



Investorfirst Limited (ASX: INQ)

Investor Presentation

- HUB24 Acquisition & Capital Raising -

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Disclaimer

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1. Overview of Transaction

Overview of Transaction

Acquisition of HUB24	✓ INQ to acquire HUB24 Pty Ltd (HUB24), an advanced trading and reporting system that enables clients to benefit from cost effective executions and management of trades whilst retaining the full beneficial ownership of securities for improved tax efficiency. ✓ The transaction is strategically compelling and represents a 'transformation' of the INQ business. Key points are: ✓ Consideration of A\$20.0 million – 100% INQ Scrip @ \$0.075 per share. ✓ Escrow conditions: 25% for 12 months, 25% for 18 months and 50% for 24 months. ✓ Extends INQ's capabilities, enabling it to provide customers with a more complete service offering and builds an attractive medium-term annuity business. ✓ Accelerates revenue growth and cost synergies, with a strong medium-term profit profile.
Equity Raising	✓ Contingent fully underwritten equity raising of approximately A\$12.5 million. ✓ INQ & HUB24 directors will participate in the equity raising (A\$2.82 million).
Offer Structure	✓ The equity raising will comprise: ✓ An underwritten placement to Sophisticated and Professional Investors of approximately 166.6 million shares, raising approximately A\$12.5 million @ \$0.075 per share.
Use of Proceeds	✓ To fully fund HUB24 roll-out (in excess of budgeted requirements). ✓ General working capital providing for future organic initiatives and business acquisitions.

Why HUB24?

The Opportunity

- ✓ The vendors are well known to INQ and have a proven track record having founded, developed and sold IT-related financial services businesses for in excess of A\$120 million over the last 10 years.
- ✓ INQ has been targeting expansion in the financial services market, particularly in relation to building annuity-based businesses.
- ✓ HUB24's platform strategy is wholly consistent with INQ's wholesale infrastructure strategy.
- ✓ INQ will be the first independent, non-institutional integrated platform & broking financial services utility.
- ✓ The acquisition does not alter the nature of INQ's activities, as it is already strategically committed to and does provide portfolio solutions for clients.
- ✓ 33% discount to what the HUB24 Board had been seeking from private equity investors.
- ✓ 100% scrip acquisition, with vendors entering voluntary escrow up to 24 months.

The Impact

- ✓ INQ catapulted into the diversified financial services industry with a company transforming acquisition.
- ✓ Positions INQ with a revolutionary business that facilitates the future of funds management products and independent financial planning needs.
- ✓ Introduces significant in-house intellectual property.
- ✓ Market capitalisation for the combined business grows to ~A\$50 with ~A\$21 million in cash (nil debt).

About HUB24

The Team

- ✓ HUB24 team comprises the founders of Advent Australia, VisiPlan, COIN, Online Broker Holdings (Charles Schwab Australia) and Avanteos.
 - ✓ All these products remain in existence today.
- ✓ When the ex-IWL team is added then ~A\$0.5 billion in portfolio assets has been sold by the ongoing Board and combined management team of INQ.

The Vision

- ✓ Aims to create a new paradigm financial services institution with integrated platform and back office.
- ✓ Strives to deliver superior shareholder returns.

The Business

- ✓ Has been in development for 3 years.
- ✓ Is 'live' and ready for the next growth stage.
- ✓ Executed agreements with 6 dealer groups, with in excess A\$7 billion FUA.
- ✓ Over 1,000 investment options comprising: SMA, managed funds, ETFs, listed securities, direct fixed interest, margin lending and SMSF capabilities.
- ✓ On path to be profitable on a stand-alone basis.
- ✓ Conservative financial model has HUB24 with A\$10 billion in FUA and A\$20 million profit in 6 years.
- ✓ Additional revenue and costs savings through in-sourcing particular activities.

