



**ASX and Media Release**  
**Spring FG Limited (ASX: SFL)**  
27 November 2015

## **Spring FG Limited 2015 AGM Managing Director's Address**

Financial services company Spring FG Limited (Spring FG or the Company, ASX: SFL) today held its first Annual General Meeting as an ASX-listed company. The following is a transcript of an address to members by the Company's founder and managing director, Keith Cullen.

*Thank you Guy and thanks for your attendance today everyone.*

I'd like to take the time to review some of the significant operational and strategic achievements of the past 12 months or so and explain our many growth strategies.

### **ASX Listing and acquisitions**

Perhaps the most significant single event during the year was the Group's initial public offering of shares and subsequent listing on the ASX.

The listing has positioned the Group to pursue its objective of emerging as a key player in wealth management in Australia through both organic growth of its *fresh approach* and its acquisition and renovation strategy.

In addition to organic growth the Group has been successfully pursuing its acquisition and renovation strategy. This commenced prior to its IPO and ASX listing, in late in FY2014 with the acquisition of the business and assets of Moneytree Partners in May 2014 and continued with our acquisition of Pink Diamond Financial Group in late August 2014 as we were preparing for our IPO.

We have achieved significant integration benefits from these acquisitions through operational and staffing efficiencies and the introduction of our *fresh approach* across their operations.

In May 2015 the Group expanded its financial education offering and digital client recruitment strategies through the acquisition of financial markets publisher and website operator Digifi Group Pty Ltd (Digifi).

Digifi's websites Sharecafé and Sharescene have more than 70,000 members and attract more than 7,000 unique visitors each day. The acquisition more than doubled the Group's current online subscribers through its Wealthadviser Financial Education division bringing our online community to in excess of 130,000.

That number continues to grow as Wealthadviser's free-of-charge financial education, provided through its regular seminar programs and its publication of more than 70 eBooks on a diverse range of investment, financial planning and tax & accounting subjects increases in popularity.

The acquisition also added people, partners and expertise that, in addition to enhancing the Group's educational content, have helped expand and bring greater efficiency to our already highly successful digital marketing and client recruitment strategies.

### **Spring247 launch and rollout of new direct-to-consumer services**

Following our acquisition of Digifi, in June 2015 the Group launched Spring247 a powerful and simple-to-use digital platform that enables Spring clients to seamlessly link lifestyle and investment assets & liabilities and up-to-date transactional data into a single user-friendly dashboard.

The Digifi acquisition and launch of Spring247 have set our platform for the launch of broad-scale digital delivery of financial advice and wealth management products and services to consumers across a broad range of wealth management; insurance and superannuation; and tax & accounting services.



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Our rollout of emerging technologies like so-called 'robo-advice' will not only allow us to deliver cost-effective services to an emerging market of self-directed investors, it will help us deliver cost-effective hands-on personal advice on a broad scale to consumers outside of our capital cities and improve the experience of existing clients by lowering the cost of service delivery, thereby improving accessibility and affordability.

Beyond benefiting the Group's existing clients we intend to leverage and expand Spring247's underlying technologies to deliver hands-on, face-to-face personal advice to consumers outside of capital cities including those in our existing online community of more than 130,000 subscribers and to roll out a range of digital services those subscribers and to the emerging self-directed investor market.

We are preparing for the launch of:

- Our [mysuper247.com](http://mysuper247.com) online SMSF establishment, operation, administration and investing service that will offer self-directed investors world-class technology and a broad range of investment options, portfolio management tools and information and education resources. We expect the service to be launched in the first quarter of 2016 and to make a meaningful contribution to revenue and profits from FY2017 and beyond.
- Our [mytax247.com](http://mytax247.com) personally-assisted online tax return service for the FY2016 tax season that will offer consumers low-cost, online, personally-assisted tax services from the comfort and convenience of their home or workplace with support available 24 hours a day 7-days a week.

Other digital services under strategic consideration include online general insurance sales; online finance brokerage services; digital wealth management and personal bookkeeping solutions.

