

# SelfWealth<sup>®</sup>

## 2020 Annual Report

Delivering exceptional growth

21st August 2020



SelfWealth Ltd  
Level 2, 613 Canterbury Road Surrey Hills  
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# Disclaimer

The material in this presentation has been prepared by SelfWealth Ltd and is general background information about SelfWealth's activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments.

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# Who We Are

SelfWealth is the solution to a problem Australian investors have been frustrated with for years: how to access the world's most cutting edge investment insights, without breaking the bank.

## Our History

**2012.** Founded by Andrew Ward. Australia's first P2P investing community is created.

**2016.** Australia's first flat-fee online broker launched.

**2017.** SelfWealth lists on the ASX under ticker code SWF.

**2020.** Milestones: \$3bn funds under administration (FUA) and 50,000 active traders.

## Our Products

**Retail trading platform.** \$9.50 flat-fee brokerage. No account fees or commission.

**SelfWealth Adviser Platform.** Advisers can now access flat-fee brokerage.

**The SelfWealth SMSF Leaders ETF.** \$100m seeding at launch in 2019.

**FY21 First Half:** US trading launch followed by a brand new iOS and Android app.



# Key Products

SelfWealth is Australia's fastest-growing share trading platform for retail investors and leads the market on price and simplicity, with \$9.50 flat-fee ASX trading and no monthly account fees.



Award-winning \$9.50 flat-fee ASX trading. Only flat-fee broking platform in Australia.



SelfWealth's online customer service is backed by positive reviews and feedback. SelfWealth is the highest rated retail trading platform on all major review sites.



A world-first ETF driven by data from top performing SMSF portfolios.



The SelfWealth Adviser Platform allows financial advisers to access the famous \$9.50 flat-fee brokerage, as well as time-saving rebalancing tools.







## Highlights

2020 Key Performance Metrics

Financial Results

Business Update

**SelfWealth®**



# FY20 Highlights

Year on year. End of June 2019 vs end of June 2020.

 **313%**  
increase in revenue YOY to \$8.6m.

 **235%**  
increase in active traders to 46,445.

 **299%**  
increase in total trades to 659,131 for the year.

 **\$366m**  
Total client cash held. Up 307% YOY.

 **\$2.52bn**  
Total assets on HIN, up 124% YOY.

 **\$147k**  
Cash burn for FY20 relating to operating activities, down from \$3.4m.





Highlights

**2020 Key Performance Metrics**

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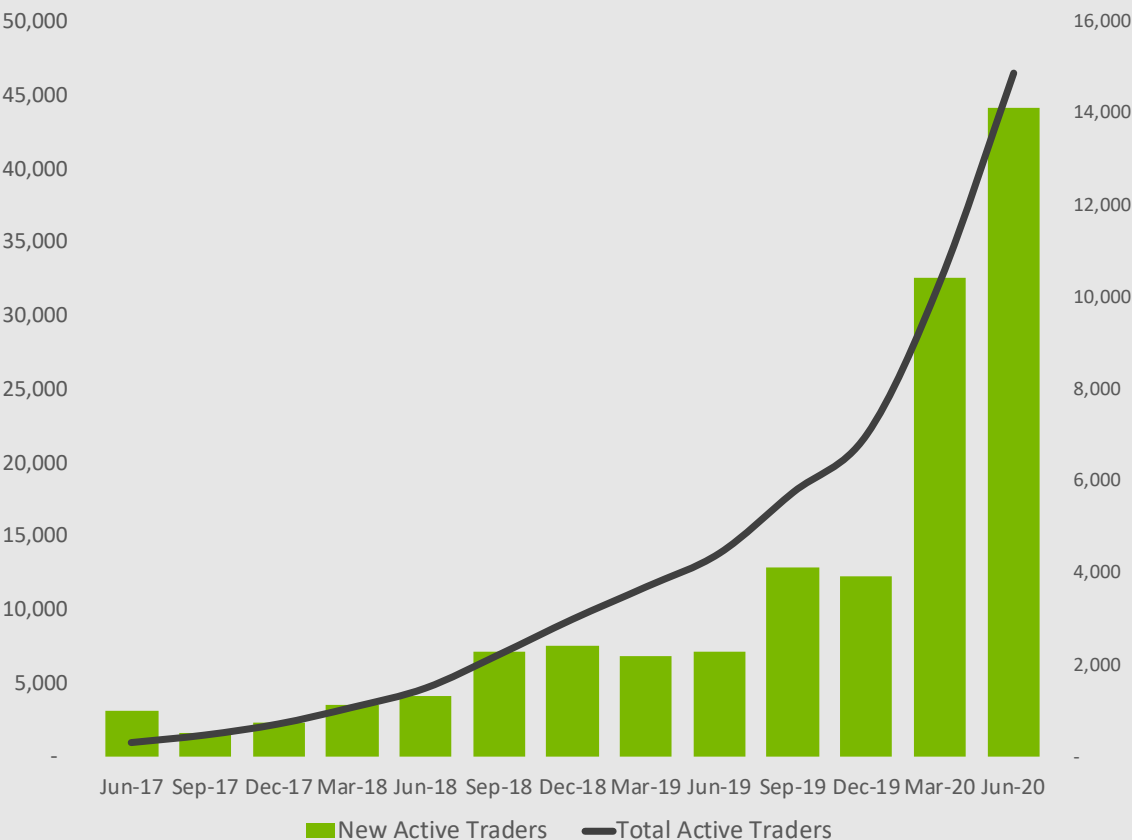
**SelfWealth®**