Transaction Rationale: Excellent Strategic Fit

- ✓ **Markedly alters INQ's investment proposition to investors** – from a boutique Independent Stockbroker, which executes, clears and settles to an **Integrated Financial Services House**.
- ✓ **Australian platform market is currently over A\$427 billion and growing at 28% p.a. and is expected to reach A\$1 trillion by 2012***.
- ✓ **Capable of catapulting INQ's current market capitalisation by a number of multiples** – via the provision of an early-growth stage, investment platform with unique, 100% owned IP capable of delivering attractive medium-term annuity style revenues.
- ✓ **100% owner of current “best-of-breed” and “first in market” investment platform / administration service** - allowing investors to gain the benefits of a wrap platform and an MDA service in one hybrid Unified Managed Account Service (**UMA**).
- ✓ **First non-institutional / independent integrated platform** – comprising UMA and stockbroking functionality in the one utility offering.
- ✓ **Strengthens INQ's capital base** - with a contingent Placement, which has been underwritten to A\$10 million.
- ✓ **Obtain a new Managing Director** - with the appointment of Mr. Darren Pettiona on a low fixed base salary of A\$150,000 per annum for the first three-years.
- ✓ **Appointment of a new Non-Executive Director** - with HUB24 director, Mr. Jason Entwistle, being offered a board seat. Mr. Entwistle is an experienced investment platform entrepreneur having been the co-founder of Avanteos, now owned by CBA.

* Source: The Rainmaker Information Platform Report 2010

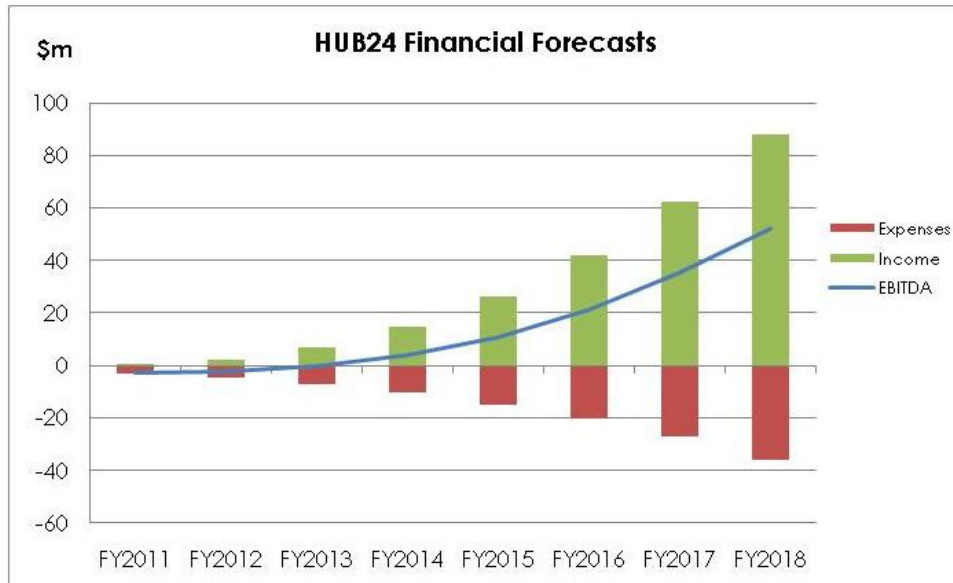


Investorfirst Ltd

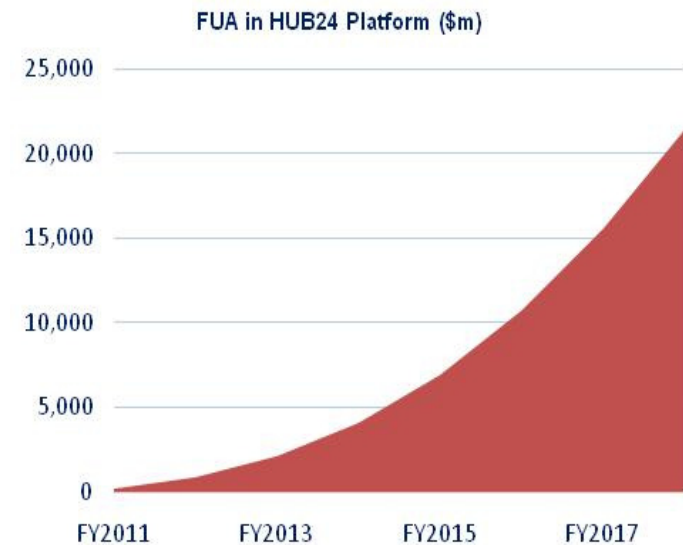
Transaction Rationale: Excellent Strategic Fit (cont'd)

