

Wilson's Rapid Insight



INVESTOR PRESENTATION

Indy Singh – Executive Chairman (Fiducian Group)

Rahul Guha – Executive Chairman (Fiducian Services)

12 November 2020

- Business Overview
- Financials
- Growth Strategy and Business Outlook
- Key Dates and Contacts

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
- **\$3.09 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
- **\$2.33 Billion in Funds under Administration (FUAdmin)**

Financial Planning



- Respected non-bank financial planning licensee with over twenty one years of experience
- 42 high quality practices, 71 representatives, national footprint
- **\$3.17 Billion Funds Under Advice (FUA)**

FinTech



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

Total **FUMAA \$8.59 billion**. Fund figures are as at 31 October 2020

Funds Management

- 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	0.7% (10/216)	6.2% (5/196)	7.4% (2/188)	8.4% (1/184)	8.7% (1/156)
Capital Stable	2.2% (8/134)	4.5% (9/122)	4.6% (10/117)	5.2% (10/114)	5.7% (9/98)
Balanced	1.3% (9/216)	6.0% (9/196)	7.0% (4/188)	7.8% (2/184)	8.1% (6/156)
Ultra Growth	2.6% (3/138)	6.2% (5/131)	7.7% (2/118)	9.6% (1/113)	9.8% (1/98)
Other specialist MTM funds					
Technology	33.3%	18.6%	17.3%	21.7%	21.0%
India	-7.5%	-3.7%	3.6%	14.2%	7.7%

The above performances are based on independent survey conducted by Morningstar as at 31 October 2020



2020 Money Management Fund Manager of the Year

Finalist: Fiducian Balanced Fund (Multi Asset – Balanced)

2017 FundSource Awards – International Equity Sector

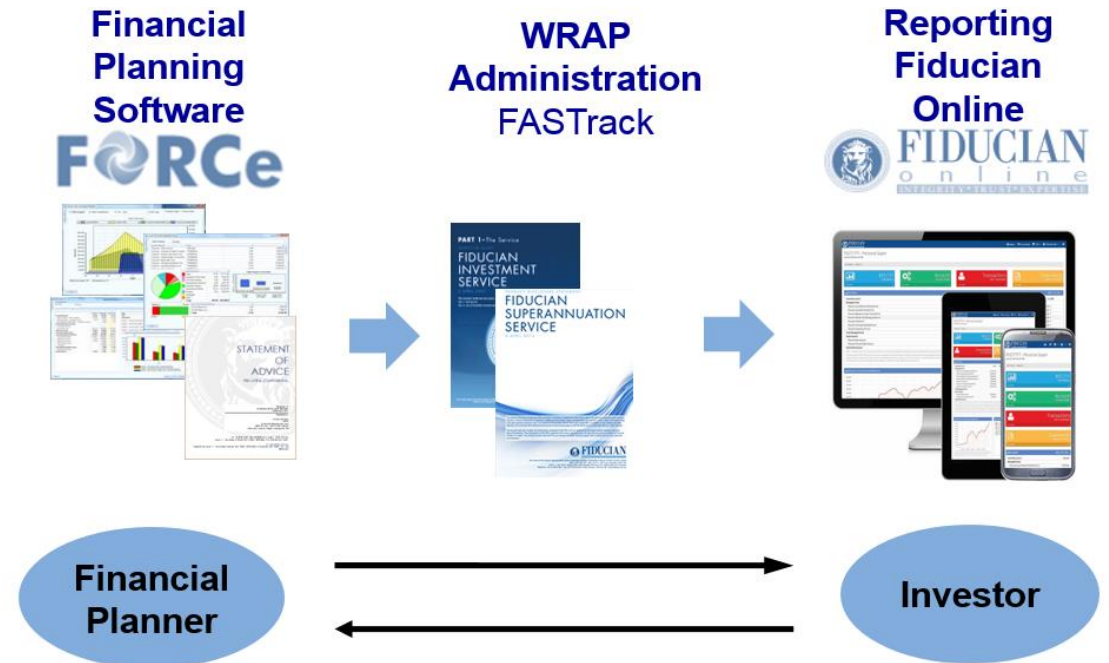
Winner: Fiducian Funds management - Technology Fund