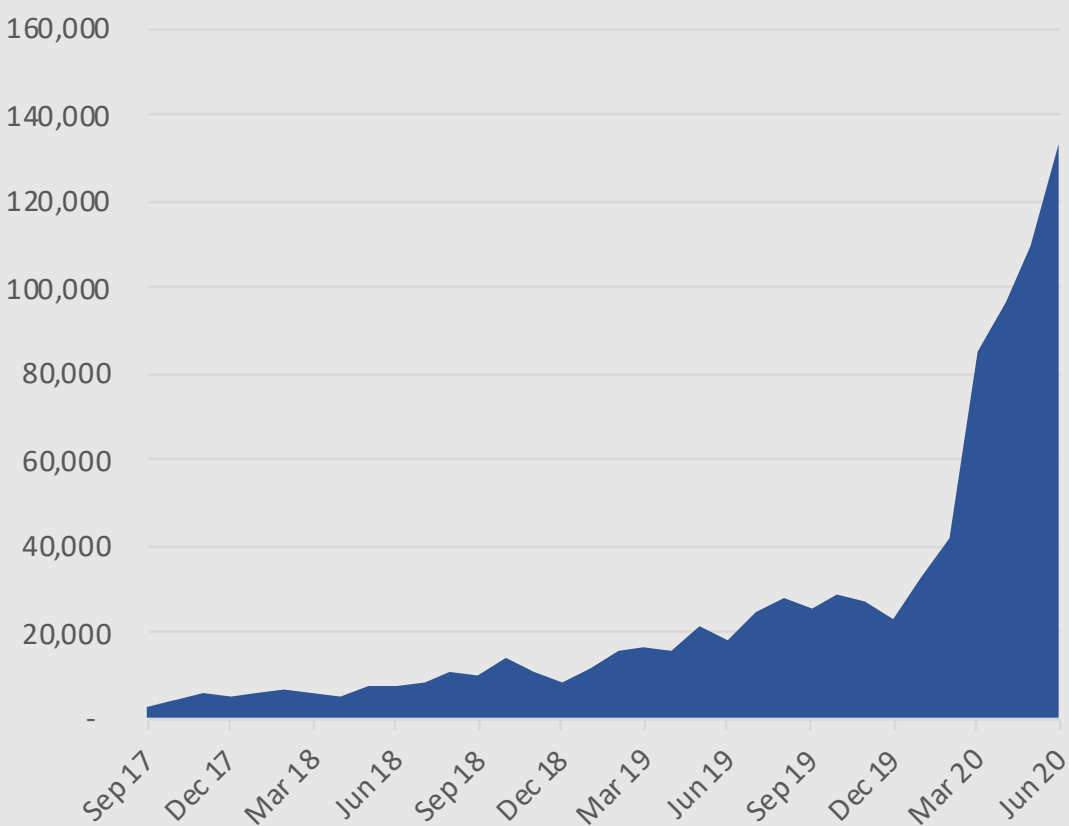
# Visualising Our Growth

SelfWealth's growth is best represented visually. The sharp increase in active traders through the pandemic tells the story of a young brand developing into one of Australia's most trusted in the investment industry.

