



**YellowBrickRoad**  
Wealth Management

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# Investor Presentation

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September 2011

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# Yellow Brick Road was founded on a strong vision

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**“Yellow Brick Road has been established to give everyday Australians access to the high quality and independent advice that they deserve.”**

**- Mark Bouris, Executive Chairman and Founder of Yellow Brick Road**

# On the journey with Yellow Brick Road

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- The Market Opportunity
- The Journey so far
- Mapping out the road ahead
- Our Business Model
  - Building the brand
  - Delivering advice
  - Product strategy
  - Building the right team

# The Market Opportunity

*The market opportunity is for low cost distribution of wealth management products and services to an increasingly “under serviced” part of the market, that is, the Wealth Accumulator space i.e. 30 to 45 year old demographic*

The reasons for this are:

- An Aging Australian population means high **demand** for Wealth Management services;
- The prevalence of underinsurance in Australia is amongst the world’s highest ie People need advice;
- Existing models for delivering financial planning are **high cost**, and not widely accessible;
- Margin **erosion** in Mortgage Broking means participants will exit or adapt;
- Direct delivery of Wealth Management services by Banks are **high fixed cost** models;
- Accountants are increasingly returning to their core business given **higher regulatory requirements**;
- **Small Business** is the “backbone” of the Australian economy but under serviced.

# Yellow Brick Road can capture this opportunity by ...

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- **Building a trusted advice Brand** that attracts clients in our target demographic;

- **Establishing a network of Branches** that can deliver advice at a local level with **centralised expertise, licensing and support** that allows them to deliver a broad range of financial advice across mortgages, insurance, investments, superannuation and tax;

Leveraging recent acquisitions, YBR has been able to **build advice capability in Investments, Insurances, Mortgages, Accounting/Tax and Small Business** to support clients with any range of financial needs from the very simple to the very complex.

- **A streamlined assembly of products and services** that can support the implementation of the advice. This can be through products and services sourced from the market or from **products manufactured internally** where Yellow Brick Road has selectively chosen to participate.

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# The Journey so far ...

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July 2007

Yellow Brick Road established by founder Mark Bouris

October 2007

3 Accounting practices acquired and merged

April 2008

A General Insurance and Broking business acquired

July 2008

A Financial Planning business acquired

May 2009

Branch Network commences

December 2010

Branch network grows to 47 ITS restructure with YBR announced

May 2011

Successful Capital Raising

May 2011

Heads of Agreement signed with Nine Entertainment Group

June 2011

YBR is listed on ASX

August 2011

End of Year accounts published for the market

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# Growing the business in three horizons ...

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# Results for FY2011

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- **Underlying loss of \$2.18m plus “one-off” \$423,000 (Consolidated loss of \$2.52m)**
- **Business highlights:**
  - Doubled the Branch network
  - Channel 9 deal
  - Product expansion
  - Building the team
- **Structure:**
  - Reverse acquisition of ITS
  - ASX listing
  - Capital raising

# What can you expect from YBR in FY2012?

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We will continue to invest for growth, creating future value:

- Building the awareness for the brand;
- Fastest growing franchise, 125 by 30 June 2012;
- Increasing productivity from existing Branches/Accounting staff;
- Greater penetration of products per customer;
- Creating some “deeper” product margin from YBR Branded products.

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# A Challenger Brand

1. Build the Brand, the client offer and generate interest

## No Current Challenger Brand in the landscape or on the horizon

- ✓ Build out Media Platform – both nationally & locally
- ✓ Drive YBR PR platform through research and insight program
- ✓ Dedicated online monthly spend to drive leads and awareness
- ✓ Local engagements – Home Shows, Local Papers & Seminars
- ✓ Teach branches how to spend behind our programs, amplify message
- ✓ Channel 9 is now 20% shareholder and will provide in-program and advertising support (and a new Apprentice in October 11)



**Professional pack & variable rate home loan products are now available.**

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# Building the Distribution Footprint

2. Deliver high quality, independent and affordable advice



Branch Network now at 72 Licence Agreements

- 100 by 31 December 2011
- 125 by 30 June 2012
- 150 by 31 December 2012

## PLUS Specialist advice and support

### YBR Wealth Management

- Financial Planners
- General Insurance

### YBR Investment Services

- Private Client Services
- Portfolio Investments

### YBR Accounting and Tax

- Business accounting
- Tax advice

# Product Strategy

**3. Provide access to market leading products and selectively manufacture products internally.**

| Product Type               | Market Leading  | Internally Manufactured  |
|----------------------------|---|--|
| Mortgages                  | Majors, Regionals, Credit Unions, Non-Bank lenders          | Yes, via Gateway/Resimac   |
| General Insurance          | All major providers   | Yes, via Allianz for House & Contents                              |
| Life Insurance             | Selected major providers                                    | Yes, via Mortgage Protection (11/2011)                             |
| Savings                    | All Term Deposits   | Yes, via Gateway plus new Managed Fund to be launched in late 2011 |
| Investments/Superannuation | All investment options plus an MDA licence                  | Yes, Yellow Brick Road branded platform via OneVue                 |
| Small Business Package     | Access to a range of financial solutions for Small Business | Yes, package to be launched during Apprentice series.              |

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# Building the right team...

