architecture... and construction of Telstra networks, technology and... information technology solution. The Telstra Wholesale... segment provides a range of telecommunication products... and services delivered over Telstra networks and associated... support systems to other carriers, carriage service providers... and Internet service providers.

2.57  
Year Low

[View Stock Details](#)

**Price Forecast**

Low : 2.30      Mean : 3.22

# Investment Platform Performance

**SelfWealth**

# Current State of Play

## Our Business

Market Leading \$9.50 Flat-fee Brokerage

Highly Valuable Peer Investing Community

Increasing Traction in a Growing A\$1.7bn+ Market

Strong Team Executing on a Clear Plan

## Validation

7,000+, +48% qtr  
Actively Trading Members

A\$663m  
Total value of client HINs

A\$52m  
Total client cash holdings

30,000+ Trades, +42% qtr  
Quarter September 2018

## Recognition



2018 Winner  
Cheapest Online Broker



2016 Winner  
Optus My Business Awards  
Fintech Business of the Year



2017 Finalist  
Fintech Business Awards  
Investment Innovator of the Year



2016 Finalist  
ifa Excellence Awards  
Innovator of the Year



2016 Winner  
Australian Business Awards  
Software Innovation



2016 Finalist  
Benzinga Fintech Awards

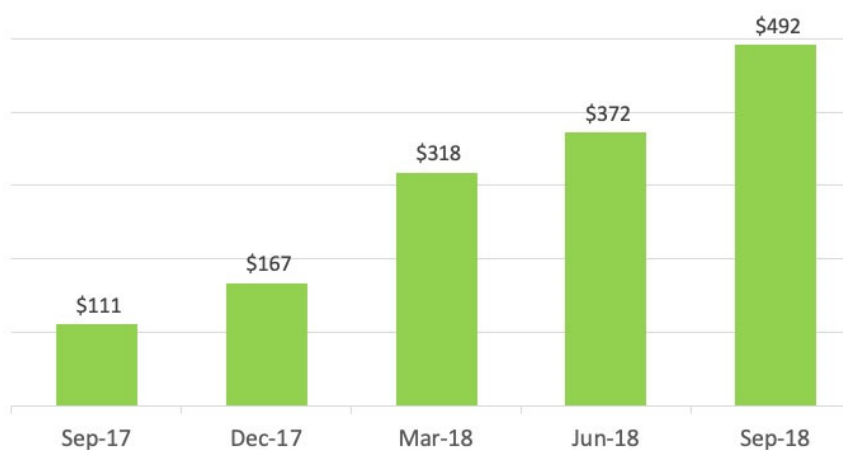


# KPI Traction – Member Holdings and Revenue

**Member Securities and Cash Holdings (\$m)**  
high value customers evidenced by significant holdings



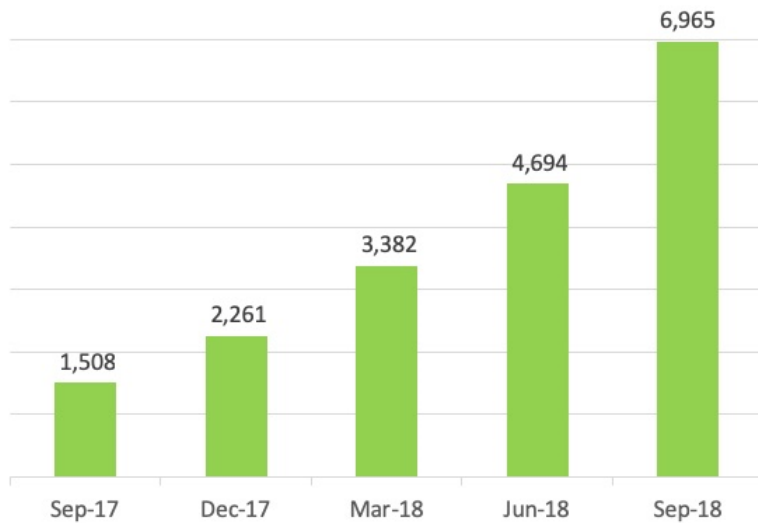
**Quarterly Revenue (\$ '000s)**  
32% growth on prior quarter



