

Wilson's Rapid Insight



INVESTOR PRESENTATION

Jai Singh – Head of Business Development and Distribution

Robby Southall – Executive Chairman, Financial Planning

Rahul Guha – Executive Chairman, Fiducian Services

30 May 2019, Melbourne

Profit Generating Sustainable Business Model

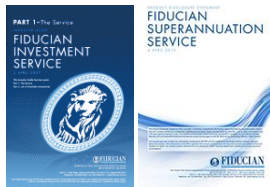


Funds Management



- Process driven, client focused investment products
- 15 Managed Funds: 4 Diversified Funds, 4 Sector Funds, 7 Specialist Funds
- **\$2.56 Billion in Funds under Management (FUM)**

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
- **\$2.03 Billion in Funds under Administration (FUAdmin)**

Financial Planning



- Respected non-bank financial planning licensee with over twenty one years of experience
- 37 high quality practices, 65 representatives, national footprint
- **\$2.70 Billion Funds Under Advice (FUA)**

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
- Fiducian process delivers greater **Diversification** with lower 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	7.9% (29/189)	10.2% (1/170)	9.7% (1/165)	10.9% (3/156)	10.3% (3/128)
Balanced	7.5% (47/189)	9.2% (18/170)	8.7% (2/165)	9.9% (8/156)	9.4% (14/128)
Ultra Growth	6.1% (95/127)	10.8% (22/115)	11.3% (1/106)	12.5% (3/98)	12.3% (1/78)
Capital Stable	5.5% (22/117)	5.4% (7/107)	5.5% (5/104)	6.1% (10/100)	6.4% (18/81)
Other specialist MTM funds					
Technology	21.0%	23.0%	22.0%	23.7%	18.5%
India	-5.5%	12.3%	17.0%	18.0%	13.4%

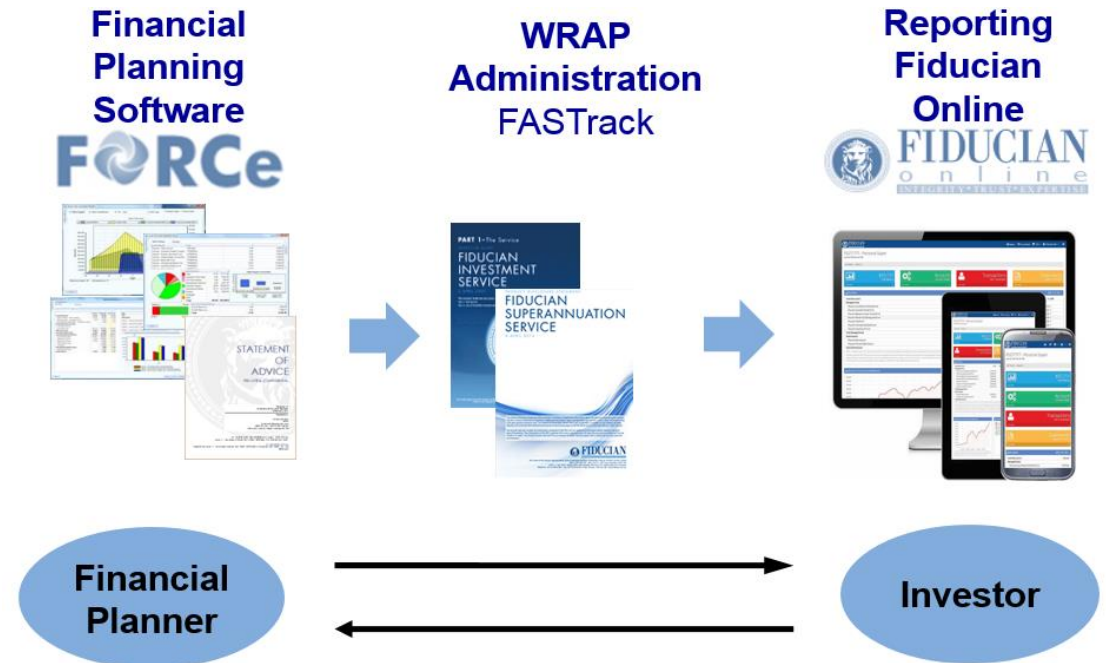
The above performances are based on independent survey conducted by Morningstar survey as at 30 April 2019

