

30 August 2011

# Fiducian Expanding for Revenue Growth

## Annual Result to 30 June 2011

- Net consolidated profit after tax of \$ 4.43 million – increase of 7.8%
- Strong, debt-free balance sheet
- Fully franked final dividend of 5.00 cents per share payable on 22 September 2011, which makes a total of 10.00 cents per share for the financial year
- Company remains debt free with positive working capital and cash flow position

### BUSINESS PERFORMANCE

Fiducian Portfolio Services Limited (ASX: FPS), a leading Australian non-bank aligned financial services organisation, has reported a net consolidated profit after tax for the financial year, of \$4.43 million (2010: \$4.11 million).

The Board remains cautious, but is confident that in spite of strong headwinds being experienced by financial markets currently, the future of the business in its present form is sound and likely to strengthen in an improving economic and financial market environment. Consequently, a fully franked final dividend of 5.00 cents per share has been declared and payable on 22 September 2011 which will bring the total fully franked dividend of 10.00 cents per share (2010: 8.50 cents).

A key feature of the company is that it remains debt free and exhibits a positive working capital and cash flow position.

The Fiducian business model is vertically integrated and captures the full value chain of financial planning, portfolio administration, funds management, knowledge processing and IT systems enabling it to grow steadily and profitably. Each business pillar contributes individually and jointly to our superior service offering to our clients.

## MEDIA RELEASE

### **FINANCIAL PLANNING – network continues to grow**

The Fiducian Financial Services brand continues to grow into a quality national network of franchised and salaried Financial Planners. Good financial planning strategies for asset accumulators and retirees and an appropriate frequency of client contact and communication by all Fiducian Financial Planners has resulted in impressive client retention levels.

However, financial market volatility and political uncertainty has caused potential investors to defer long term investment decisions and instead focus on cash holdings which could be a short sighted view. We have therefore put in place marketing initiatives to explain the economic environment and encourage long-term investors to take advantage of market weaknesses.

We have been looking to acquire reasonably priced and well managed client portfolios for our Financial Planners. Since late in the previous financial year, we have acquired client portfolios in Sydney and in Perth for a total cost of nearly \$1 million dollars. The Perth acquisition has resulted in the establishment of a new salaried Fiducian office in Western Australia.

Fiducian offices with salaried Financial Planners based in Sydney, Melbourne, Brisbane and Tasmania have continued to contribute to overall results. We are also continuing with our program to buy client bases to be serviced by Planners in these offices.

### **PLATFORM ADMINISTRATION – remains steady**

Funds under administration remained flat and rose in total by 0.4% to \$1.15 billion (2010: \$1.14 billion).

### **INVESTMENT MANAGEMENT – diversified funds remain regularly in top quartiles**

Fiducian is a multi asset, multi style investment manager. We design Funds that seek to deliver above average returns over the short to medium term, which by consistent averaging, tend to deliver superior returns, compared with their peers, over the longer term.

Blending of underlying portfolios within asset sectors and tilts towards different manager's styles, depending on the economic cycles, also has the potential to reduce volatility. The investment team and investment committee remain confident that the Fiducian philosophy of liquidity and transparency will benefit investors.

## **MEDIA RELEASE**

In investment performance surveys, our diversified funds remain regularly in top quartile positions over longer time frames. The Fiducian Property Securities Fund and the Fiducian International Shares Fund have also performed well with the latter being ranked No.1 for the 1 year and No. 3 for the 10 years to 30 June 2011 in a survey to June 2011.

### **INFORMATION TECHNOLOGY – improved administration system**

The Fiducian Information Technology team's main focus last year was to direct its efforts toward improvements to the administration system. This could provide much greater control, efficiency and substantial cost savings and open up new business opportunities in the future. System enhancements were also provided to Fiducian Business Services.

### **BUSINESS SERVICES – further expansion**

Fiducian Business Services Pty Ltd (FBS) is our subsidiary that was established to provide support to accountants for bookkeeping, accounts preparation and self managed super fund administration. We see further expansion to come in this area of our business. A further development through FBS is the growth of an independent Self Managed Super Fund administration facility which aims to support Financial Planners.

### **FUTURE OUTLOOK – profits to continue through expanding revenue range**

The performance of financial markets going forward and, as well, political leadership which needs to act decisively and bring back confidence to the investing public will influence future results. Nevertheless, management remains committed to achieving the goals and objectives set down in our plans.

Managing Director, Indy Singh said, "The Board and I expect profits to continue in coming years as management focuses on expanding its revenue from a range of business activities and on realizing the full potential of financial planning, platform administration, investment management, business services and information technology, whilst controlling expenditure".

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