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Mark Bouris      Executive Chairman and Founder

## Group Executive

Matt Lawler      Chief Executive Officer

Richard Shaw      Chief Financial Officer

Brad Seymour      Head of Marketing and Branch Network

Bryn Nicholson      Head of Retail Operations and “e” platforms

James Garnsey      Head of Accounting and Tax



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# Appendices

# Redefining the Recruitment & Induction Process

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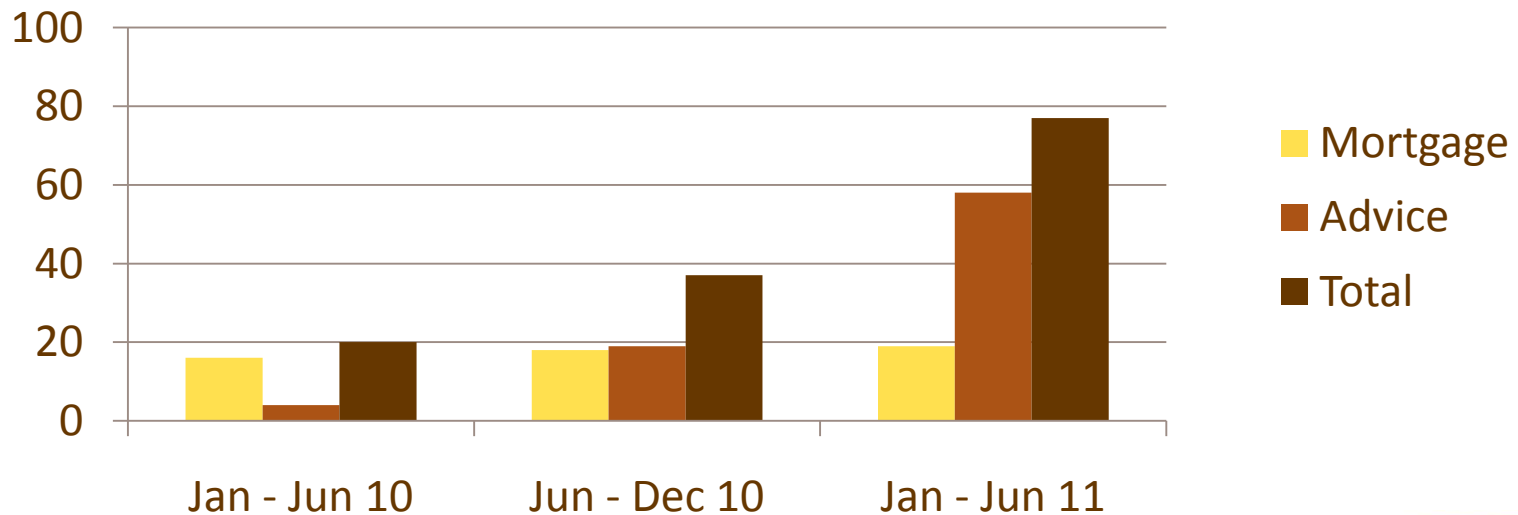
- Developing a 3 stage process to reduce the time from identifying potential branch prospects to first productivity
  1. Targeted recruitment and screening of new branch prospects
  2. Guiding new branches through a structured branch opening and accreditation process
  3. Training and coaching branches on how they generate new customer enquiries through local area marketing, building referral networks, creating centres of influence etc.

• Reducing the time from licence agreement execution to first transactions: currently up to 6 months  to 3 months.