- ✓ **Inherit a strong internal IT team** - capable of further extending INQ's own front-end stockbroking platforms.
- ✓ **Be at the forefront of new investment choice development** – as fund managers seek alternate methods outside of mutual funds to seek investable dollars, such as ETF's and SMA.
- ✓ **Potential to export technology and know-how** - to international markets seeking to replicate Australia's successful financial services marketplace.
- ✓ **Fully integrated single technology framework** – designed to operate on both the web and mobile devices.
- ✓ **Likely to become a potential future target for acquisition** - particularly following full integration, given:
 - ✓ Full ASX Market Participants which execute, clear and settle dwindling in number; and
 - ✓ Many of HUB24's competitor platforms being:
 - ✓ Partly reliant on 3rd party software solutions;
 - ✓ Legacy technology which is functionally limited (most in excess of 10 years old);
 - ✓ Lacking cost competitiveness;
 - ✓ Constrained by the cost and time to build a comparative solution platform; and
 - ✓ Not in investor's best interests.

Transaction Rationale: Excellent Strategic Fit (cont'd)



* Source: HUB24



2. Capital Raising

Offer Summary

Offer Summary	Details
Institutional / Sophisticated Investor Placement:	A\$12.5 million
Issue Price:	A\$0.075 per share
INQ / HUB24 Director Participation:	Up to A\$2.8 million @ A\$0.075 per share
Fees Paid:	~5% Fee on part raising (plus GST) + 12.5 million 3-year INQ options to SCE exercisable @ \$0.12 cps
Lead Manager:	Southern Cross Equities Limited
Proposed Placees:	Various Institutional and Sophisticated Investors

Capital Structure

Category	Date	Amount
Total ordinary shares on issue:	21 October 2010	253,210,934
Issue of shares for HUB24 acquisition:	Approx. 1 December 2010	266,666,667
Placement issue:	Approx. 1 December 2010	166,666,667
TOTAL SHARES ON ISSUE:		686,544,268
INQ share price:	21 October 2010	A\$0.085 per share
Market capitalisation:		
• Pre-issues @ A\$0.085 per share:	21 October 2010	A\$21.5million
• Post-issues @ A\$0.075 per share:	Approx. 1 December 2010	A\$51.5 million
Cash and cash equivalents (see note below)		
• Pre-placement	21 October 2010	~A\$10.0 million
• Post-placement	Approx. 1 December 2010	~A\$22.0 million

Note

- INQ expenses all development work as incurred and has made provisions for known contingencies.
- Cash equivalents includes customer buys funded by INQ that are settled either by matching customer sells within the following 3 days or cash payments from customers. Known and quantified contingent liabilities and doubtful debts are deducted from cash equivalents.

Use of Funds

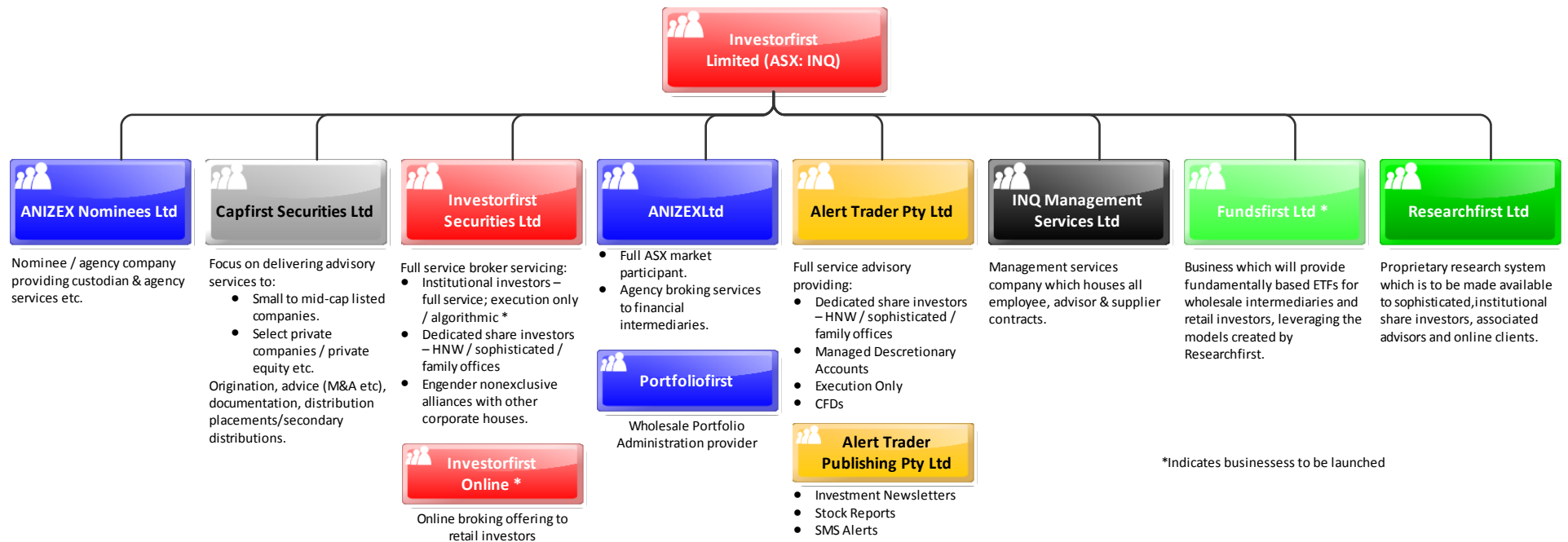
Projected Use of Funds	Amount
Ongoing funding of HUB24 rollout:	A\$5.05 million
Stamp duty on HUB24 acquisition:	A\$0.12 million
General working capital (cash at bank):	~ A\$6.73 million
Direct costs of issue :	~ A\$0.60 million (max.)
TOTAL:	A\$12.50 million