### Franchising model

From mid 2016 we will embark on our most ambitious expansion program to date, as we commence a rollout of franchised outlets that will see the Spring brand expand across Australia.

Our operational model is perfectly suited to franchising. From our establishment we have adopted a process-driven approach to our operations designed to support significant expansion and consistency is service delivery and quality of outcomes for our clients.

Our centralised approach to recruitment, training and the delivery of technical expertise lends itself to supporting a broad geographic network of offices.

Preparations are advanced for the rollout of our first shopfronts. From mid-2016 we will commence opening our first locations, initially in key regional markets and capital city fringe markets not readily served by our CBD offices.

Our goal is for up to ten outlets by the end of FY2017 with a vision for 80-100 stores across Australia within a 5-8 year period.

Our modelling suggests minimum annual revenues of \$1M per store with a pre-tax contribution per store of a minimum of \$350,000.

Over time we will expand our footprint across our capital cities to improve the ease of our customers accessing our services by taking our brand into suburban commercial hubs. Rather than "branding" existing operations our model is based on green-fields opportunities ensuring each franchisee has complete alignment with our *fresh approach*.

Franchisees will benefit from our centralised marketing and client recruitment and clients in these areas will benefit from improved service delivery on their doorstep.



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**Our continued leadership in financial education**

In a world of increasing financial complexity, financial literacy for consumers has never been more important and we continue to show market leadership in this critical area. Our *fresh approach* includes an ethos of educating and empowering consumers, rather than dictating advice to them.

With a combined online community that now well exceeds 130,000 subscribers, our Wealthadviser and Digifi divisions offer financial education and market information services free-of-charge through content-rich websites, regular seminar programs and the publication of more than 70 eBooks on a broad range of subjects.

Our goal across FY2016 and beyond is to extend the reach of our financial education and literacy programs, to provide meaningful services at school and tertiary education level, within workplaces and to community groups to continue our positioning as an authoritative educator.

**Our continued leadership in adviser education and training**

A key contributor to our past and future success is our continued investment in our people. Central to this investment is our industry-leading education and training of advisory and support personnel.

We have chosen to set our adviser educational and training standards much higher than ASIC or the industry's own bench marks.

Our minimum requirement is that our advisers have completed a university undergraduate degree, or that they have a minimum of 10 years business experience, with many of our advisers holding double degrees and post graduate qualifications. This is in addition to the requirement for specific financial services qualifications such as holding a Diploma of Financial Planning.

And our ongoing education and training targets for all of our advisory staff throughout the year that are at least 30% higher than widely practised industry minimums. We also encourage and fund membership of professional financial services, accounting & tax, equities markets, property and SMSF specialist associations.

Our investment in education and training extends to our Spring FG Graduate Recruit Program that offers recent university graduates in finance, business, economics, law, accounting and related studies an opportunity to commence a career in financial services.

And our programs have recently been expanded to offer paid internships to those nearing completion of their studies.

Program graduates bring vital energy, fresh ideas and the latest thinking from their recent tertiary studies in finance, economics, accounting, commerce and law to the Group and its clients and present the Group as an employer of choice. They are a fertile breeding ground for your company's future leaders and franchisees, and set a benchmark for the industry to follow.

I'll hand back to Guy Hedley now for the formal matters of the meeting.

Note: Please see separate release of today's date for chairman's address.



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## About Spring FG Limited - [www.springFG.com](http://www.springFG.com) - ASX: SFL

Spring FG Limited (Spring FG) is a diversified financial services company offering financial planning and investment advice; wealth management; insurance and superannuation; finance; and tax & accounting services. Its advice and product offerings are broad and include a specialisation in the high-growth markets of self-managed superannuation funds (SMSFs); and direct and SMSF residential real estate investment.

With a combined online community of more than 130,000 subscribers, the Company's *Wealthadviser* and *Digifi* divisions offer financial education and market information services free-of-charge through content-rich websites, regular seminar programs and the publication of more than 70 eBooks on a broad range of subjects.

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