## Active Trader Growth by Quarter



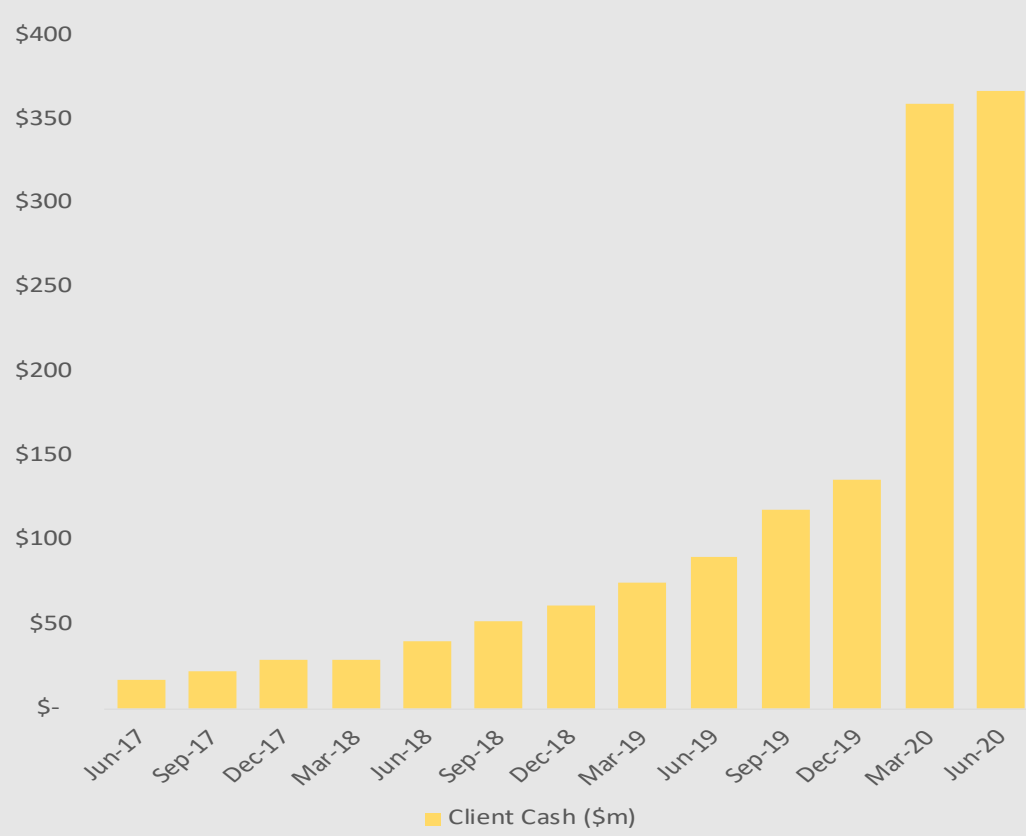
## Trade Volumes by Month



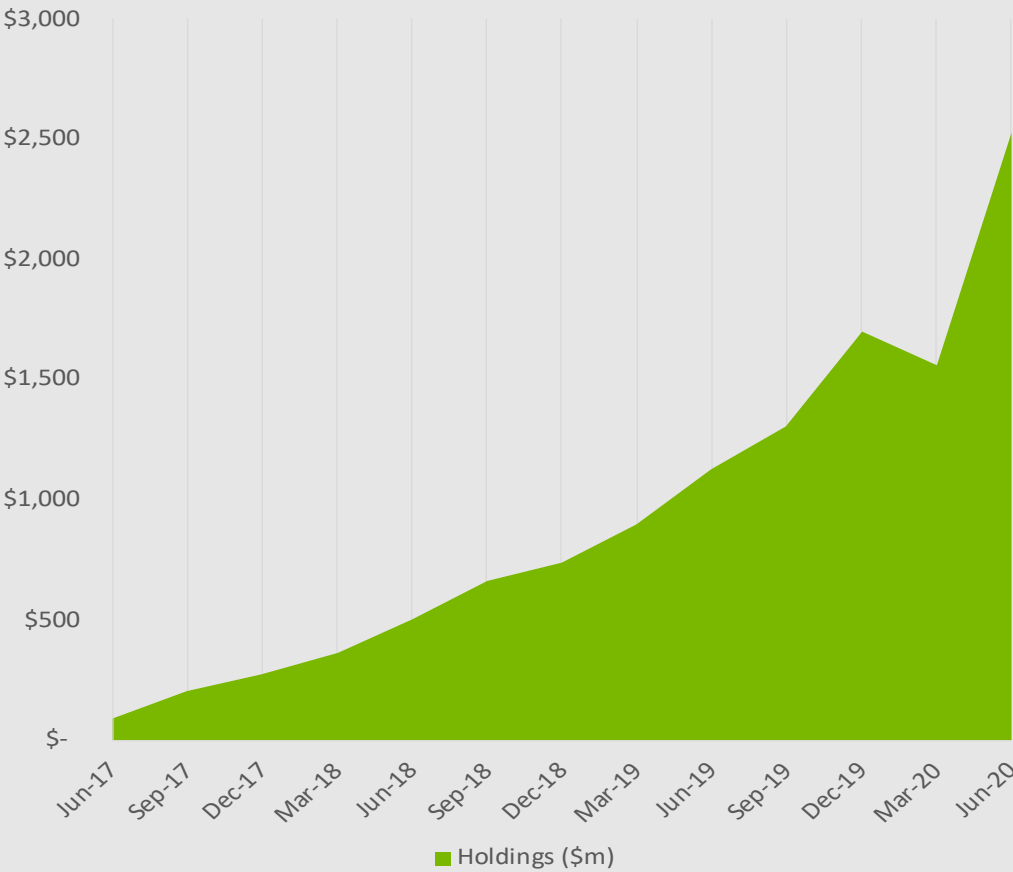
# Visualising Our Growth (cont)

Client cash grew in line with new client acquisitions and assets on HIN continue to grow, due to recovering markets and new active traders.