# Driving Branch Productivity – Case Study #1

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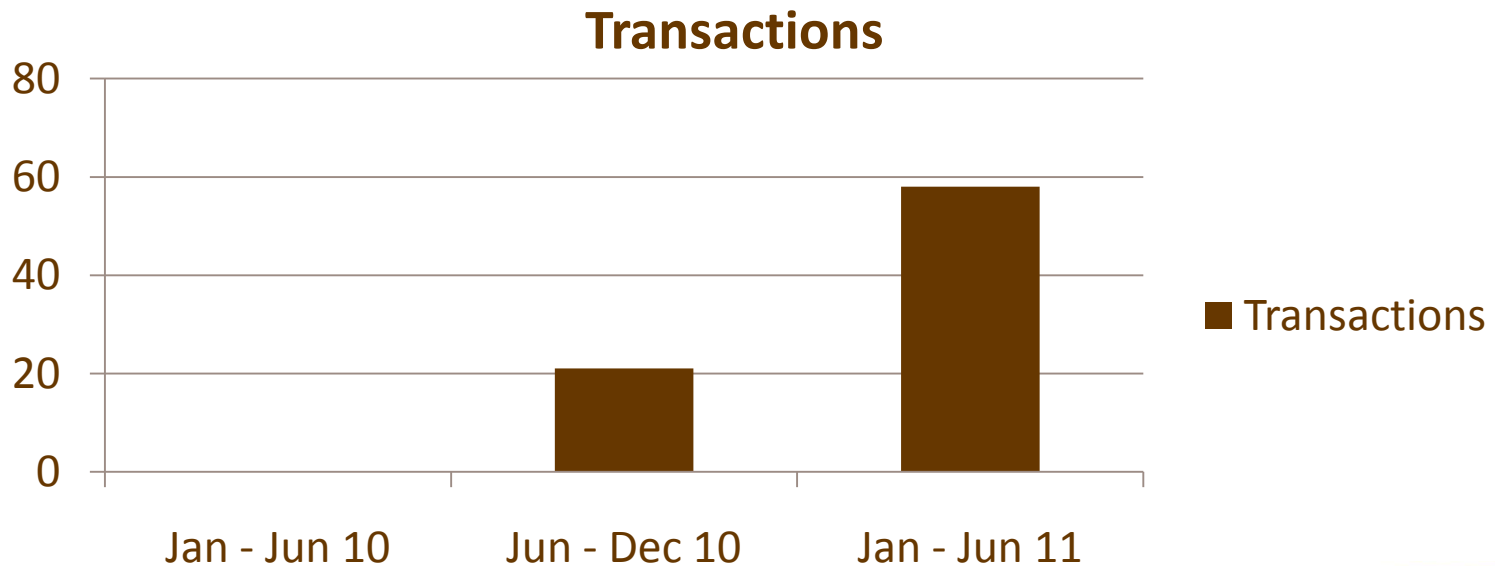
- **YBR Southport (QLD)** – operated as a mortgage broker before joining YBR but wanted to move into the advice space
- Wanted to belong to a group with a brand presence and their own licensing to support their local activities
- Through YBR support and coaching they are significantly growing their volumes and revenue through a broader customer product offering



# Driving Branch Productivity – Case Study #2

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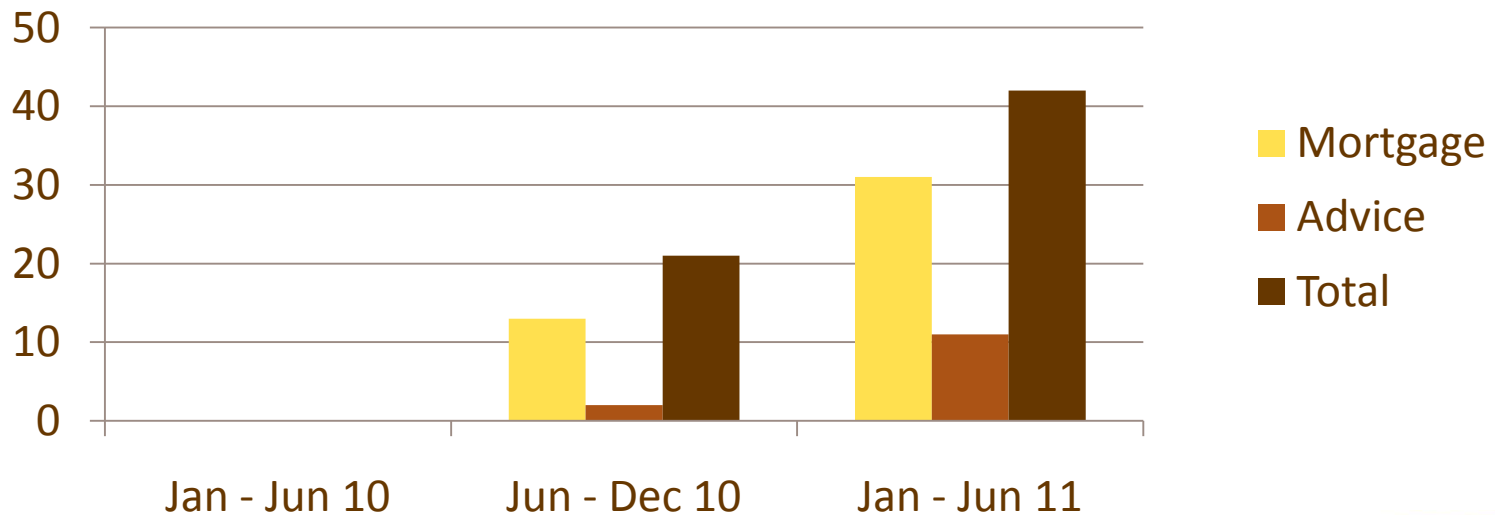
- **YBR Frankston (VIC)** – had been a mortgage broker but had left the finance industry and was semi retired
- The idea of joining a new brand in the mortgage and advice space under Mark Bouris gave him the confidence to re-enter the industry
- From a zero base in April 2010 is significantly growing their business through the support of YBR



