

# Business Update

## Appendix 4C

Quarter 3, Financial Year 2019

29th April, 2019

A man and a woman are shown from the chest up, looking at a laptop screen. The man is on the left, wearing a red and blue plaid shirt over a maroon t-shirt. The woman is on the right, wearing a white t-shirt and a plaid shirt. They are both smiling and appear to be in a collaborative work environment. The background is a blurred office setting with a window.

**SelfWealth<sup>®</sup>**

Trade smarter. Every time.

Our goal is to empower people to build their own wealth, which is why we've created a place where every investor can learn and benefit from the experience of a large community.

It's a revolutionary way to trade and it's more affordable, too.

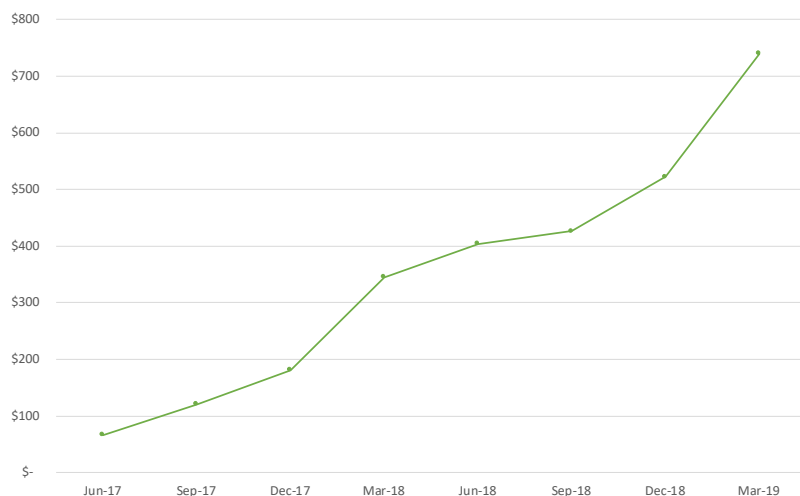
**SelfWealth. Trade smarter. Every time.**

# Business Update

## Highlights

- Operating revenue up 41.7% for the quarter.
- Trading platform closing in on \$1bn FUA milestone.
- Trading platform breaks through the 10,000 new clients milestone.
- Trades up 29.6% on the previous quarter, including the first 1,000 trade day.
- New client acquisition costs down significantly on reduced advertising spend.
- Value of 'client cash held' up 22.9% to \$75m, from \$61m in Q2 FY19.
- SelfWealth continues to sign up 15% of the industry's new and churning traders per annum.

Operating Revenue ('000)



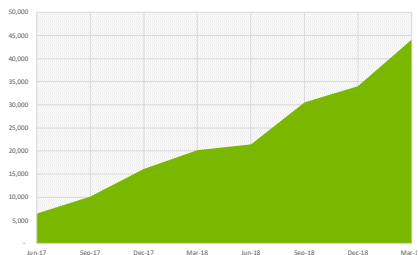
**Melbourne, Australia – 29th April 2019:** Australian fintech and online broker SelfWealth Ltd (ASX: SWF) ("SelfWealth" or "the Company") has released its Q3 FY19 Quarterly Cash Flow Report which shows the Company has continued on the planned path of reduced operating expenses and increased operating revenue. SelfWealth currently offers a \$9.50 flat-fee ASX brokerage service as well as integrated, unique data-driven investment portfolio solutions, powered by a large group of Australia's self-directed investment community.

The Company is planning on launching its first ETF constructed using data from the best performing investors among more than 60,000 SMSF portfolios.

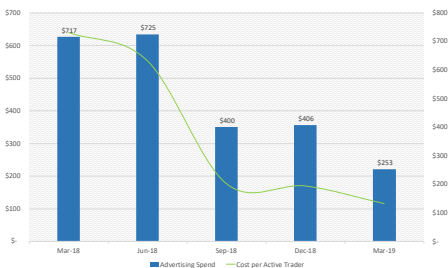
The Company looks forward to announcing more information regarding the ETF in coming months. Please visit [etf.selfwealth.com.au](http://etf.selfwealth.com.au) to sign up for an information pack when available.

## Key Performance Indicators

Trade Growth



Cost per New Client

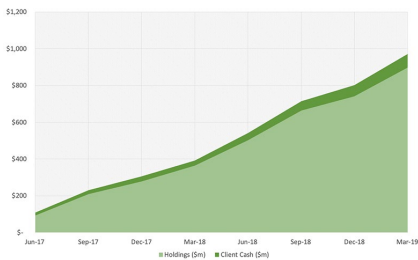


Trade volume growth for the quarter was an encouraging 29.6%. Total trades for the quarter increased to 44,048, driving trading revenue for SelfWealth.

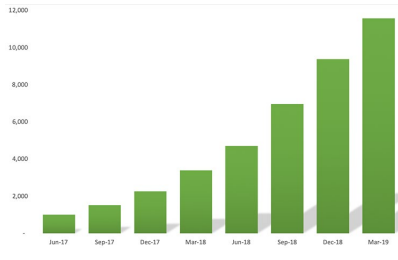
The increased trading volumes came from new and existing SelfWealth users alike, with new clients continuing to grow steadily month-on-month, despite a reduction in advertising spend. Advertising spend will continue to drop as functions are brought in-house and digital campaigns are optimised to improve the efficiency of customer acquisition.

