



ASX SMALL AND MID CAP CONFERENCE

INVESTOR PRESENTATION

Indy Singh – Executive Chairman, Fiducian Group

5 September 2019



- **Business Overview**
- **FY 2019 Highlights**
- **Financials**
- **Growth Strategy**

Funds Management



- Process driven, client focused investment products
- 15 Managed Funds: 4 Diversified Funds, 4 Sector Funds, 7 Specialist Funds
- **\$2.66 Billion in Funds under Management (FUM) (30 June 2019: \$2.60 Billion)**

WRAP Platform



- Market competitive Wrap & Managed Discretionary Accounts (MDA) Platform, SMSF admin
- Trustee of the Fiducian Superannuation Service and IDPS Operator for Fiducian Investment Service
- **\$2.11 Billion in Funds under Administration (FUAdmin) (30 June 2019: \$2.06 Billion)**

Financial Planning



- Respected non-bank financial planning licensee with over twenty one years of experience
- 41 high quality practices, 73 (30 June 2019: 67) representatives, national footprint
- **\$3.24 Billion Funds Under Advice (FUA) (30 June 2019: \$2.74 Billion)**

FinTech



- Specialist **Fintech** system developer
- Developer of 'FORCe' Financial Planning software
- Developer of 'FASTRACK' platform administration system

- 15 Funds using Fiducian’s Manage-the-Manager (MTM) system of investment
- Select expert Managers – with proven performance, differing investment processes / styles
- Combine experts with different weightings – up to 45 Fund Managers
- Dynamic asset allocation and continuous management
- Obtain combined results from teams of expert fund managers, not individual stars
- Fiducian process delivers greater **diversification** with reduced risks
- **Consistently superior results** against the world’s best fund managers in the Australian market



Fiducian Funds	1-year return (ranking) p.a.	3-year return (ranking) p.a.	5-year return (ranking) p.a.	7-year return (ranking) p.a.	10-year return (ranking) p.a.
Growth	8.9% (32/187)	9.9% (1/168)	10.1% (1/162)	12.3% (1/157)	9.8% (2/128)
Capital Stable	6.9% (28/118)	5.4% (8/109)	5.8% (4/105)	6.5% (7/101)	6.4% (16/82)
Balanced	8.7% (37/187)	9.1% (16/168)	9.2% (2/162)	11.0% (5/157)	9.0% (11/128)
Ultra Growth	6.6% (78/124)	8.9% (67/115)	10.9% (2/106)	13.9% (4/99)	11.3% (1/77)
Other specialist MTM funds					
Technology	15.8%	20.0%	21.3%	24.5%	18.5%
India	-5.4%	5.8%	12.0%	18.3%	10.1%

2017 FundSource Awards – International Equity Sector

Winner: **Fiducian Funds management** - Technology Fund

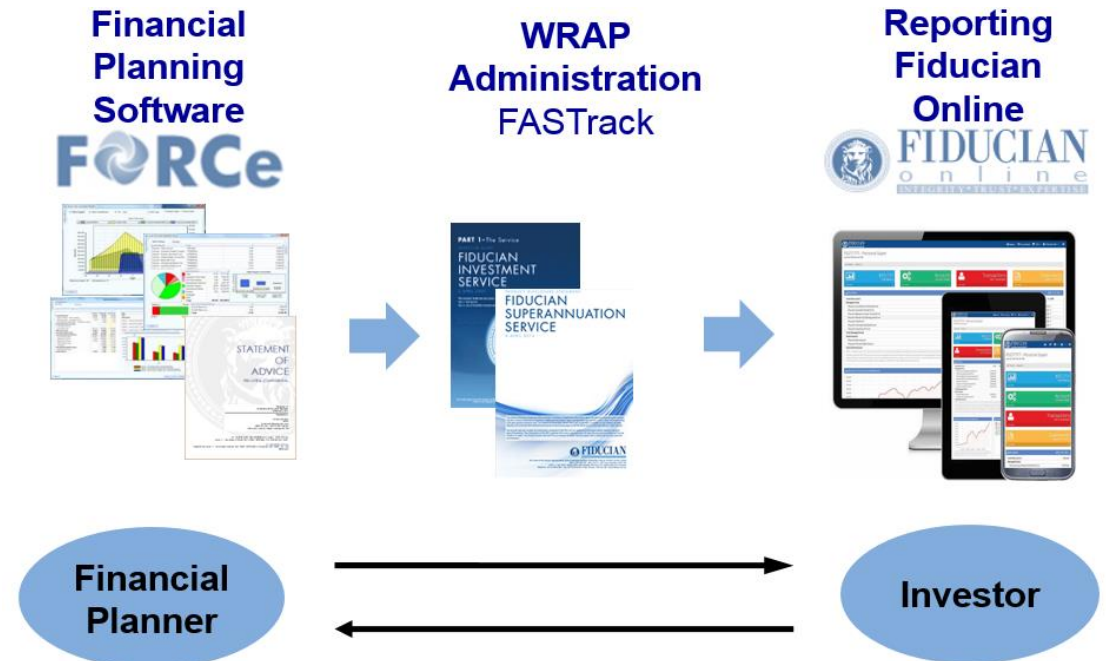
Finalist: **Fiducian Funds management** - India Fund