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
- 58 – Single Manager Fund Choices
- 13 – Managed 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 42 offices, 71 representatives
- 33 Franchised offices
- 9 Salaried offices



Wealth Creation



Retirement Planning



Superannuation



Investment Advice



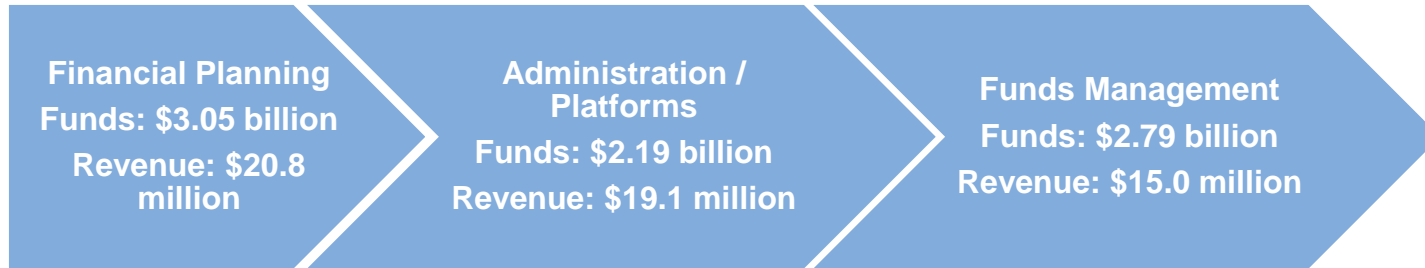
Estate Planning



Personal Insurance

Integrated Business Model

Our clients experience **the Fiducian difference:**



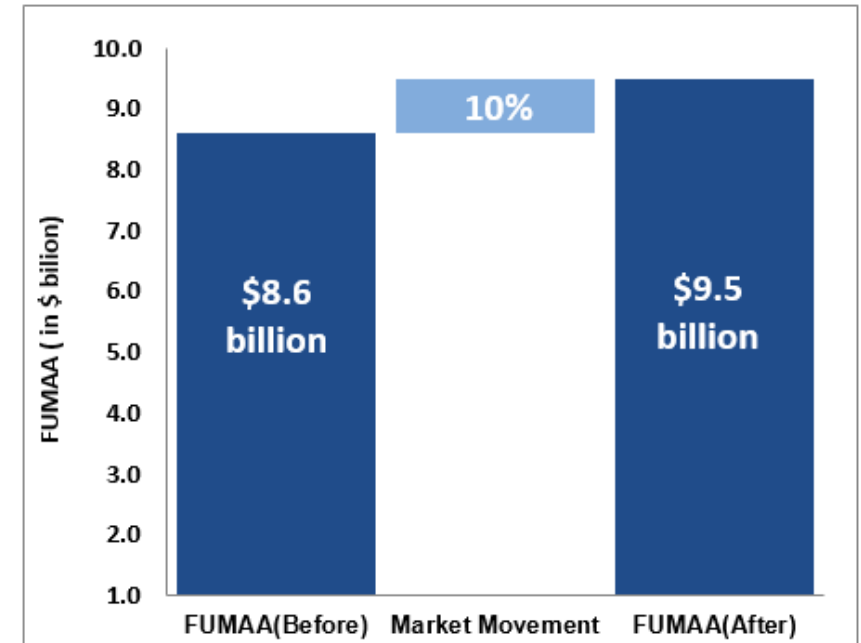
Fiducian Integrated Business Model
FUMAA \$8.03 billion
Full Year Gross Revenue \$54.9 mil
(includes Other Income \$0.2 million)

Revenue Growth is a function of volume of FUMAA

Example:



Plus, additional revenue growth if financial markets rise



Example:

Assets rise 10%

FUMAA of \$8.6 billion rises to \$9.5 billion

Five Year Summary

	2020	2019	2018	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Performance					
Gross Revenue	54,904	49,404	45,873	40,752	35,451
Underlying EBITDA (UEBITDA)	17,499	16,065	14,832	12,290	9,673
Underlying Net Profit After Tax (UNPAT)	12,725	12,047	10,505	8,710	7,036
Statutory Net Profit After Tax (NPAT)	10,463	10,350	9,198	7,512	5,839
Cost To Income Ratio (CTI) - ex amortisation %	55%	56%	56%	60%	63%
Financial Position					
Total Assets	54,653	45,899	40,561	36,277	33,690
Total Equity	38,123	34,826	31,131	27,620	24,127
Cash	13,961	11,792	13,885	9,548	9,691
Shareholder Information					
Number of shares outstanding (numbers)	31,442,623	31,442,623	31,242,623	31,264,368	31,110,855
Market Capitalisation (in \$ million)	157	162	146	128	72
EPS based on UNPAT (in cents)	40.5	38.3	33.6	27.8	22.6
EPS based on NPAT (in cents)	33.3	33.0	29.4	24.0	18.8
Dividends (in cents)	23.0	22.3	20.0	16.0	12.5
Share Price - 30 June closing (in \$)	5.00	5.16	4.66	4.09	2.31

✓ Sustainable growth history consistently over long term



16%

Annualised UNPAT Growth



16%

Annualised EPS Growth



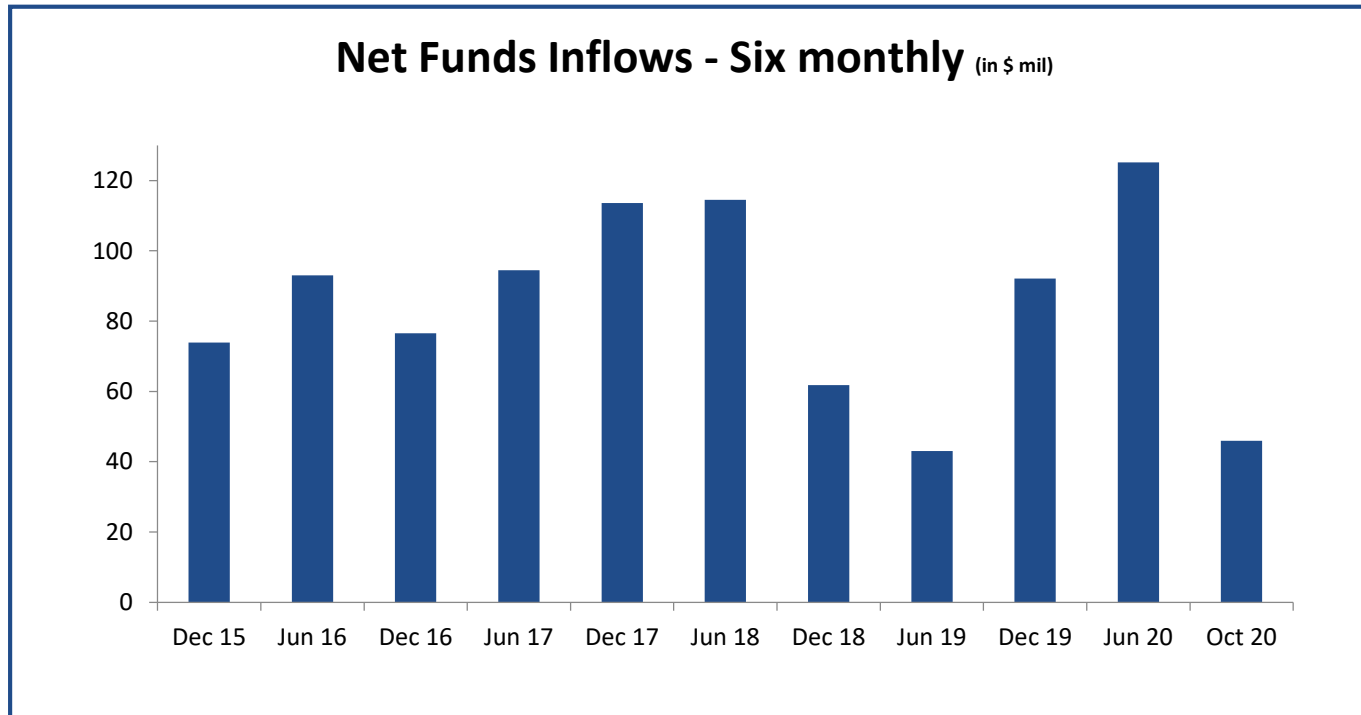
8%

Cost to Income % Reduction

Cash flow

- Cash Flow in line with expectations for Jul 20 – Sep 20:
 - \$14.2 mil Receipts from Customers
 - \$2.4 mil Net Operating Cash Flow after expenses and tax
 - \$12.1 mil Cash at end of the period
- Reinvestments into business:
 - \$0.3 mil payments for Client acquisitions
- Dividend payments for FY 19-20 H2:
 - 11.5 cent final dividend totalling \$3.6 mil