New client numbers are up quarter-on-quarter, breaking through the 10,000 mark early in the quarter and finishing at 11,565 — up 23.4% on the previous quarter's total of 9,369. This growth represents 15% of new and churning investors across the industry, according to Investment Trends' reporting.

Funds Under Administration (\$m)



Active Trader Growth



Another key revenue driver – interest generated from client cash balances – has followed the increase in trades, with a jump of 22.9% in client cash balances (\$61m to \$75m). The growth in these vital revenue drivers has had the natural flow-on effect to operating revenue, which has increased to \$740,000 in Q3 FY19, up from \$522,000 in the prior quarter. Coupled with the decrease in expenditure, the cash burn is down to \$821,000 for the quarter.

The total Funds Under Administration (FUA) indicates the value of assets on HIN, as well as cash held by clients, that are using the SelfWealth platform for their investments. This has continued to grow steadily in-line with client acquisition and is ready to break through the \$1bn mark, sitting at \$972m at the end of March. This is comprised of \$897m in holdings under HIN and \$75m in client cash.

**“It’s exciting to be reaching key milestones for the business. We surpassed the ‘1,000 trades in one day’ mark early in February and will easily surpass the \$1bn under FUA in Q4.” Andrew Ward, Founder and CEO.**

## SelfWealth Adviser Platform

Development of the SelfWealth Adviser Platform, the wholesale platform that enables financial advisers to manage client portfolios on the SelfWealth platform, continues to be rolled out and well-received amongst onboarded advisers. With more advisers set to join in 2019, this will further fuel SelfWealth’s growing trade volumes and interest revenue.

For more information on the SelfWealth Adviser Platform please visit [advisers.selfwealth.com.au](https://advisers.selfwealth.com.au).

# Retail Platform Enhancements

The Company continues to refine and enhance its trading platform, with commercial options for international share trading being explored now. The technology team have worked hard over the past weeks alongside our partners, most notably OpenMarkets, to transition to iRESS, a more stable and modern trading system. SelfWealth clients will not see any apparent changes, other than quicker trade submissions to the market. The change protects the platform against downtime and allows for more advanced technology upgrades in the future.

Andrew Ward, pleased with the uplift in all key areas, had this to say on the company's progress, "We've continued our growth into the start of the 2019 calendar year, persistently taking market share from the incumbents with our innovative solution and disruptive pricing.

**"To have almost one-third of our acquisition to come from referrals and word of mouth gives us great confidence in the product we've built and continue to build on. We want to thank the Australian investment community for their continued faith in the Company.**

"A key goal for the business has been to increase operating revenue while decreasing our costs, and we've managed to exceed our own internal goals on this front while increasing our rate of acquisition and technology output in the form of platform upgrades. I'm proud of the work the team has done in the past few months and am excited about what the future holds."

---

## Media Enquiries

Jarrold Purchase, General Manager - Marketing

jarrold.purchase@selfwealth.com.au

+61 (0) 405 353 114

## Investor Enquiries

Andrew Ward, Founder & CEO

andrew.ward@selfwealth.com.au

# Who is SelfWealth?

## The Story

SelfWealth is the solution to a problem Founder and CEO Andrew Ward, a veteran of the wealth management industry, had been frustrated with for years: how to provide a fair and simple service to Australian investors, that grants them access to some of the world's most cutting edge investment insights, without breaking the bank.

Since those beginnings in 2012 Andrew has taken the company to float in late 2017 and introduced what is now known as Australia's fastest growing, only flat-fee share trading platform. The key offerings are the \$9.50 flat-fee brokerage and a community-driven insights tool that pools information from over 60,000 Australian investor portfolios.

This inquisitive company and its leadership continues to innovate and surprise the industry with new solutions to an age-old problem: how to trade smarter.

---

## Product Suite



### Share Trading Platform

Australia's cheapest and fastest growing flat-fee ASX trading platform.



### Power of the Crowd

Actionable insights from over 60,000+ real investor portfolios that assist members in outperforming the market.



### SelfWealth SMSF Leaders Fund

World-first ETF driven by community data to be launched 2019.



### SelfWealth Adviser Platform

Introducing an industry-changing Adviser Platform for share trading.



# SelfWealth<sup>®</sup>

Trade smarter. Every time.

SelfWealth Ltd  
ACN 154 324 428

Level 2, 613 Canterbury Road  
Surrey Hills  
Melbourne, VIC, 3127

[shareholders@selfwealth.com.au](mailto:shareholders@selfwealth.com.au)  
[investors.selfwealth.com.au](mailto:investors.selfwealth.com.au)



## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

SelfWealth Limited

**ABN**

52 154 324 428

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	740	1,763
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(443)	(1,228)
(c) advertising and marketing	(301)	(1,370)
(d) leased assets	(29)	(89)
(e) staff costs	(550)	(1,696)
(f) administration and corporate costs	(240)	(825)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	574
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(821)</b>	<b>(2,864)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	(2)
(e) other assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(6)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,393	2,805
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(129)	(284)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,264</b>	<b>2,521</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,494	3,286
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(821)	(2,864)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(6)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,264	2,521
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>2,937</b>	<b>2,937</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	2,937	2,494
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,937</b>	<b>2,494</b>

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	144
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

The amount at 6.1 includes payment of directors' fees and salary of managing director.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	450
9.3 Advertising and marketing	140
9.4 Leased assets	30
9.5 Staff costs	650
9.6 Administration and corporate costs	290
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,560</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:      Company secretary

Date: 29 April 2019

Print name:      Phillip Hains

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.