The above performances are based on independent survey conducted by Morningstar survey as at 31 July 2019

WRAP Platforms (FSSWRAP Platforms (FSS/FIS) – FinTech (FORCe & FAStTrack)

- Competitive Fees, Flexible Structure
- Public offer “Superannuation Fund”
- Investor Directed Portfolio Service (IDPS)
- 15 – Multi-manager Funds using the Fiducian Manage-the-Manager system
- 51 – Single Manager Fund Choices
- 13 – Managed Discretionary Accounts (Direct Share Ownership)
- Term Deposits
- Investments are held by external parties – National Australia Bank, for security and safe keeping
- Administration for SMAs, IMAs and MDAs



**Fully Integrated Fintech Solution
for Advisers and Clients**

Financial Planning – Focus on Quality and Expertise

- We are selective in recruiting Financial Planners
- National footprint with 41 offices, 73 (30 June 2019: 67) representatives
- 32 Franchised offices
- 9 Salaried offices - Sydney, Maroochydore, Hobart, Surrey Hills, Geelong, Colac, South Perth, Devonport and Sunbury
- \$219 million FUA acquisitions in FY19 + \$355 million in FY20 (July 2019)



Wealth Creation



Retirement Planning



Superannuation



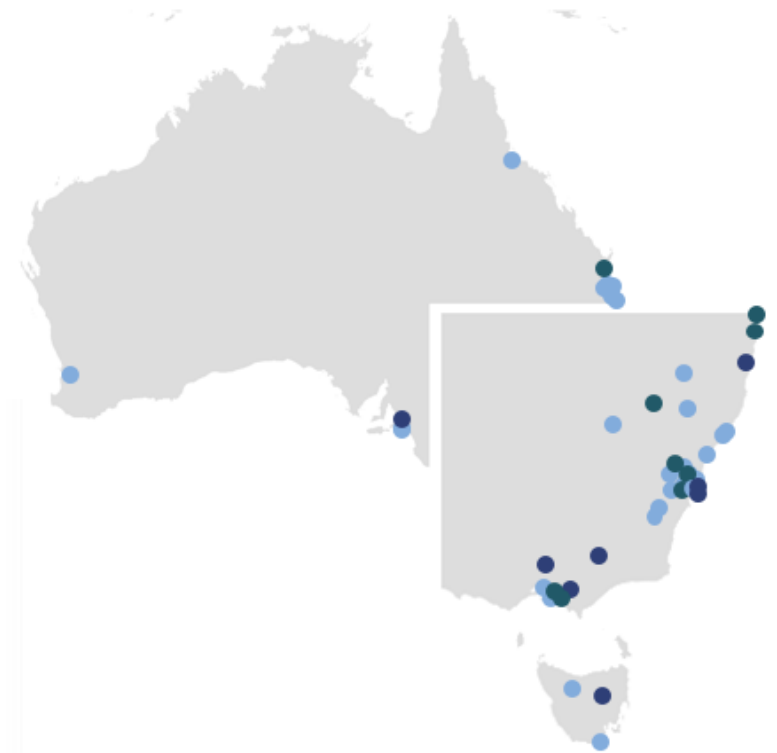
Investment Advice



Estate Planning



Personal Insurance



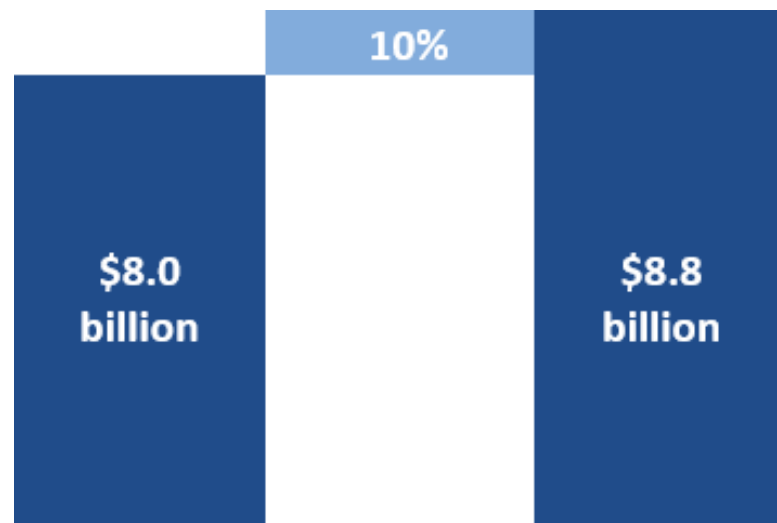
Business Overview – 3 Revenue Streams

Revenue Growth is a function of volume of FUMAA

Example:



Plus, additional revenue growth if financial market rise



Example:

Assets rise 10%

FUMMA of \$8.0 bil rises to \$8.8 bil

Integrated Business Model

Our clients experience **the Fiducian difference**:



Fiducian Integrated Business Model
