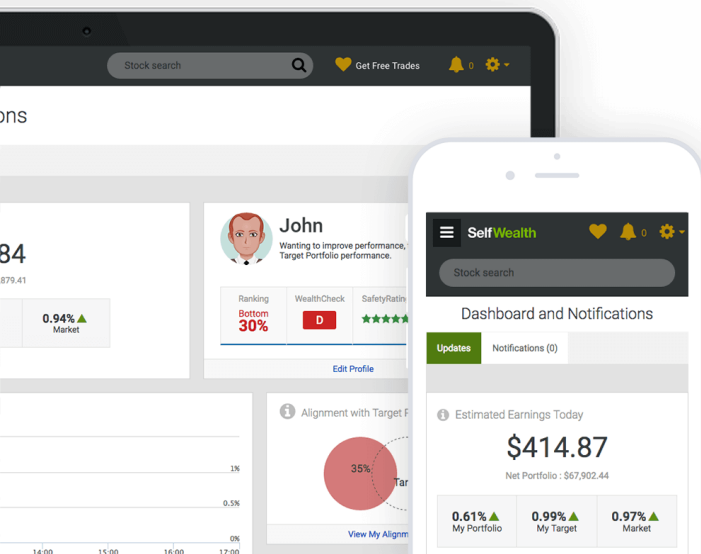


# SelfWealth<sup>®</sup>

Trading knowledge not just shares



*Half Year FY18  
presentation*

*February 2018*

# Half-Year Highlights



✓ SelfWealth has demonstrated rapid growth across all key metrics for 1H FY18.

✓ 1H FY18 performance comparatives :

Key metrics		1H FY18	1H FY17	% Change		2H FY17	% Change	
Revenue	\$000s	278	21	UP	1224%	104	UP	167%
Active Users		2,261	150	UP	1407%	998	UP	127%
Trade Volume		26,269	1,875	UP	1301%	10,162	UP	159%
Client stock holding	\$M	277	12	UP	2208%	91	UP	204%
Client cash	\$M	29	4	UP	625%	17	UP	71%

✓ Successfully listed on the ASX on 23 November after raising \$7.3 million.

✓ SelfWealth will substantially increase its marketing spend CY18 to further accelerate growth across all key metrics.

✓ 2H FY18 has commenced with continued momentum and further strong growth is expected.

# Our vision: Australia's #1 'low-cost flat fee' online share broker

## Our Business

**\$9.50 flat fee brokerage**

**Community peer investing solution**

**Growing A\$1.7bn+ market opportunity**

**Executing on a clear plan**

## Validation

**2,261**  
Active Trading  
Members

**6,881**  
Trading Applications  
launched

**A\$281m**  
Total value of client HINs  
(Dec 2017)

**A\$29m**  
Total client cash holdings  
(Dec 2017)

**~39,000**  
Cum. trades executed  
(Dec 2017)

**A\$1bn+**  
Cum. trade value  
executed (Dec 2017)

## Recognition



**2018 Winner**  
Cheapest Online Broker



**2017 Finalist**  
Fintech Business Awards  
Investment Innovator of the Year



**2016 Winner**  
Australian Business Awards  
Software Innovation



**2016 Winner**  
Optus My Business Awards  
Fintech Business of the Year



**2016 Finalist**  
ifa Excellence Awards  
Innovator of the Year



**2016 Finalist**  
Benzinga Fintech Awards

# Business model: Underpinned by three existing revenue streams, with scope to add multiple additional sources in the medium term

## Existing revenue streams

### Trading revenue

- **Flat fee of A\$9.50** per trade (irrespective of the trade size)
- Brokerage fees for both consumers and enterprise / corporate agreements
- Low cost brokerage

### PREMIUM revenue

- **A\$20 per month** (free access provided for the first 90 days)
- SelfWealth PREMIUM for consumers and enterprise / corporate agreements
- Subscription-based fees provide recurring revenue stream

### Interest revenue

- **RBA cash rate + 0.5% p.a.**
- Represents TRADING cash account interest income, with clients' monies held with ANZ bank