Net Fund In-Flows in Platform

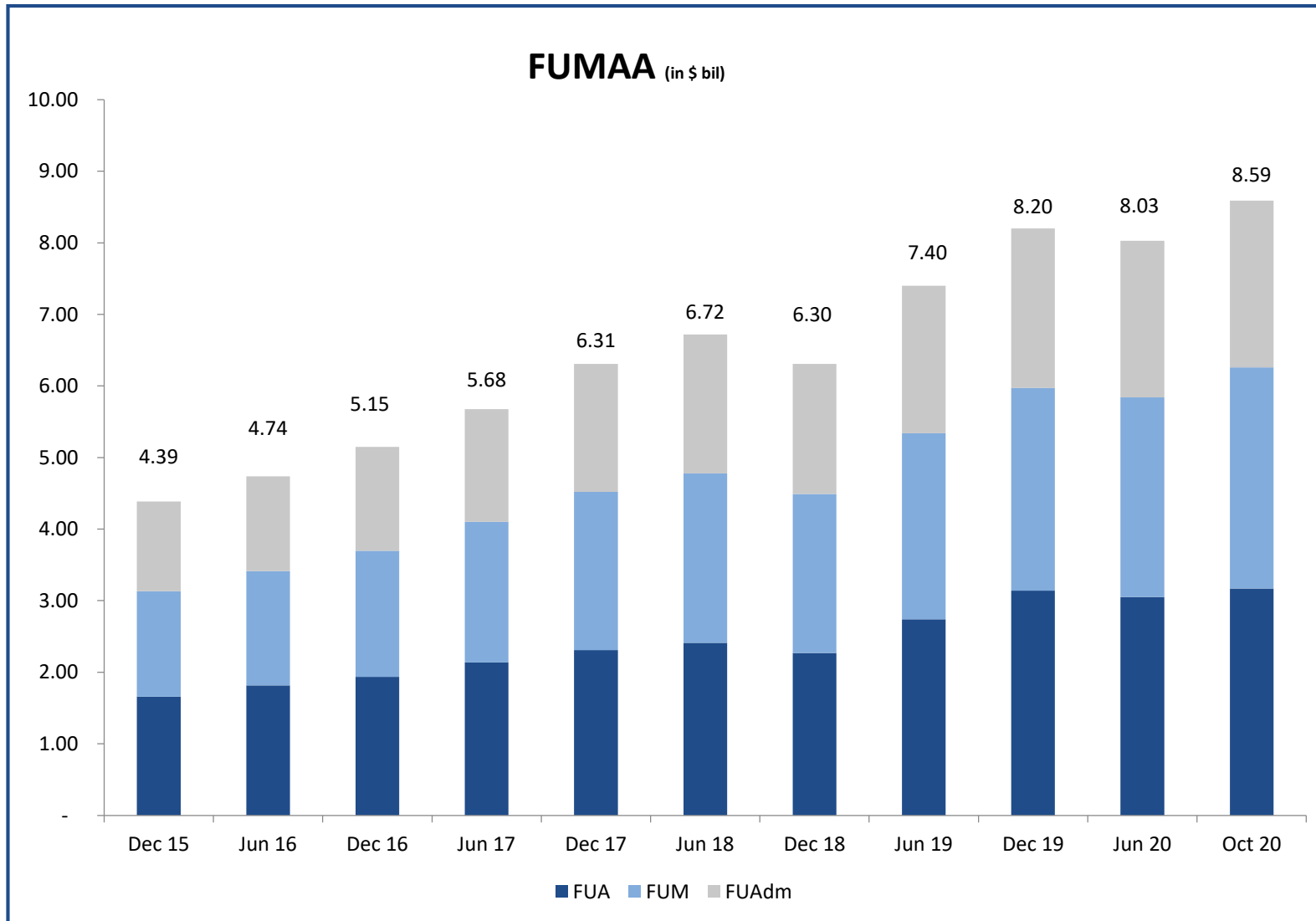


Funds Inflows and Outflows (in \$ mil)