2017 FundSource Awards – International Equity Sector
 Winner: Fiducian Funds management - Technology Fund
 Finalist: Fiducian Funds management - India Fund



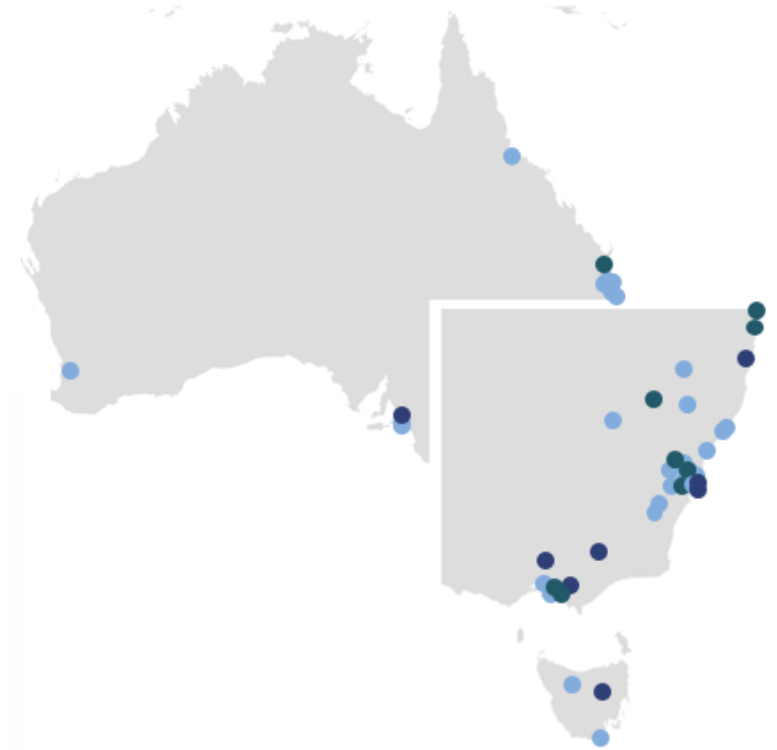
WRAP Platforms (FSSWRAP Platforms (FSS/FIS) – FinTech (FORCe & FAStTrack)

- **Competitive Fees, Flexible Structure**
- Public offer “Superannuation Fund”
- Investor Directed Portfolio Service (IDPS)
- 15 – Multi-manager Funds using the Fiducian Manage-the-Manager system
- 57 – 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**

- We are selective in recruiting Financial Planners
- National footprint with 37 offices, 65 representatives
- 5 new franchised planners
- \$219 million FUA acquisitions



Wealth Creation



Retirement Planning



Superannuation



Investment Advice



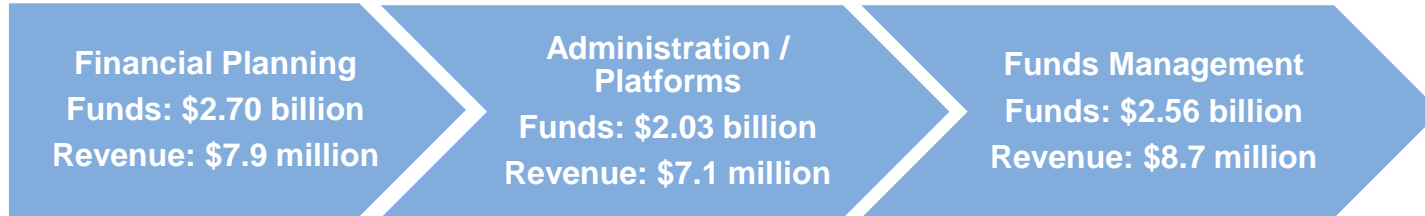
Estate Planning



Personal Insurance

Integrated Business Model

Our clients experience **the Fiducian difference**:



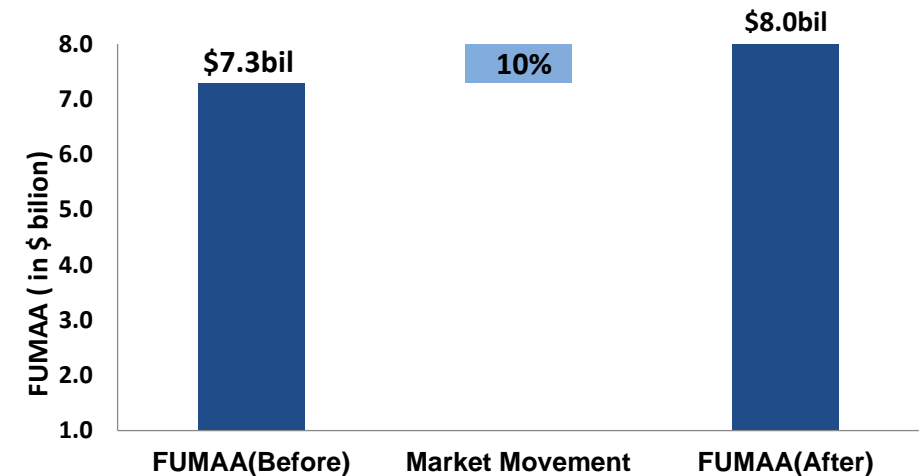
Fiducian Integrated Business Model
FUMAA \$7.29 billion
H1 Gross Revenue \$24.6 million
(includes Other Income \$0.9 million)

Revenue Growth is a function of volume of FUMAA

Example:



Plus, additional revenue growth if financial markets rise



Example:

Assets rise 10%

FUMAA of \$7.3 billion rises to \$8.0 billion

Financial Highlights

FINANCIAL HIGHLIGHTS

(\$ in thousands)

Half-Year Ending 31 December	2018	2017	% Change
Operating Revenue	24,600	22,349	↑ 10%
Fees and Charges paid	(6,396)	(6,020)	
Net Revenue	18,204	16,329	↑ 11%
Gross Margin	74%	73%	
Underlying EBITDA	7,946	7,019	↑ 13%
Depreciation	(48)	(44)	
Tax on underlying earnings	(2,191)	(2,004)	
Underlying NPAT (UNPAT)	5,707	4,971	↑ 15%
Amortisation	(703)	(635)	
Statutory NPAT	5,004	4,336	↑ 15%
Basic EPS based on UNPAT (in cents)	18.2	15.9	↑ 15%
Basic EPS based on NPAT (in cents)	16.0	13.9	↑ 15%
Funds under Management, Advice and Administration FUMAA (\$ in millions)	6,301	6,310	

Five Year Summary: Financials

	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCIAL PERFORMANCE					
Gross Revenue	45,873	40,752	35,451	26,253	22,874
Underlying Net Profit After Tax (UNPAT)	10,505	8,710	7,036	5,748	4,501
Statutory Net Profit After Tax (NPAT)	9,198	7,512	5,839	4,622	3,983
Cost To Income Ratio (CTI) - ex amortisation %	56%	60%	63%	62%	63%
FINANCIAL POSITION					
Total Assets	40,562	36,277	33,690	28,770	26,363
Total Equity	31,132	27,620	24,127	21,191	19,351
Cash	13,885	9,548	9,691	12,374	11,194
SHAREHOLDER INFORMATION					
Number of shares outstanding	31,242,623	31,264,368	31,110,855	30,883,398	30,757,897
Market Capitalisation (in \$ mil)	146	128	72	53	50
EPS based on UNPAT (in cents)	33.6	27.8	22.6	18.6	14.6
Dividends (in cents)	20.0	16.0	12.5	10.0	9.1
Share Price - 30 June closing (in \$)	4.66	4.09	2.31	1.70	1.62