Note

- ✓ The primary purpose of the placement is to fully fund and commercialise the HUB24 platform rollout to forecast profitability.
- ✓ Additional funds raised will be retained as general working capital and may be utilised for further bolt-on acquisitions that may enhance INQ's service offering and distribution capabilities.

3. Investorfirst Today

Business Structure – Today

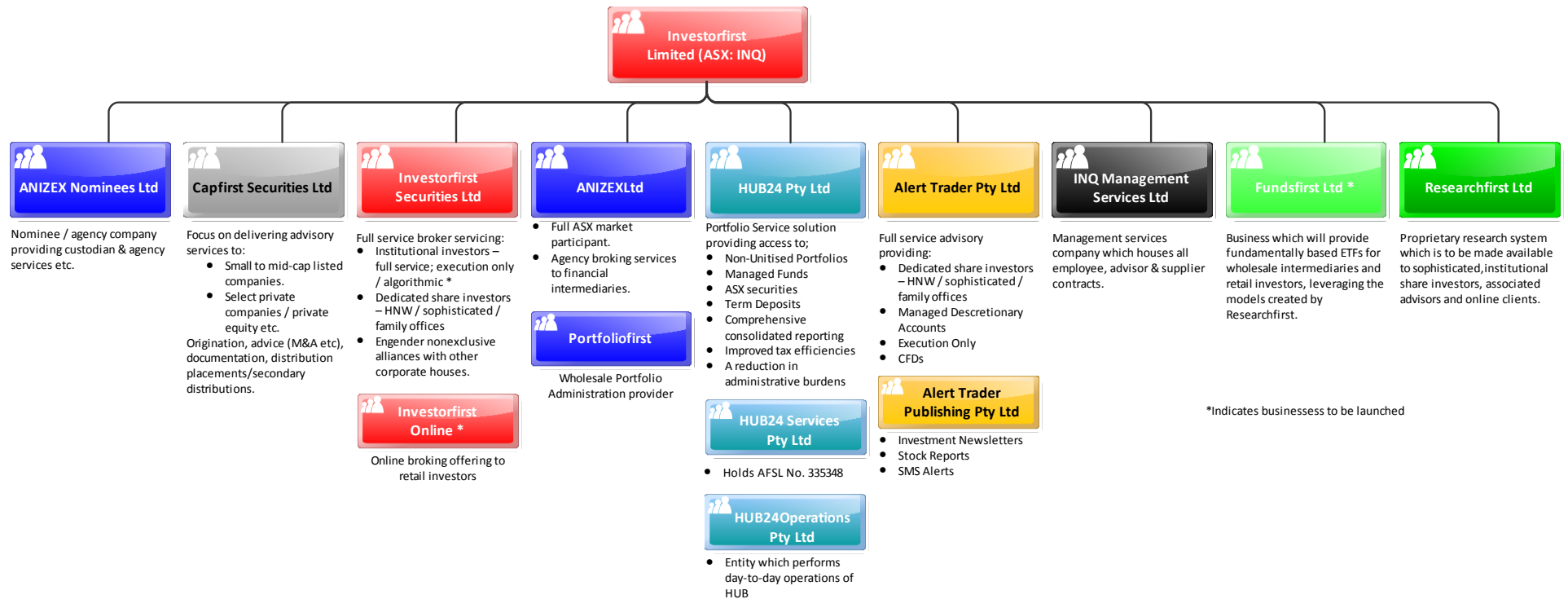


Investorfirst Today

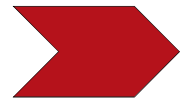
INQ is in its best ever condition since listing given:

- ✓ All legacy issues have been largely resolved.
- ✓ It is well capitalised with ~A\$10 million in cash & cash equivalents (nil debt), following the successful twin capital raisings in 2009 / 2010 @ A\$0.10 per share.
- ✓ FY'10 revenue growth of 42% to A\$8.729 million.
- ✓ A significantly lower consolidated net loss after income tax for FY'10 of \$1.068 million, after recognising all non-recurring items, impairment charges and provisions.
- ✓ Substantial future tax benefits within the Group.
- ✓ A restructure of the operations of the Group to a broader and more diversified operating model.
- ✓ Full compliance with the A\$5 million minimum ASX capital liquidity requirement as a full ASX market participant by the 100% wholly owned subsidiary, ANZIX Ltd.
- ✓ Ongoing investment in the Researchfirst business, our in-house, proprietary owned and developed web-based research platform.
- ✓ The successful rollout of our wholesale broking services model with Trader Dealer Online and HUB24.
- ✓ The successful acquisition of 81% of Alert Trader Group adding ~A\$2 million in revenue and significant cost synergies.

Business Structure – Post Acquisition



Summary – ‘A Transformation’



- **A Specialist Financial Services Company** – comprising an attractive portfolio / suite of products and services with both transactional and annuity revenue streams.



- **Strong Staff / Director ownership (+55%) aligning business operations with shareholders** – resulting in a clear focus on creating shareholder value and delivery superior returns over the medium term.



- **Highly experienced Board of Directors, with strong track record of success.**



- **Innovative approach to business growth** leveraging facets of acquisition and organic opportunities.