FUMAA \$7.40 billion (30 June 2019)

FY 2019 Highlights

UNPAT



UNPAT up
15%
to \$12.0m

FUMAA



FUMAA* up
\$0.7 billion
(by 10%) to \$7.4b

Dividends



Dividends up
11.5%
to 22.30 cents / share

Fund Performance



Growth	1/167
Ultra Growth	3/105
Balanced	3/167
Cap Stable	4/105

Flagship funds performance ranking for five years to 30 June 2019 against all funds in the Morningstar survey

Financial Planners



67
Aligned
Planners &
Associates

Offices



41 Offices
across Australia

Diversity



125 Staff around
Australia from
over **23** different
countries of origin

FUA Acquisitions



\$219 million
FUA* acquired
in 2018-19

*(FUMAA) – Funds Under Management, Advice and Administration | (FUA) – Funds Under Advice

Five Year Summary: Financials

	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Performance					
Gross Revenue	49,404	45,873	40,752	35,451	26,253
Underlying Net Profit After Tax (UNPAT)	12,047	10,505	8,710	7,036	5,748
Statutory Net Profit After Tax (NPAT)	10,350	9,198	7,512	5,839	4,622
Cost To Income Ratio (CTI) - ex amortisation %	56%	56%	60%	63%	62%
Financial Position					
Total Assets	45,899	40,561	36,277	33,690	28,770
Total Equity	34,826	31,131	27,620	24,127	21,191
Cash	11,792	13,885	9,548	9,691	12,374
Shareholder Information					
Number of shares outstanding (numbers)	31,442,623	31,242,623	31,264,368	31,110,855	30,883,398
Market Capitalisation (in \$ million)	162	146	128	72	53
EPS based on UNPAT (in cents)	38.3	33.6	27.8	22.6	18.6
EPS based on NPAT (in cents)	33.0	29.4	24.0	18.8	15.0
Dividends (in cents)	22.3	20.0	16.0	12.5	10.0
Share Price - 30 June closing (in \$)	5.16	4.66	4.09	2.31	1.70