2014-2018



24%

Annualised
Profit Growth



23%

Annualised
EPS Growth



7%

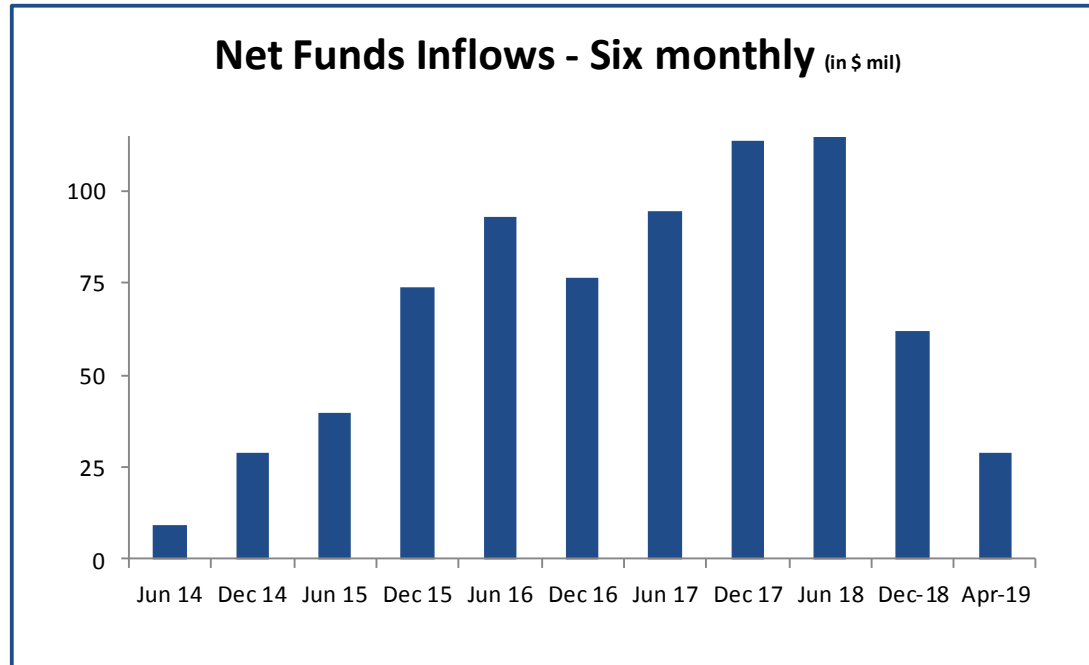
Cost To Income
% Reduction

✓ Sustainable growth history consistently over long term

Cash flow

- Cash Flow in line with expectations for Jul – Mar 19:
 - \$42.4 mil Receipts from Customers
 - \$7.9 mil Net Operating Cash Flow after expenses and tax
 - \$11.7 mil Cash at end of the period
- Reinvestments into business:
 - \$3.2 mil payments for Client acquisitions
 - 219 mil FUA acquired since July 2018
- Dividend payments for FY 18-19 H1:
 - 11.0 cent interim dividend totalling \$3.4 mil