Client Cash Growth by Quarter (\$m)



Assets on HIN (\$m)





Highlights

2020 Key Performance Metrics

**Financial Results**

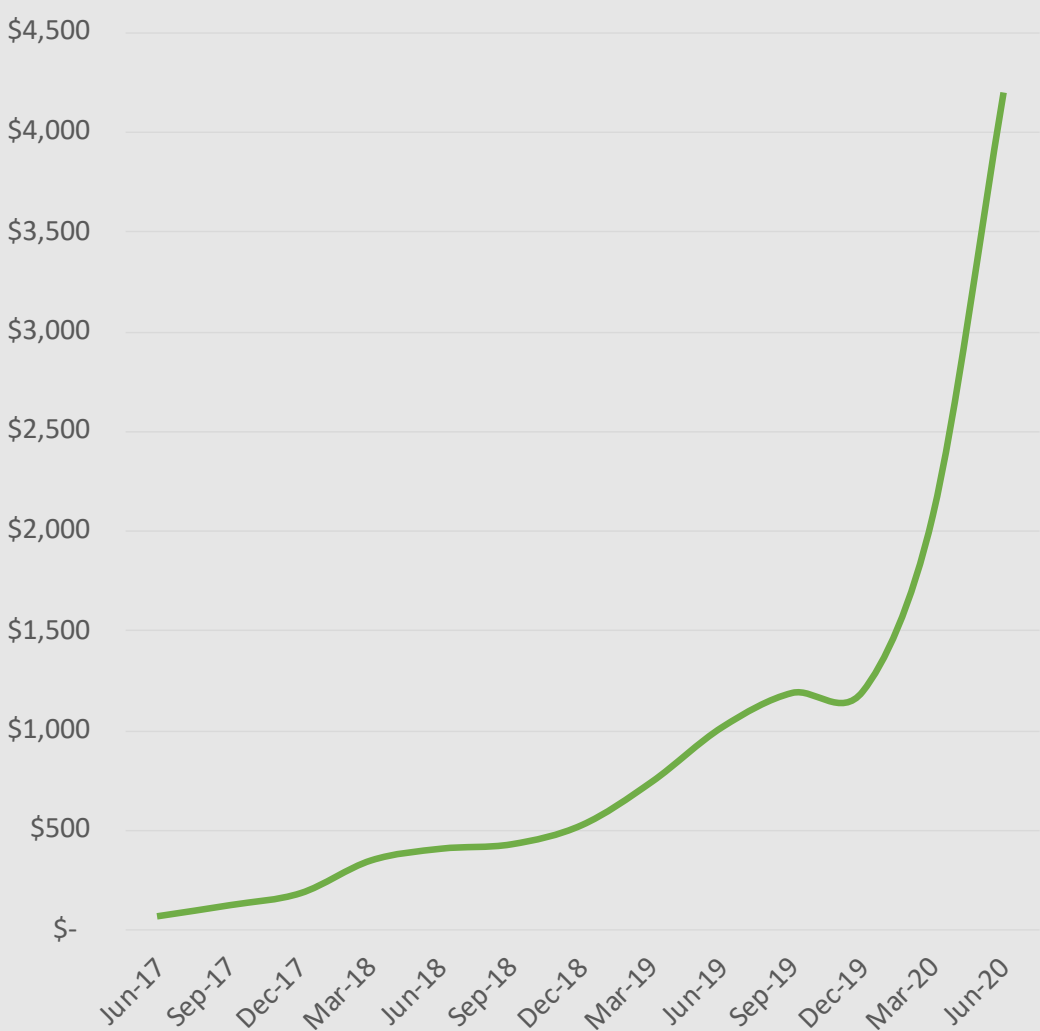
Business Update

**SelfWealth®**

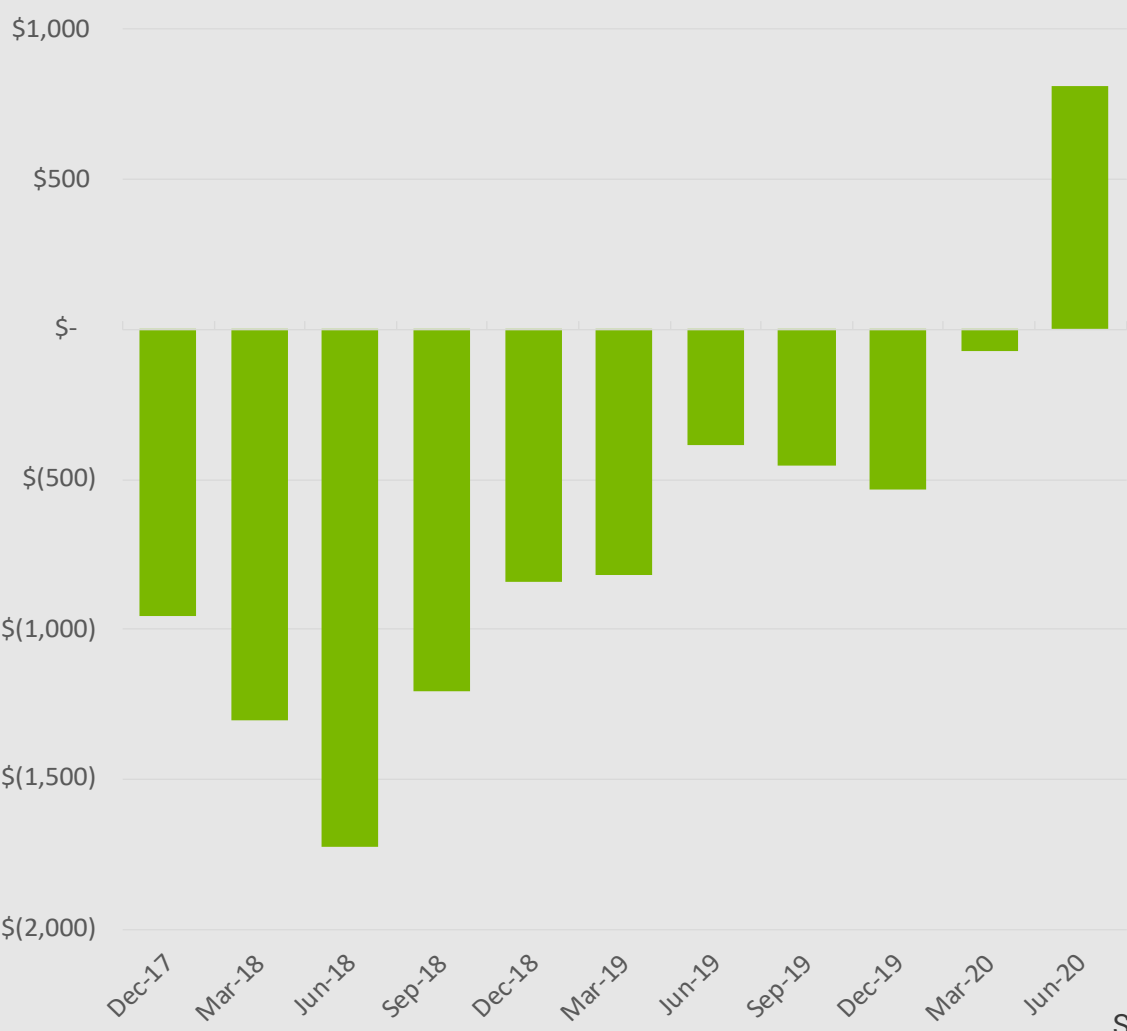


# Financial Results

Operating Revenue by Quarter (\$m)