# Driving Branch Productivity – Case Study #3

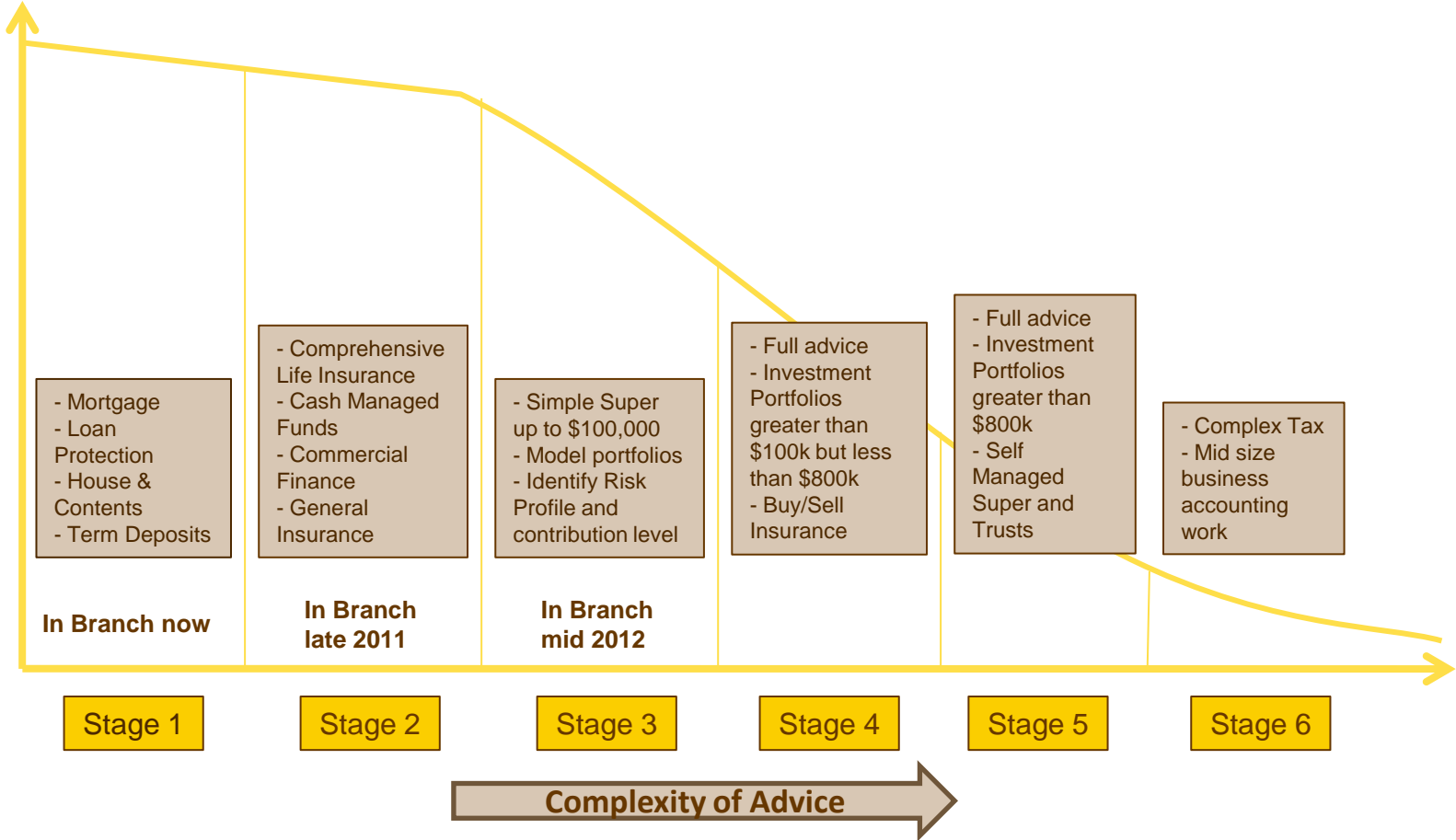
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- **YBR Baulkham Hills (NSW)** – was an employee for a finance company before joining YBR in early 2010
- The idea of joining a new brand in the mortgage and advice space under Mark Bouris was enough to re-energise him to get back in the game
- Is embracing the model and gaining significant traction in the complete YBR product offering



# A scalable advice model

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**Thank you**

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