Years	Inflows	Outflows	Net Funds Inflows
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
Jun 19	107	(64)	43
Dec 19	158	(66)	92
Jun 20	183	(58)	125
Oct 20	92	(46)	46

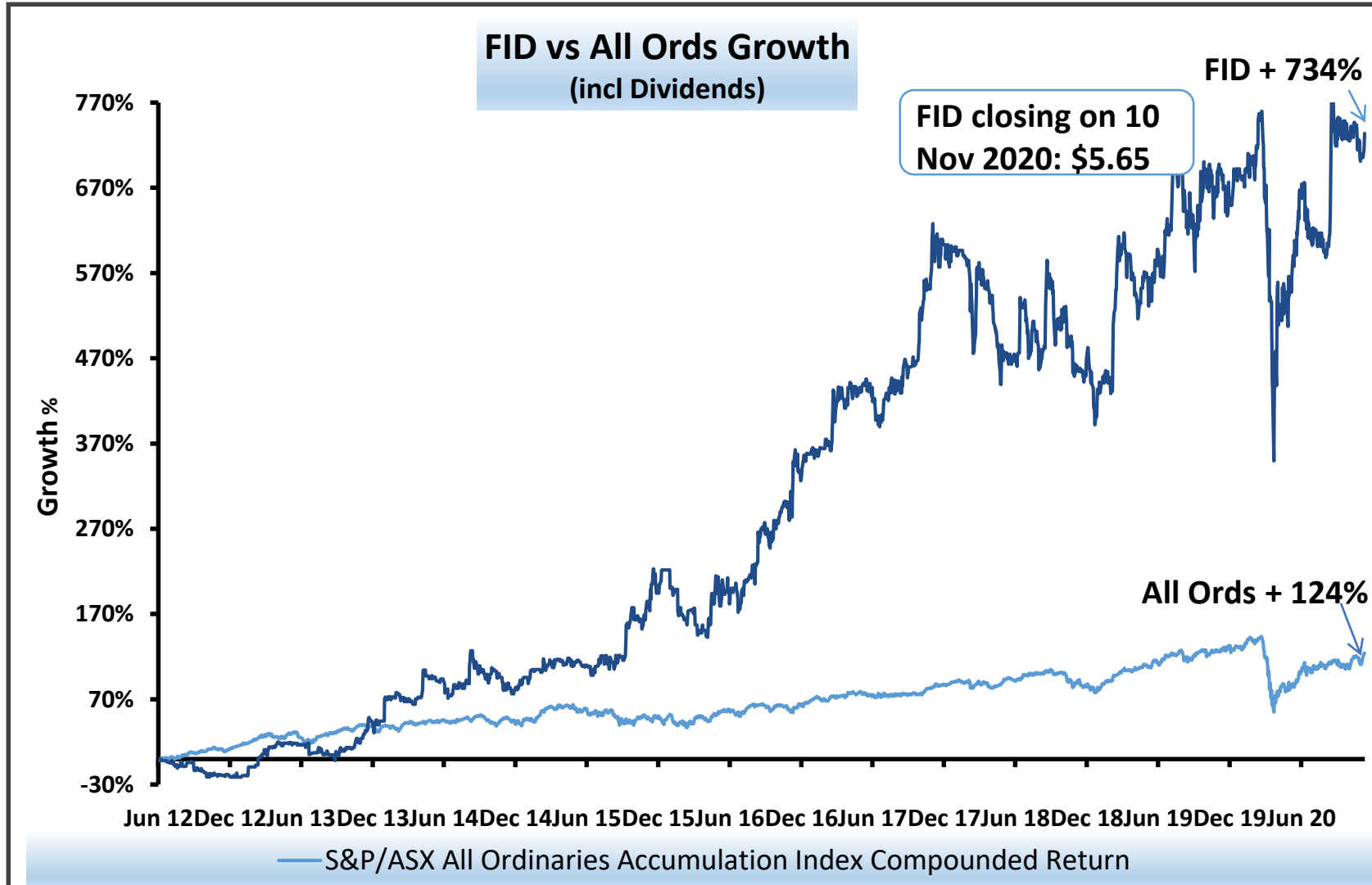
- Net In-flows of \$46 million during H1 FY 2020-21
- Both Salaried and Franchised networks contributing to the Inflows
- Combination of organic flows from active referrals and inorganic flows from strategic acquisitions