20%

Annualised
UNPAT Growth



20%

Annualised
EPS Growth



6%

Cost to Income
% Reduction
over the Five
Year Period

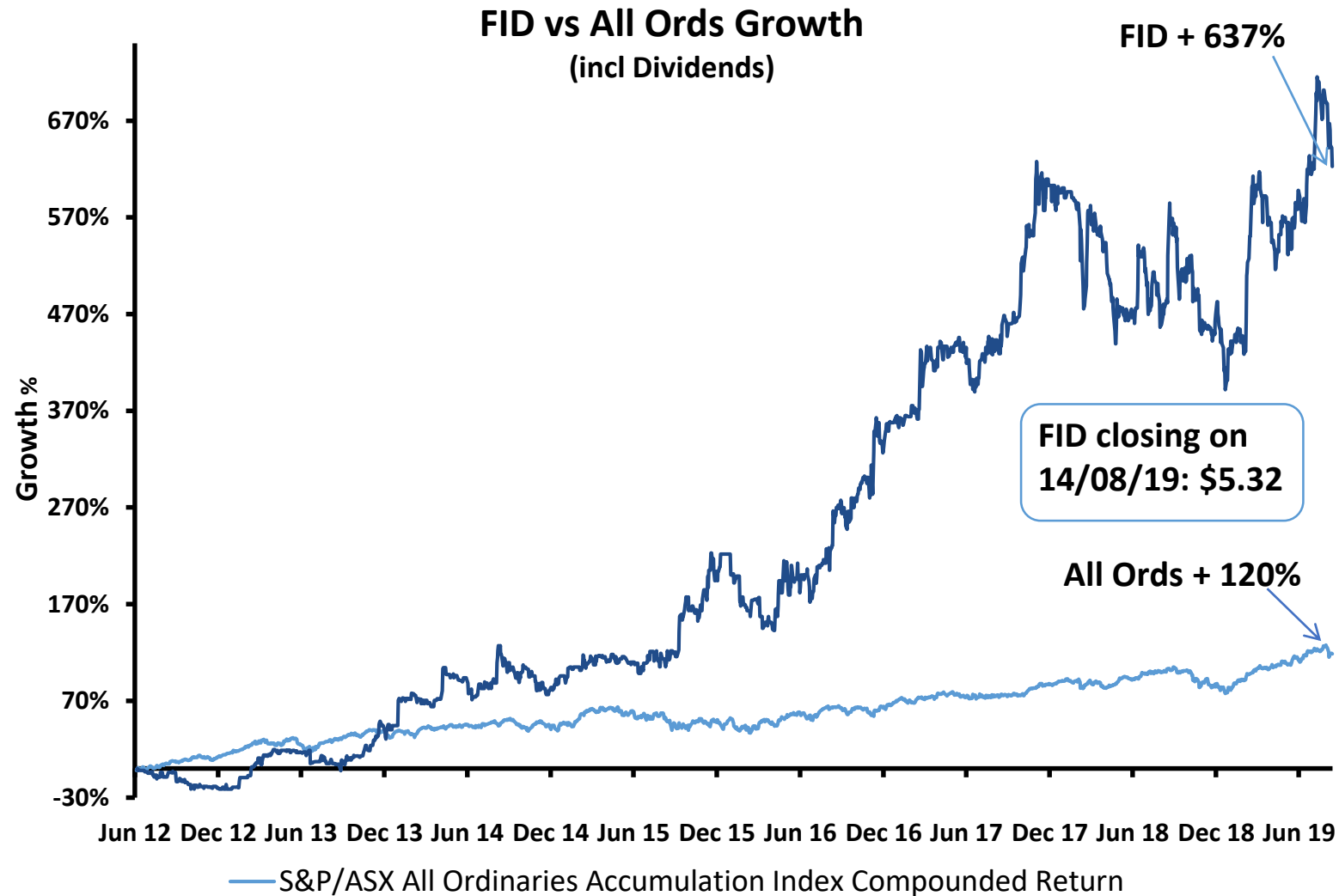


304%

Share Price %
Increase over
the Five Year
Period

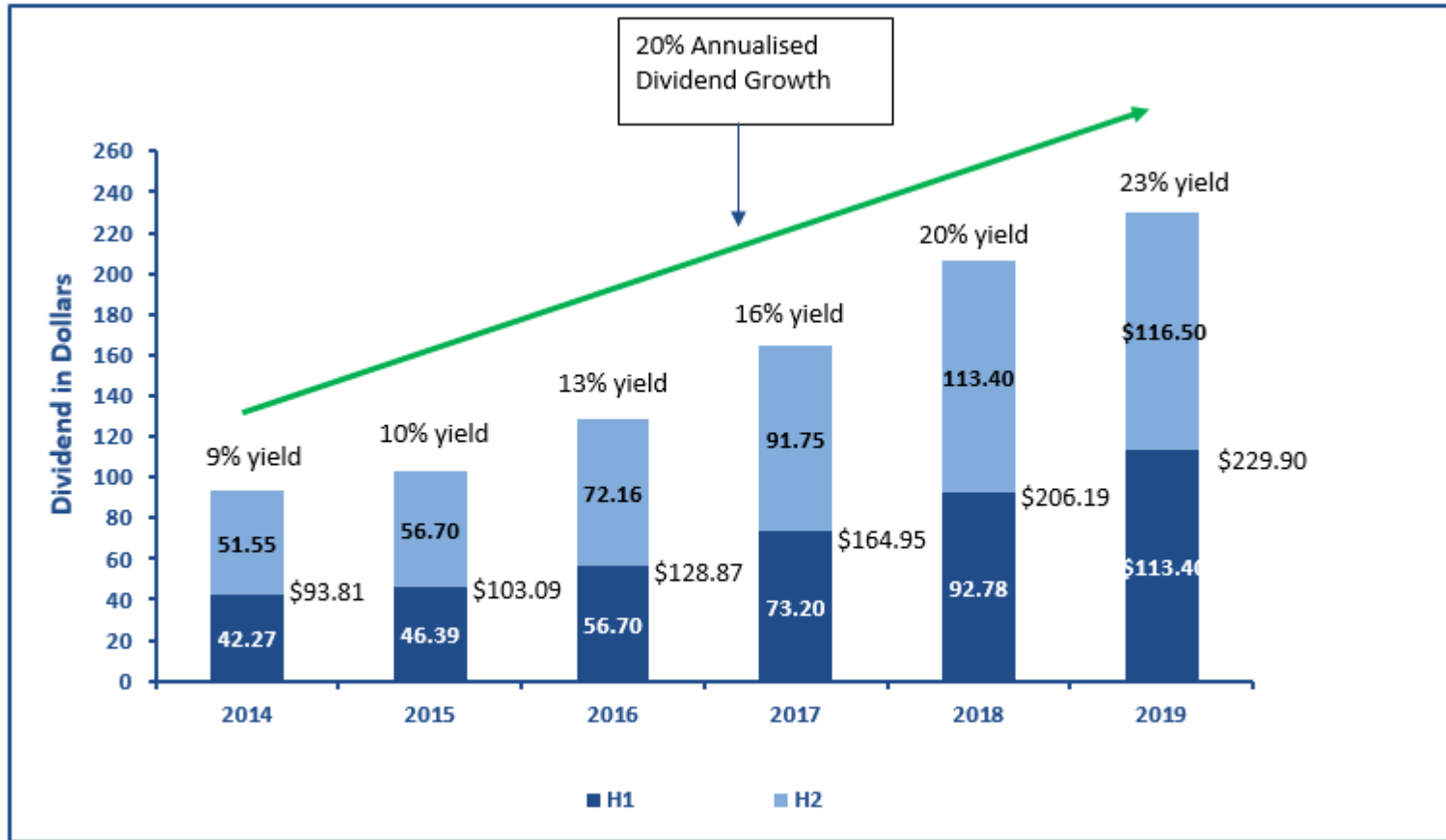
✓ Sustainable growth history consistently over long term

FID outperformance against All Ords Accum Index



- Since Jun 12, FID has **outperformed All Ords by 517%** (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- Double digit EPS growth in 15 out of 19 years since listing
- Full year dividend for 2019 is 22.30 cents – 12% growth over the 2018

