

ASX Release

29th July 2019

Letter to Raiz Invest Customers from George Lucas, Managing Director/CEO

Hi,

Since Raiz opened for business in early 2016, we have enjoyed great growth. Today, we have more than 700,000 users with over \$300 million in funds under management. Another \$50 million sits in Raiz Invest Super.

I am often asked the reasons for Raiz's growth. Is it the appeal of micro-investing, especially for younger Australians, who appreciate the importance of acquiring savings and who gravitate to new investing trends? Or is it the ease of access and technological convenience of the Raiz App that appeals?

Although these are all important factors, I think they overlook the main reason for our growth - the loyalty and support of our users. The more than 195,000 active users who are coming on this journey with us, share our vision for micro-investing and what it can deliver personally for them over the short and long term.

So, it's gratifying to be able to announce that in the first half of 2019, equity markets have been much kinder, making up for the poor performance in the last half of 2018.

The Conservative portfolio option earned 6.9% for 2018-19 financial year, well above the cash rate and the Chant West benchmark return of 5.6%. The Moderately Aggressive portfolio earned 8.7% and the Emerald portfolio earned 10.9% for 2018-19 financial year compared with the Chant West benchmark return of 7.0%. The other portfolios also outperformed their relevant benchmarks.

It's always pleasing to be able to deliver such positive returns to our customers. But we always caution that past performance is not a good predictor of future performance. Markets will always go up and down. At Raiz, our investment philosophy focuses on saving and investing small amounts regularly to help smooth out market volatility.

We are also working hard to deliver an improved Raiz App. Currently, it's with a selected group of beta testers and once it's bug free, will be rolled out to larger groups. What's really exciting for us is that the new App will include the Raiz Rewards search feature, meaning it will be even easier to use your Raiz account to save when you shop online with our partner brands.

What all these extra services and features mean is that Raiz is becoming a more integrated financial services solution, not only by allowing you to build savings and oversee your investment portfolio, but to track your expenditure through My Finances. Eventually, it's our goal to offer a debit-like card for spending.

We have had already many requests for a debit card linked to Raiz, as well as an investment portfolio offering Bitcoin. While we would love to meet both requests, there are both technical and regulatory obstacles that will need to be resolved. Hopefully, neither will prove insurmountable, and you can be assured we are actively investigating how it might be possible to deliver both features. We will keep you posted in future bulletins.



As you are probably aware, Raiz is not just an Australian micro-investing story. We are taking it to Southeast Asia via Indonesia and Malaysia, building on what we have developed here since 2016. We believe it's not only a sound corporate strategy but has a positive social outcome by improving financial literacy among our neighbours.

You can follow our ASX announcements at raizinvest.com.au/investors to learn more about how we are progressing towards these goals.

If you want to offer any feedback or have any queries, please don't hesitate to get in touch and we'll be more than happy to help.

On behalf of the entire Raiz team, thanks again for your support and loyalty.

Yours Sincerely,

George Lucas

Managing Director / CEO

Raiz Invest Limited

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