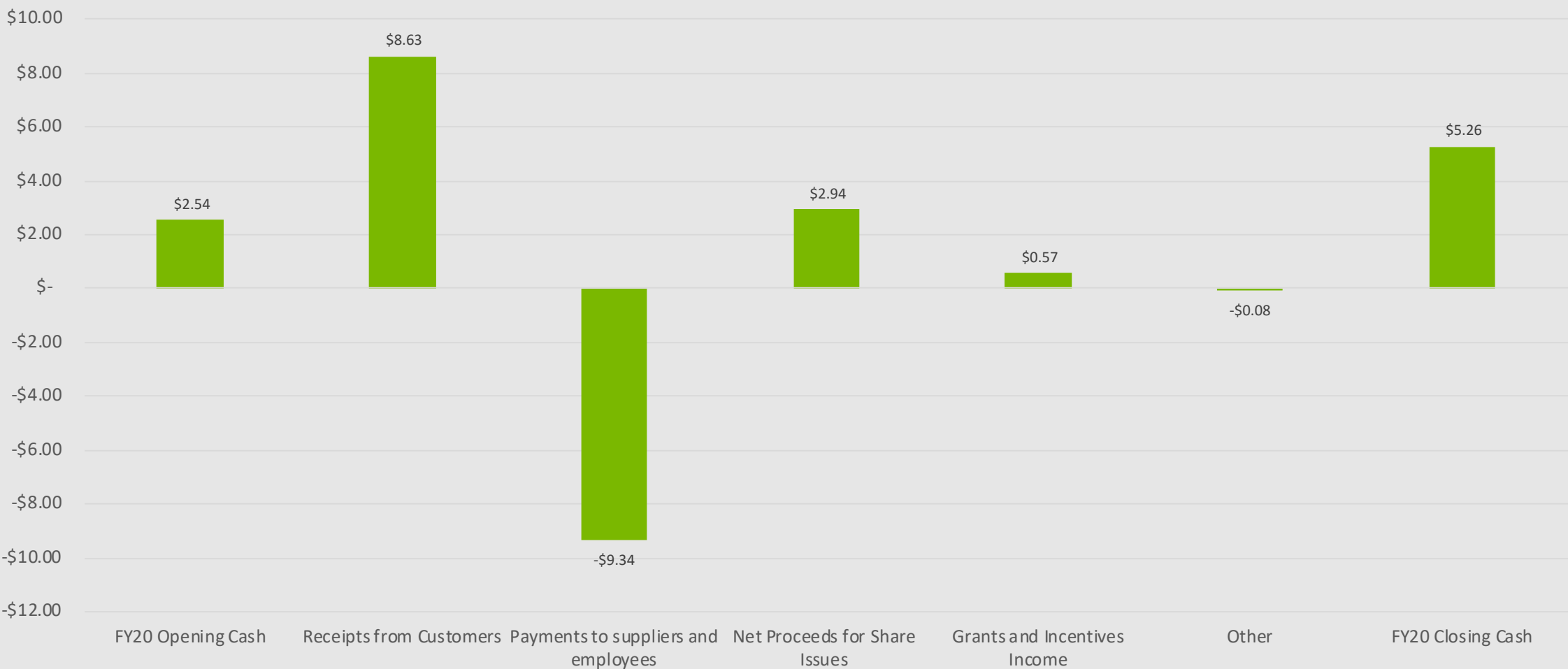


Cash Flow by Quarter (\$m)



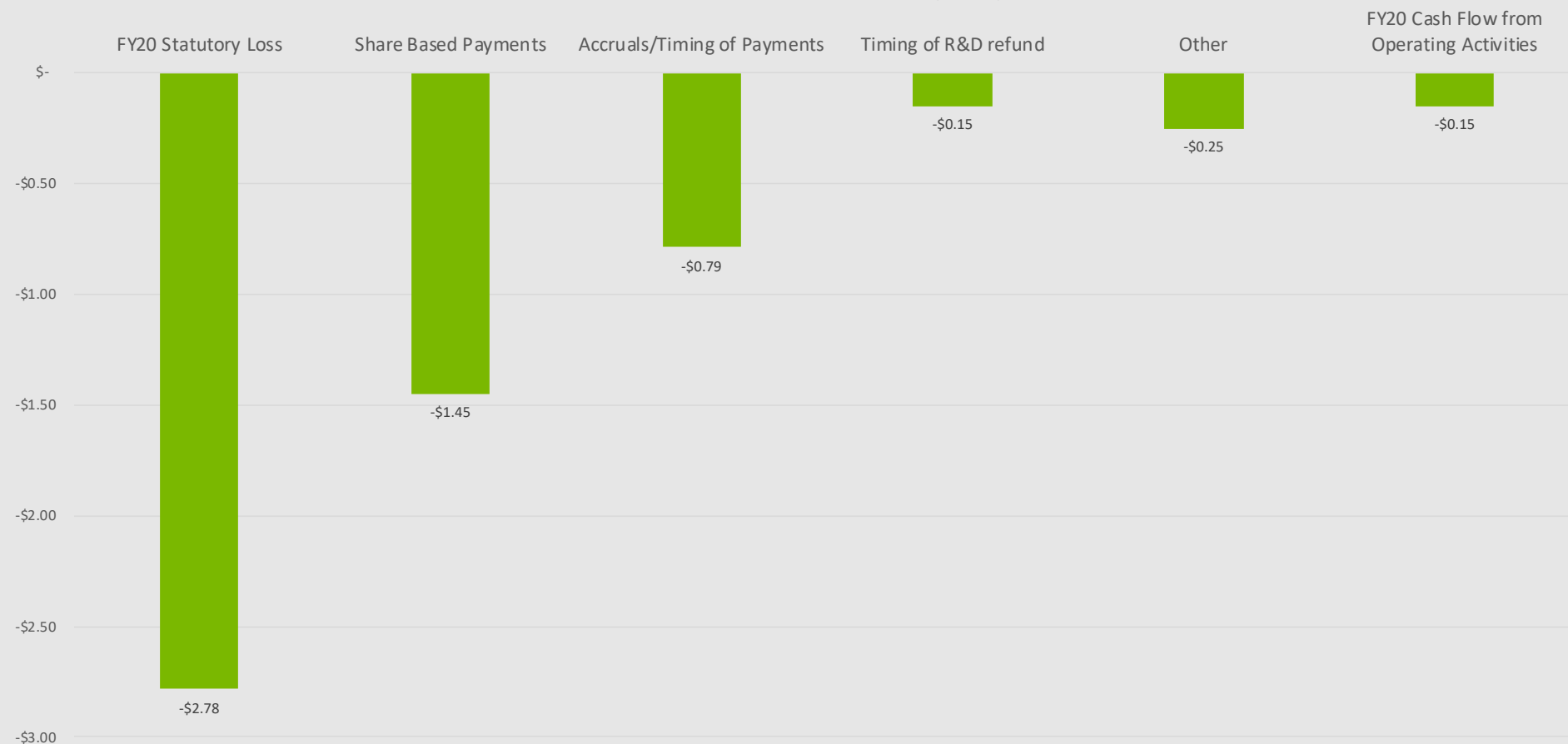
# Financials Cash Bridge

## FY20 Cashflow from Operating Activities (\$m)



# Financials Cash Bridge

## FY20 Bridge from Statutory Loss to Operating Loss (\$m)



Share-based payments relate to (1) employees performance bonus paid in FY20 which were not accrued in FY19; (2) short-term and long-term incentive accruals, and; (3) employment of the new Managing Director.