## Imminent revenue streams

Exchange traded funds revenue

International shares

## Potential revenue streams

Margin Lending

Data Licensing

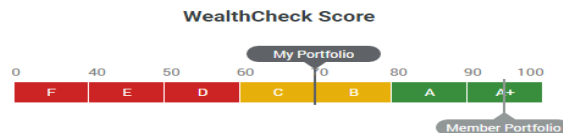
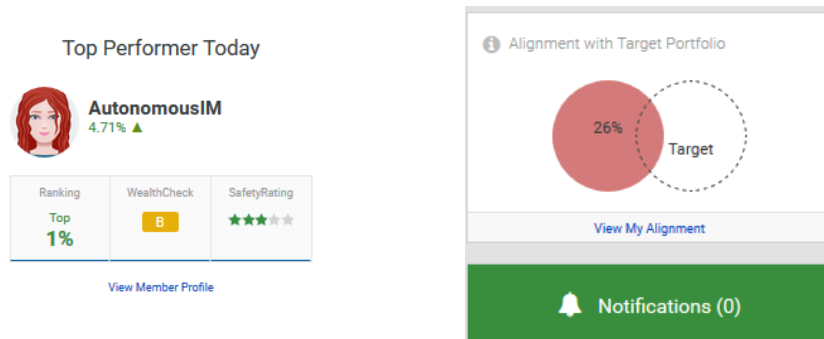
Advertising

# SelfWealth PREMIUM access benefits

SelfWealth PREMIUM provides members with a range of performance enhancements alerts and emails, including:

- ✓ Access the power of the community – 30,000+ portfolios
- ✓ Target portfolio – peer to peer portfolio construction
- ✓ Track top performing members, member profiles like you, receive alerts as they trade.
- ✓ Top stock of the day, most traded stock, community sentiment on stocks in your portfolio
- ✓ Mobile phone app notifications create reliance on SelfWealth PREMIUM with portfolio movements and other member/index activity.

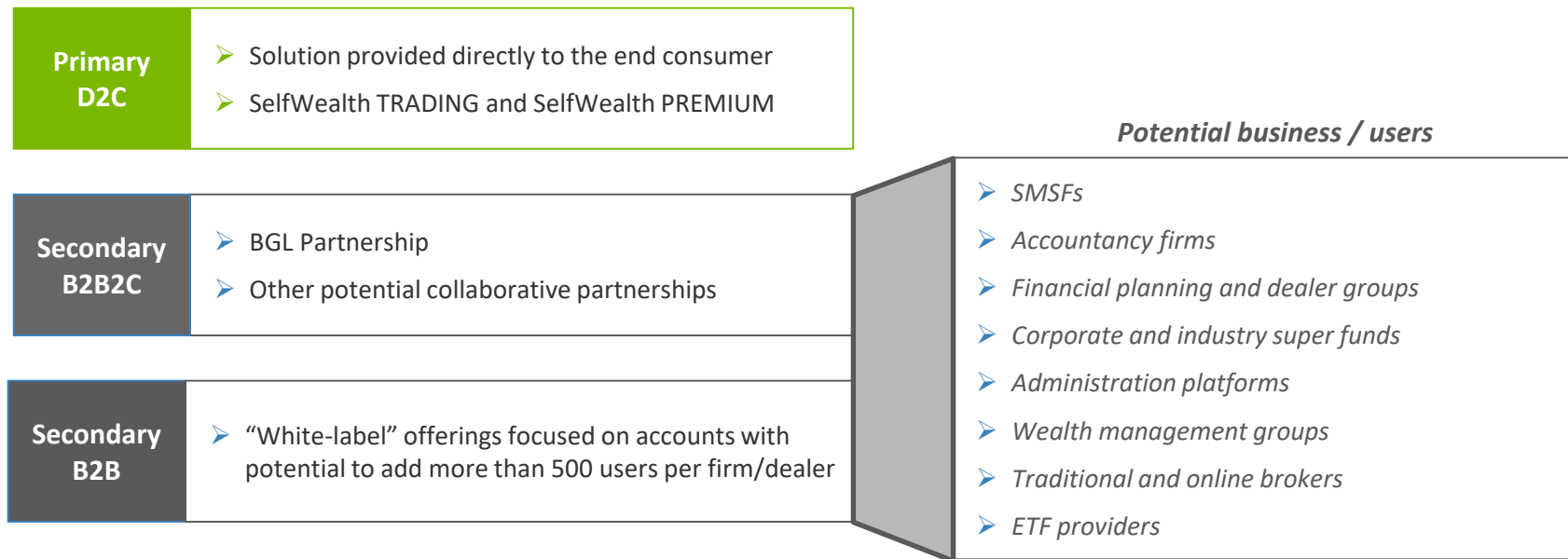
SelfWealth is Australia's first peer- to-peer investing solution, providing a well-established financial community and access to “follow” top investors to help members outperform.