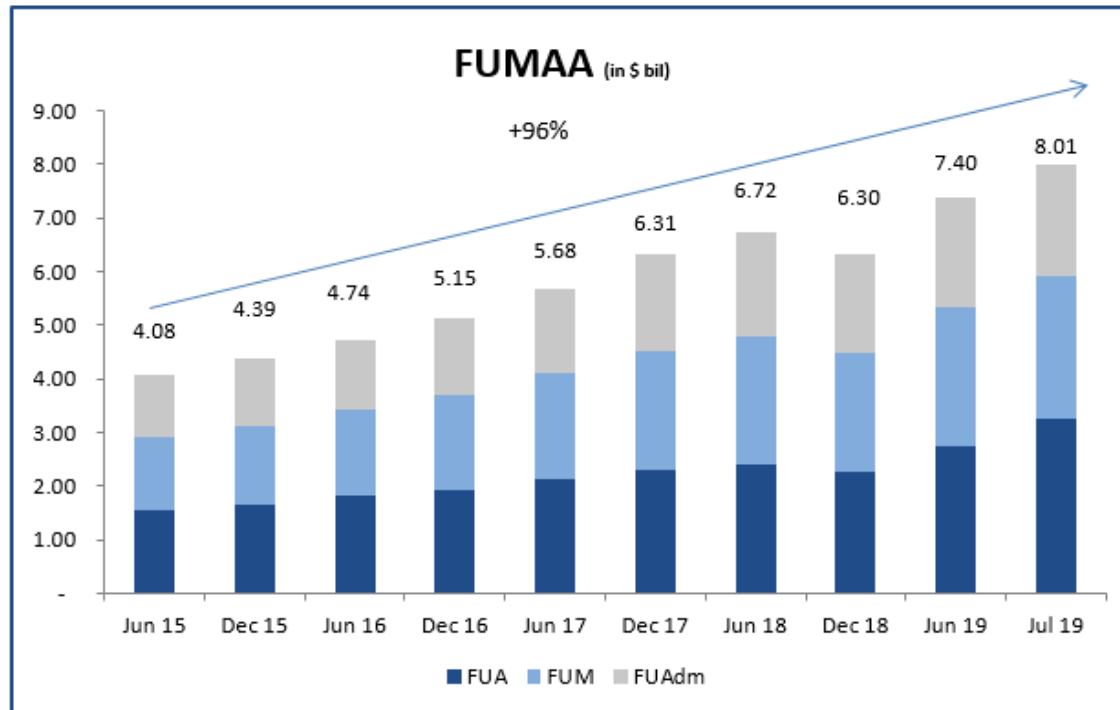
Dividends Growth



\$1,000 invested in July 2013:

- ✓ \$229.90 Dividend received in 2019
- ✓ 23% current year yield
- ✓ 20% Annualised Dividend growth

Funds Under Management, Administration and Advice (FUMAA) Growth



FUMMA Closing Balance (in \$ bil)				
Years	FUA	FUM	FUAdm	Total
Jun 15	1.54	1.37	1.17	4.08
Dec 15	1.66	1.47	1.25	4.39
Jun 16	1.82	1.59	1.32	4.74
Dec 16	1.94	1.76	1.45	5.15
Jun 17	2.14	1.96	1.58	5.68
Dec 17	2.31	2.21	1.79	6.31
Jun 18	2.41	2.37	1.94	6.72
Dec 18	2.27	2.22	1.82	6.30
Jun 19	2.74	2.60	2.06	7.40
Jul 19	3.24	2.66	2.11	8.01

- ✓ Consistent FUMMA growth contributed by strong organic and inorganic inflows and market improvements.
- ✓ \$219 mil acquisition announced by Fiducian for Franchisees and salaried offices in FY19 + \$355 million in FY20 (July 2019)
- ✓ Increase in FUA as proportion of FUMA reflects recent acquisition