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**SelfWealth®**



# Structural Changes

A generation of savers is transforming into a generation of investors.



Wealth creation has been turned on its head. Ultra-low interest rates, term deposits no longer attractive, stagnant wage growth.



A momentous shift in the digitisation of investment markets.



COVID-19 has accelerated tailwinds for broker platforms, and SelfWealth was positioned well to capture the uptick.



Australians more likely to start or increase investing than before COVID-19\*



# FY21 Performance to Date

SelfWealth's momentum continues into FY21.

**50,000**

active traders milestone surpassed in July.

**2nd**

highest trading and revenue month ever, in July.

**\$400m**

in client cash milestone reached in August.



# Growth in the Addressable Market

Total Online Investor Market Overtime ('000s)





# Market Share

SelfWealth continues to take market share from incumbents.

6%

of all online investors use SelfWealth.  
Up from 4% in Dec. 2019.

12%

of all new online investors choose  
SelfWealth.

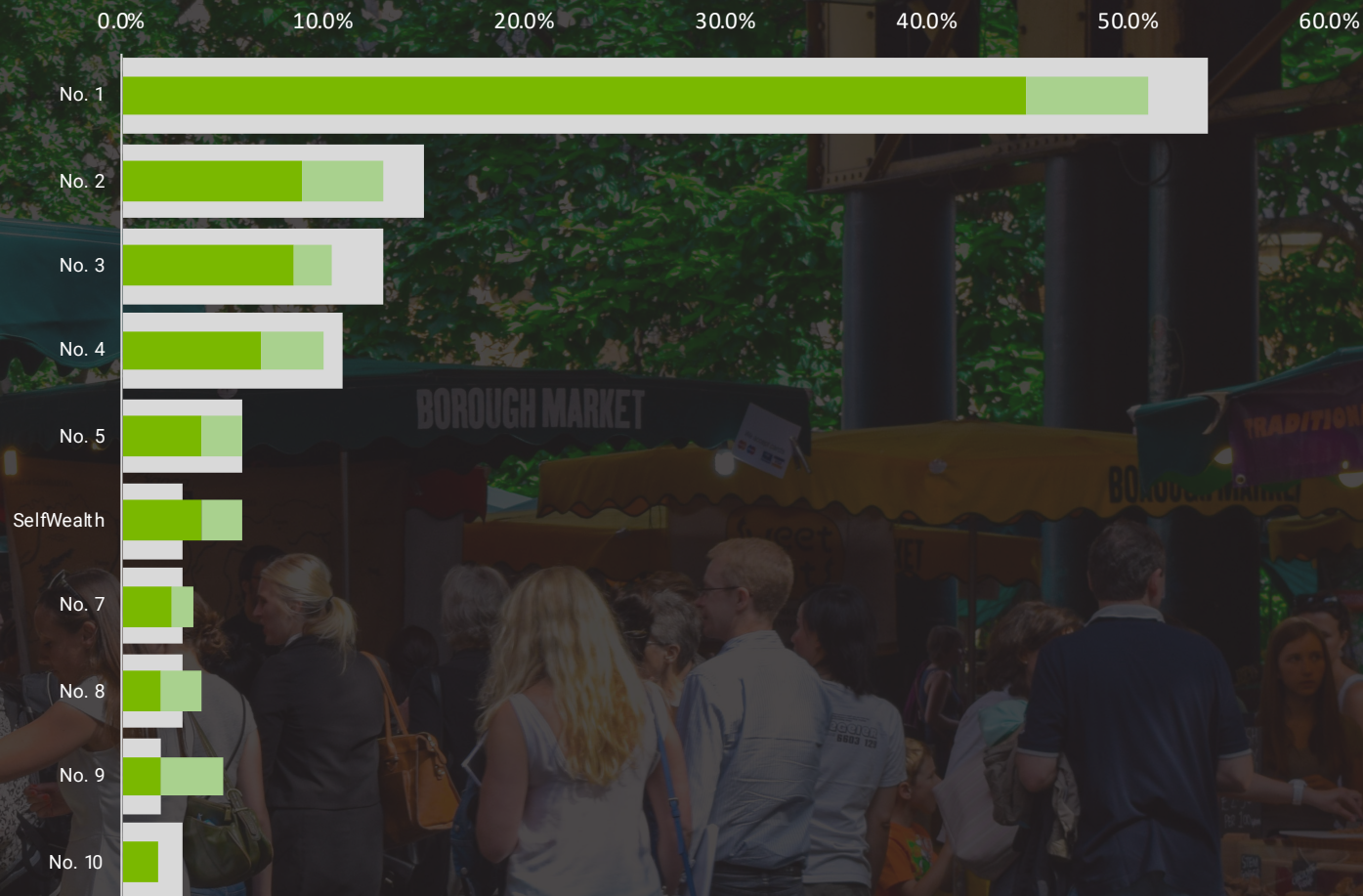
11%

of all online investors changing  
brokers choose SelfWealth.

#1

in the industry for value for money.