# Distribution strategy

Distribution strategy in place to maximise potential users and aligned with SelfWealth's existing revenue model

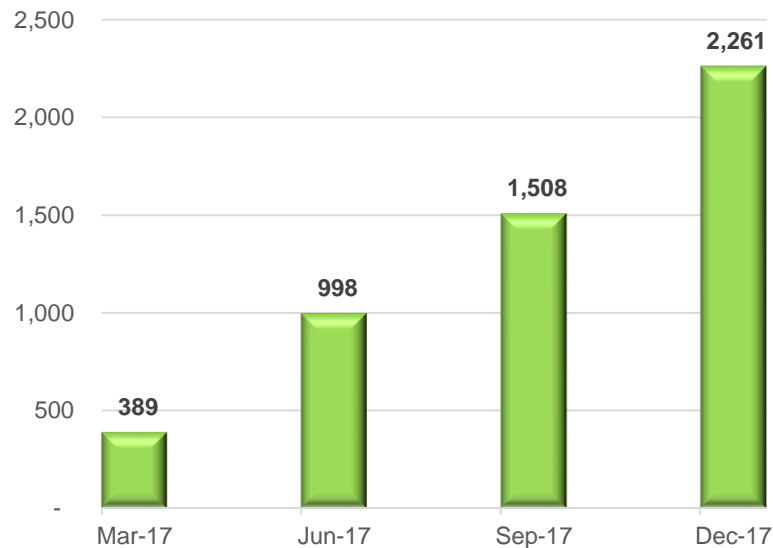
## Distribution channels



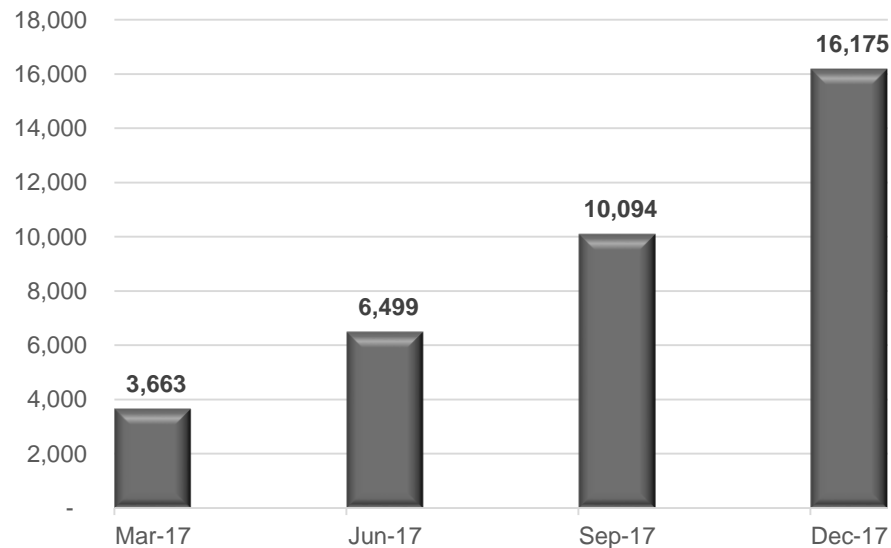
*SelfWealth is focused on distributing the platform through relevant channels with existing distribution networks*