## KPI Traction – Active Traders on Platform

### Total Active Traders (by Quarter)

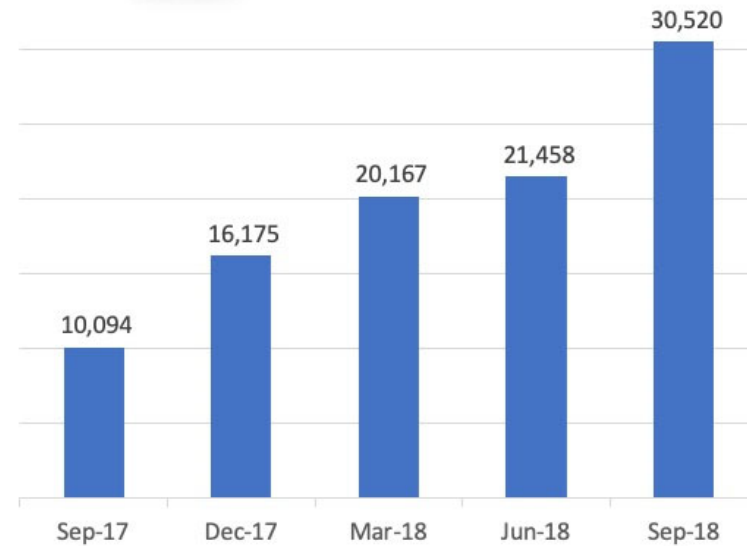
48% growth (Sep vs June)



- Acquiring more efficiently, following a sustained awareness campaign

### Total Trade Volume (by Quarter)

42% growth (Sep vs June)



- ~1.8/1.9 monthly trades per active member
- Growth initiatives launched

# Capturing Market Share

## Price Comparison of Online Traders

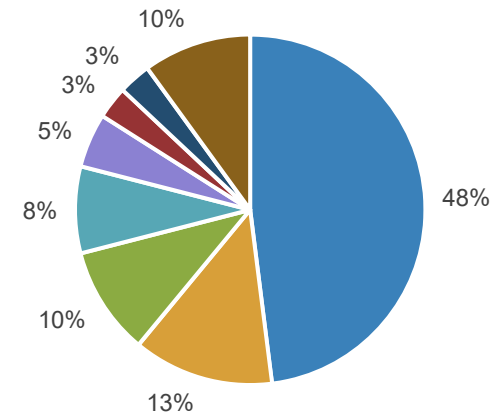
Our low-cost, flat-fee brokerage continues to beat competitors...

Trade Size	SelfWealth	Comm Sec	ANZ	Bell Direct
< \$1,000	\$9.50	\$10.00	\$19.95	\$15.00
\$5,001	\$9.50	\$19.95	\$24.95	\$15.00
\$10,001	\$9.50	\$29.95	\$29.95	\$25.00
\$100,001	\$9.50	\$120+	\$110+	\$100
\$1,000,000	\$9.50	\$1,200+	\$1,100+	\$1,000

Note: Other brokerage costs based on the following companies – CommSec, ANZ, WBC, NAB, Bell Direct, IG Markets. Assuming one trade only (i.e. no volume discounts). Current as of March 2018.

## Online Share Trading Market

...attracting 10%+ of new share traders



- CommSec ■ ANZ ■ Westpac ■ NAB
- CMC ■ Macquarie ■ Bell Direct ■ Other

Source : 2017 Investment Trends publication.

# ETF - SMSF Leaders

**SelfWealth**

## SMSF Leaders ETF

### SELF ETF

- First crowd-sourced portfolio using collaborative intelligence from SMSF investment portfolios
- An Australian representative 'SMSF ETF'
- Sourced from a large SMSF data base (BGL Simple Fund 360), 25,000+ portfolios and growing
- Act as a reference portfolio for 600,000 SMSFs in existence
- Achieved over 450bps outperformance vs ASX200 (Sharpe 1.0) since inception Dec 14

### SelfWealth will target the 600,000 SMSFs in Australia

- ✓ 1% Market Penetration of the \$250 billion listed equity asset allocation is \$2.5 billion
- ✓ SMSF investors dominate ETF investment
- ✓ SelfWealth will offer the SMSF Leaders @0.88%
- ✓ SELF ETF will generate a major uplift in the core business

## Summary

- ✓ Continue to eat into online share trading market – growth rates in customer acquisitions and very significant share of churn
- ✓ High level of marketing efficiency achieved – far better conversion rates for the spend, significantly reducing cash burn
- ✓ Higher GP with lower brokerage costs based on higher volumes
- ✓ Very high inventory of registered users to be activated via education on the platform
- ✓ ETF launch to both generate new revenue stream from ETF fees, and highlight the core business proposition

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