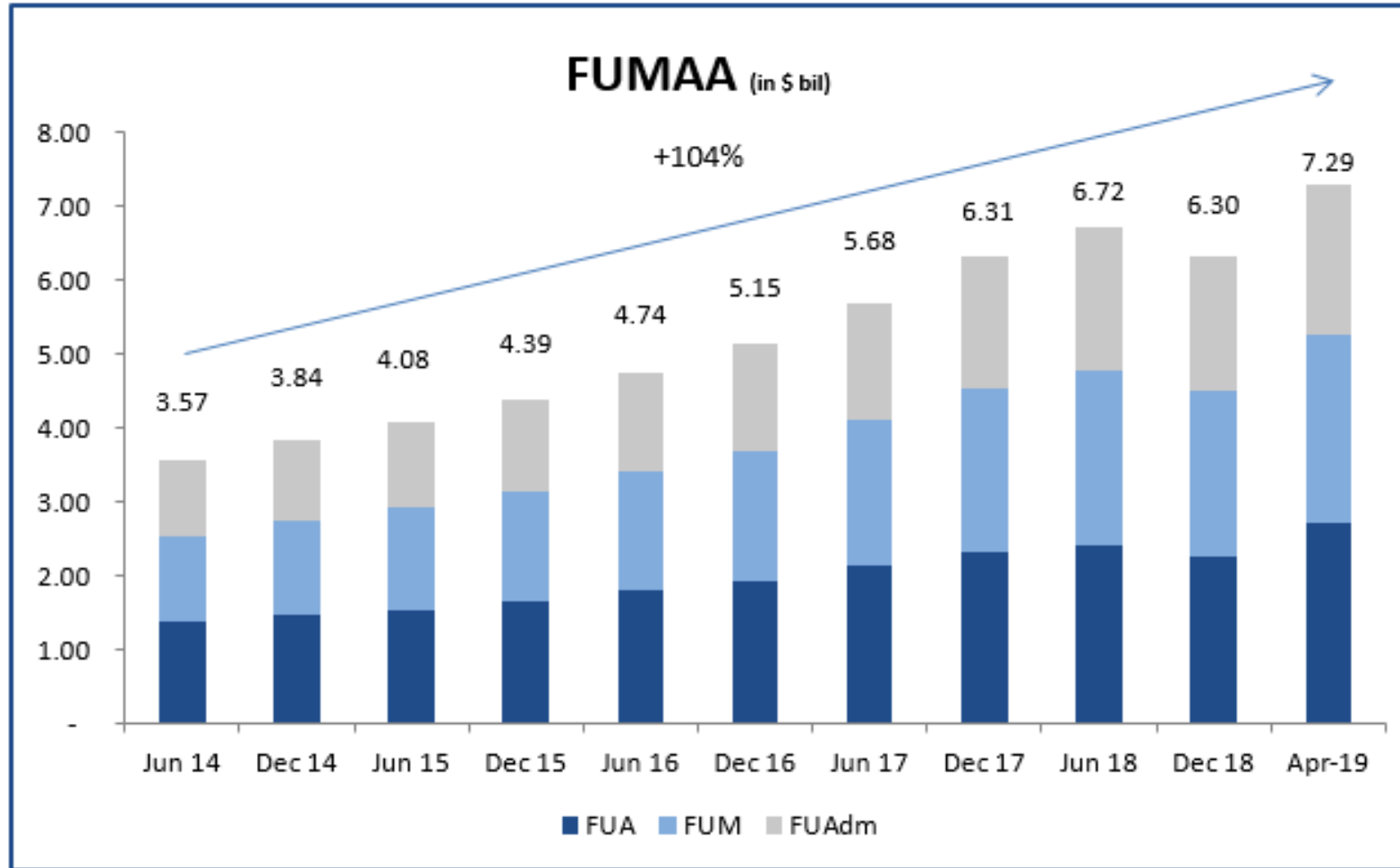
Net Fund In-Flows in Platform



Funds Inflows and Outflows (in \$ mil)			
Half-Years ending	Inflows	Outflows	Net Funds Inflows
Jun 14	57	(48)	9
Dec 14	78	(49)	29
Jun 15	88	(48)	40
Dec 15	111	(37)	74
Jun 16	135	(42)	93
Dec 16	115	(39)	77
Jun 17	175	(80)	94
Dec 17	157	(44)	114
Jun 18	166	(51)	115
Dec-18	108	(46)	62
Apr-19	63	(34)	29