# SelfWealth KPI traction to December 2017

## Number of active traders - cumulative

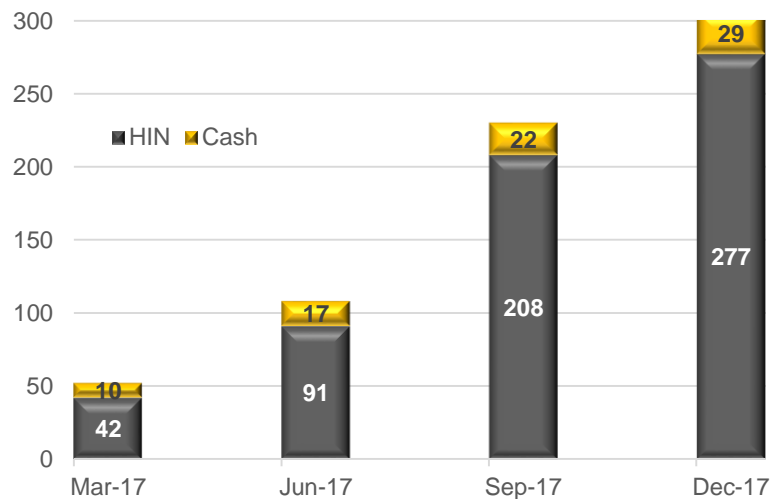


## Trade volumes by quarter

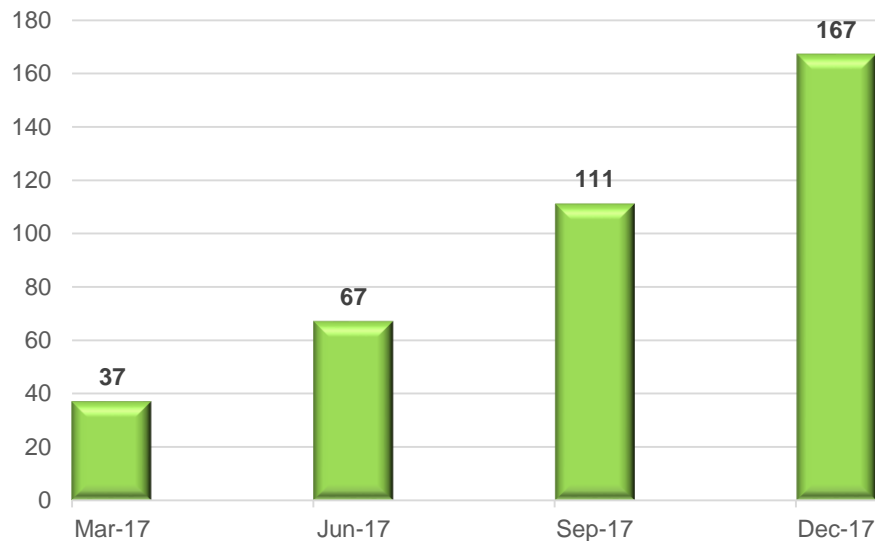


# SelfWealth KPI traction to December 2017 (cont'd)

Client HIN and cash holdings (\$m)



Quarterly revenue (\$'000s)



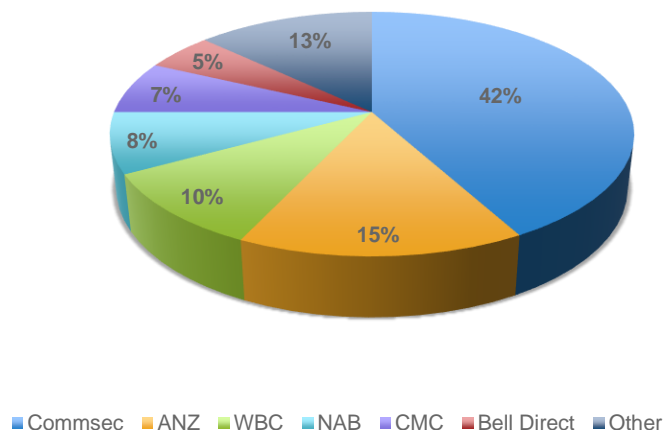


# SelfWealth is well positioned to capture market share

Our trading costs are significantly more attractive than any other provider in the market... <sup>1</sup>

...and we are only just beginning to optimise how frequently our users trade with us

**Online Trading Market Share**



Source : 2014 Investment Trends publication.