Investment Trends, 2020 First Half Australia Online Investing Report. Graph: Top 10 brokers by Primary and Secondary Relationships with investors. Secondary Relationship = an investor places less than the majority of their trades. Survey of 11,492 Australian investors.



■ Total Relationship Dec. 2019 ■ Primary Relationship ■ Secondary Relationship



# Looking Forward

## International Trading

SelfWealth will be launching US trading in the December quarter. SelfWealth intends to become the home for direct equities trading, with a highly-competitive fee structure and the ability for Australian investors to invest in the US and Australia, all in the one place. More international markets to be added in the future via a partnership with PhillipCapital.

**86%** of existing SelfWealth clients indicated they would transfer their US holdings to SelfWealth.

**#1** The US market is the most popular international market with Australian investors.

**\$9.50** Simple flat-fee messaging for Australian and US equities. Lower than all banks. 60 bps on FX.



# Platform Enhancement

Our customers are extremely involved with the SelfWealth platform and eager to provide feedback. These enhancements will be added to improve the investing experience on SelfWealth over the coming 12 to 18 months.

- » Add platform-wide live pricing as a paid-for feature. This is the number 1 requested feature by clients.
- » Increased independent stock research for both Australian and US equities via renewed partnership with Refinitiv.
- » Enable the creation of 'minor' accounts for parents wanting to invest on behalf of their children.
- » Delivering unique IPO opportunities to investors as well as access to capital raising and the ability to trade options.

# 2/3

of SelfWealth clients have indicated they would be willing to pay for additional features or services.<sup>^</sup>

<sup>^</sup> Investment Trends, 2020 First Half Australia Online Investing Report. Results from surveyed Australian investors.



# Modern Mobile App

The SelfWealth app is due for an overhaul. The new iOS and Android apps will attract more millennials and zoomers, while retaining existing SelfWealth clients and improving their investing experience.

#2

SelfWealth clients are the second most prolific mobile investors, excluding mobile-only products.

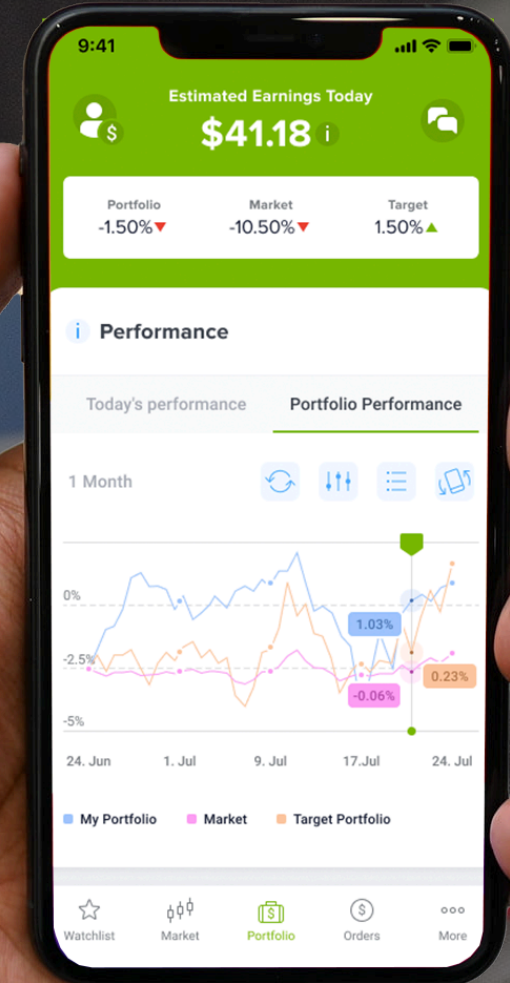
#2

The second most likely reason for clients to leave a broker is a poor mobile experience. #1 is brokerage.



Positive mobile app experience essential in attracting and retaining millennial and zoomer audiences.

Investment Trends, 2020 First Half Australia Online Investing Report. Results from surveyed Australian investors. Indicative example of app. Work in progress.





# Strategic Partnering

SelfWealth recently announced that, after an exhaustive tender process it has awarded a new contract to OpenMarkets, the current supplier of Clearing, Settlement & Execution (CS&E) services for the SelfWealth trading platform.

- » The new contract, along with the new terms, to begin in January 2021.
- » This contract will see SelfWealth reduce the costs of clearing in line with current growth. SelfWealth will continue to be rewarded with cost reductions alongside future growth.
- » SelfWealth is currently in discussions with the OpenMarkets Group to bring additional products and tech to the SelfWealth platform.



# Thank You

## Shareholder or Investor Enquiries

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For retail trading visit [selfwealth.com.au](https://selfwealth.com.au)

For more information on the SelfWealth SMSF Leaders ETF visit [etf.selfwealth.com.au](https://etf.selfwealth.com.au)

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

*Robert Edgley, Managing Director of SelfWealth Pty Ltd has authorised the release of this announcement to the market.*

**SelfWealth.**<sup>®</sup>

Trade smarter. Every time.