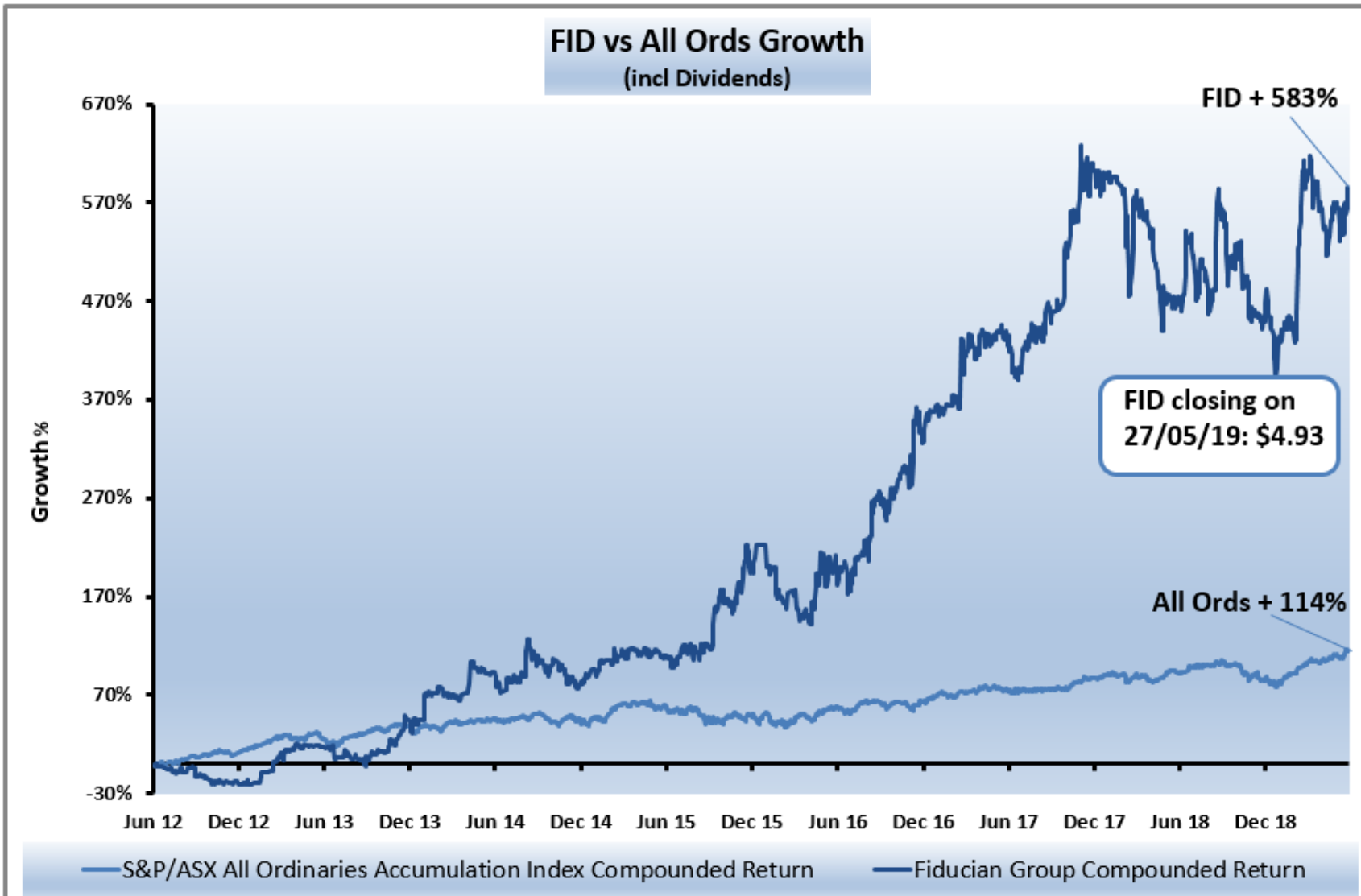
- **Net In-flows of \$91 million** during YTD April FY 2018-19
- Both Salaried and Franchised networks contributing to the Inflows
- Combination of organic flows from active referrals and inorganic flows from strategic acquisitions

Funds Under Management, Administration and Advice (FUMAA) Growth



- Despite a market driven decline, the combined Funds under Management, Administration and Advice (FUMAA) was \$6.30 billion as at 31 December 2018.
- This has since grown to **\$7.29 billion as at Apr 2019 including acquisition \$219 million.**