Trade Size	SelfWealth	Comm Sec	ANZ	Bell Direct
< \$1,000	\$9.50	\$10.00	\$24.95	\$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+	\$100+	\$100
\$1,000,000	\$9.50	\$1,200+	\$1,000+	\$1,000

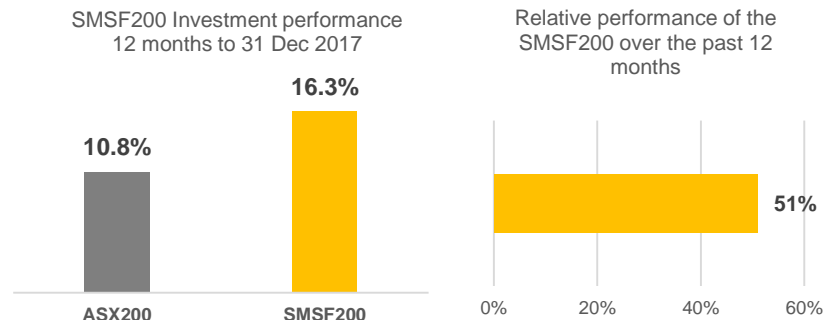
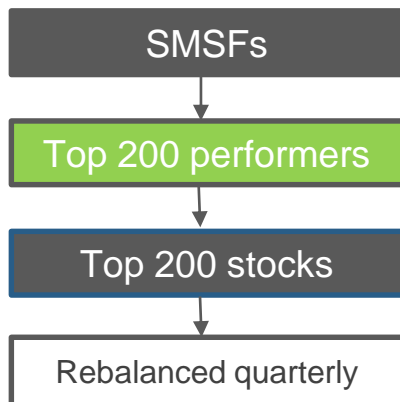
1. Other brokerage costs based on the following companies – CommSec, ANZ, WBC, NAB, Bell Direct, IG Markets. Assuming one trade only (i.e. no volume discounts) –Current @ August 2017

# Exchange Traded Funds (ETF)

Strategic partnership with BGL underpins the expected growth trajectory of **SelfWealth's SMSF ETF**

## Exchange Traded Funds

- **SelfWealth will offer an Australian representative 'Self Managed Super Fund ETF' in CY18, sourced from a large SMSF data base**
- Act as a reference index for 600,000 SMSFs in existence
- SMSF data sourced from BGL Simple Fund 360 (BGL's cloud solution)
- SMSF data base target is 250,000 funds, already transitioned > 28,000
- Performance data of 28,000 funds is distilled to the top performing 200 SMSFs by Wealthcheck score and the top weighted 200 stocks therein:



If the SelfWealth SMSF ETF had been available, ETF participants would have achieved an 51% higher performance than the ASX 200 benchmark for the year ended 31 December 2017.

## BGL overview

- BGL is Australia's largest SMSF administration and compliance software provider
- Servicing ~60% of the Australian SMSF market representing a client base of ~350,000 SMSFs (~A\$90bn AUM)
- BGL is transitioning clients to SimpleFund 360 cloud solution
- Broader market data opportunity exists post IPO

## Focus for next 6 months

- Increased marketing to grow brand awareness
- Grow key metrics:
  - > Active Traders, Trade volumes, Tradeable Assets, and Revenue
- Financial planner portal launch – March 2018
- ETF product launch – April 2018
- Upweight user functionality

# Summary

- ✓ Significant market opportunity identified and targeted
- ✓ Compelling user propositions launched and rapidly established traction in the market
- ✓ Experienced and motivated senior management team on board
- ✓ Clear strategy and execution plan in place

THANK YOU

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