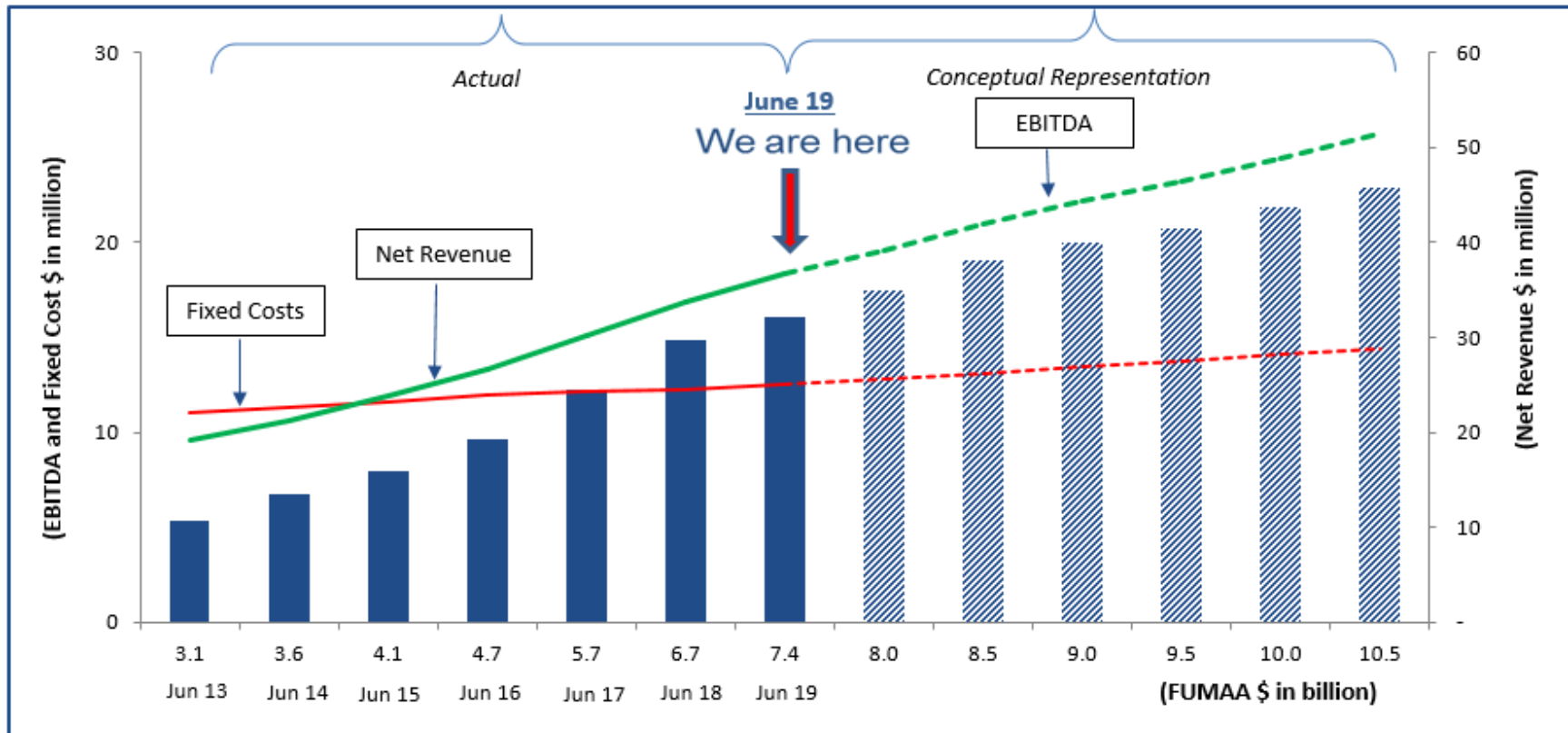
Explanatory Notes:

- FUM includes cross holdings from diversified funds into sector / specialised funds. Excluding cross holdings, FUM is \$1.76 bil.
- FUA includes assets held in Fiducian and External platforms
- FUAdm includes aligned advisers and IFAs

Projecting the Potential: Conceptual Representation

The following is a concept extrapolation* of how increasing **scale lifts EBITDA at an accelerating rate** above a relatively fixed cost base:

Funds under Management, Administration and Advice (FUMAA) & EBITDA



* This is not a projection or a forward-looking statement, and should not be read or relied upon as such. This concept extrapolation may or may not be correct or accurate.

- This is simply extrapolating how revenue and EBITDA could grow and is not a forecast

	Funds Management	Leverage of successful Manage-The-Manager model and expand in new markets where profitable
	Administration	Distribute SMA capabilities, offer Badged solutions to IFA market and build SMSF Administration
	Financial Planning	Continue to attract high quality planners and expand through value accretive acquisitions (Industry dynamics are positive for Fiducian)
	IT Development	Commercialise Financial Planning software and Leverage platform administration services with new system functionality development

Disclaimer



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Information provided are as at 30 June 2019 unless otherwise mentioned. Figures presented are subject to rounding. Prior period figures may have been restated where applicable to be on comparable basis with the current period.

The information was prepared on 4 September 2019.