FID outperformance against All Ords Accum Index

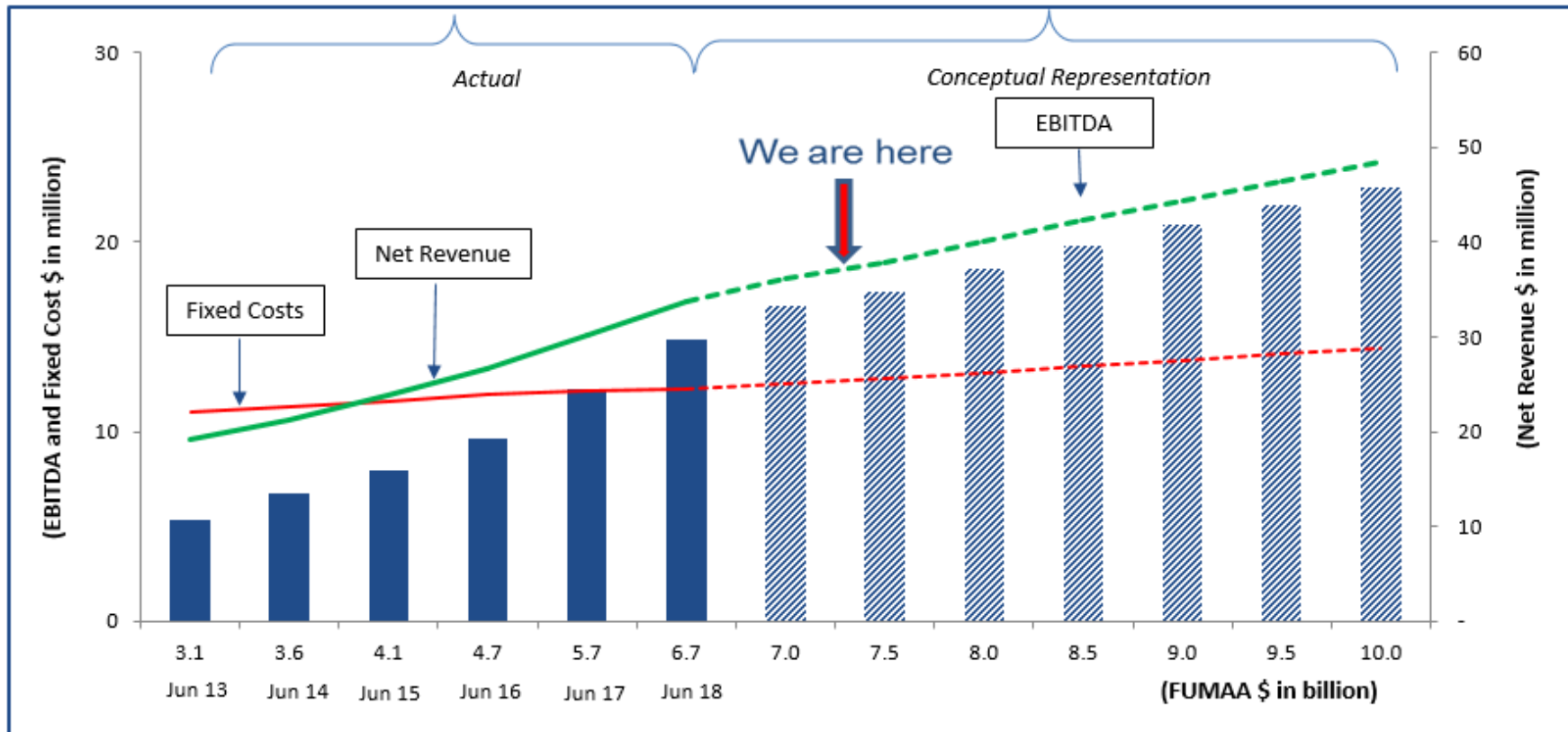


- Since Jun 12, FID has **outperformed All Ords by 469%** (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- H1 dividends is 11 cents – 22% growth over the comparable period

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

- Grow Funds Under Advice organically and through strategic acquisitions of financial planning businesses
- A number of established participants are exiting or have announced their intentions to exit the industry
- New educational standards may expedite adviser exits in the short to medium term
- Regulation and change in industry dynamics could lead to enhanced opportunities for Fiducian
- Fiducian is considering a pipeline of growth opportunities in acquisition, franchised planners, white label / badged platform clients and funds distribution
- Focus is to continue on **sustainable business growth**, increasing shareholder value and business profitability rather than chasing market share with limited benefit to the organisation

Growth Strategy Outlook

	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
	IT Development	Commercialise Financial Planning software and Leverage platform administration services with new system functionality development

Key Dates

- Full Year results announcement: Thursday, 15 August 2019
- Annual General Meeting: Thursday, 17 October 2019

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Information provided are as at 30/04/2019 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 28 May 2019.