- **Leveraging strong financial services networks and relationships.**



- **Committed to strict acquisition filters.**



4. Indicative Timetable

Indicative Timetable

Placement Key Dates

Item	Date
INQ in Trading Halt	21 October 2010 (pre-market)
Announcement of HUB24 Acquisition & Proposed Capital Raising:	25 October 2010
Confirmation of Allocations and Registration Details:	25 October 2010
Trading Halt Lifted:	25 October 2010
INQ AGM:	26 November 2010
Settlement of Placement Shares:	Approximately 2 December 2010
Allotment and Trading of Placement Shares on ASX:	Approximately 2 December 2010

About Investorfirst

Listed on ASX, Investorfirst (ASX: INQ) is an independent, Australian based and owned, stockbroking (institutional, wholesale and retail) and corporate advisory firm that offers a range of financial services, including research and advising and dealing on behalf of personal, institutional and corporate participants.

In addition to its advising and dealing capabilities, INQ acts as a facilitator in the distribution of new issues and the placement of secondary issues. Its fully owned subsidiary, Capfirst Securities, advises and assists corporate entities in relation to reconstructions and amalgamations, M&A activity including takeover defences.

Researchfirst, a fully owned subsidiary, provides research analysis and interpretations of economic and market conditions, which are disseminated to clients.

About HUB24

HUB24's Portfolio Service is an advanced trading and reporting system that enables clients to benefit from cost effective executions and management of trades whilst retaining the full beneficial ownership of securities for improved tax efficiency.

HUB24 acts as a 24 hour accessible hub between you via your Adviser, the Model Manager recommending the Model Portfolio, the broker performing the trades, and the Sub-Custodians who provide the custodial and depository services in respect of the Portfolio Service. This system can be used for managing and administering Managed Discretionary Accounts (MDA's), such as Separately Managed Accounts (SMA's) and Individually Managed Accounts (IMA's). This has the benefit of simplifying the administration of investing in shares for Self-Managed Superannuation Funds.



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