Funds Under Management, Administration and Advice (FUMAA) Growth



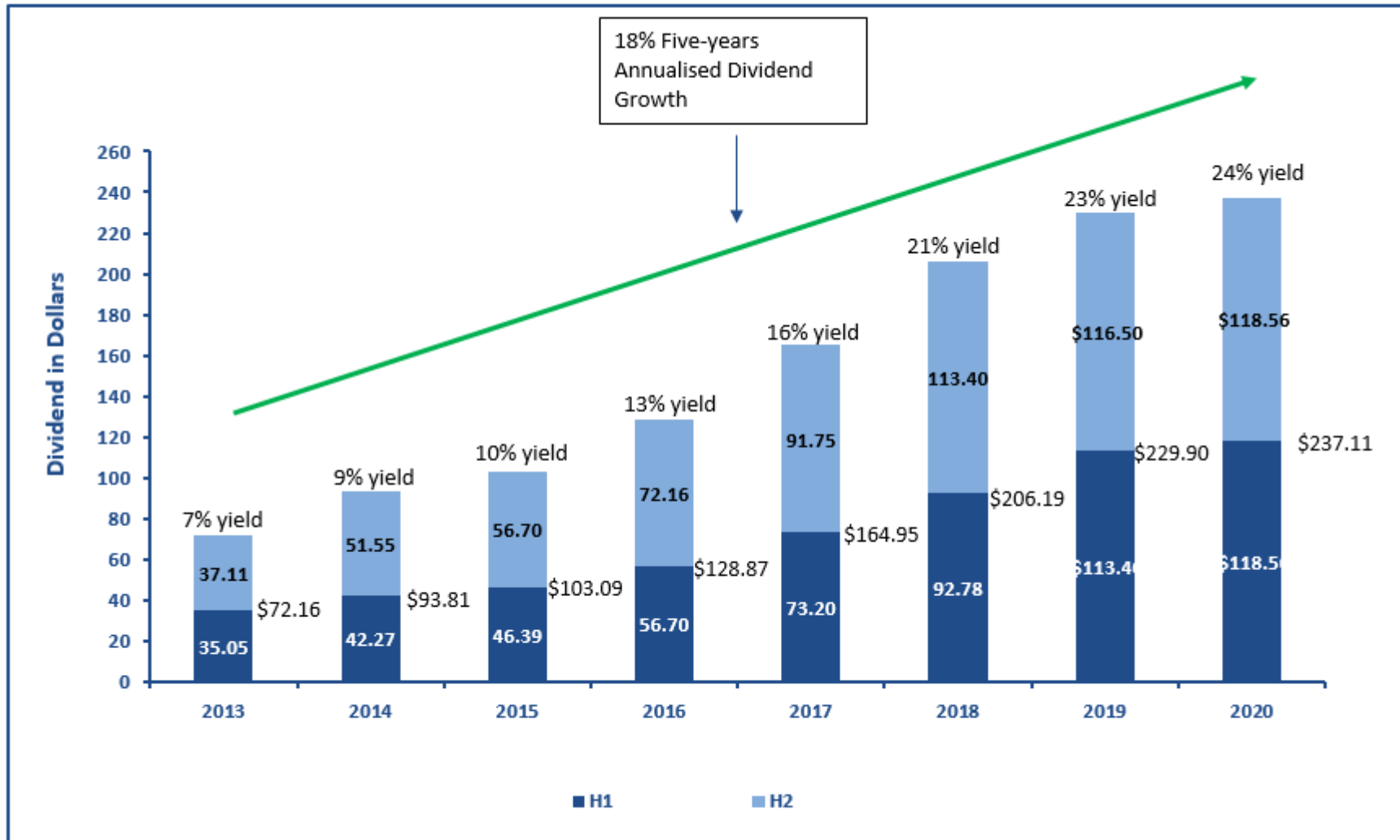
- The combined Funds under Management, Administration and Advice (FUMAA) is \$8.59 billion as at 31 October 2020

FID outperformance against All Ords Accum Index



- Since Jun 12, FID has outperformed All Ords by 610% (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- FY20 H2 dividend is 11.50 cents/share

Dividends - \$1,000 invested on 1 July 2012

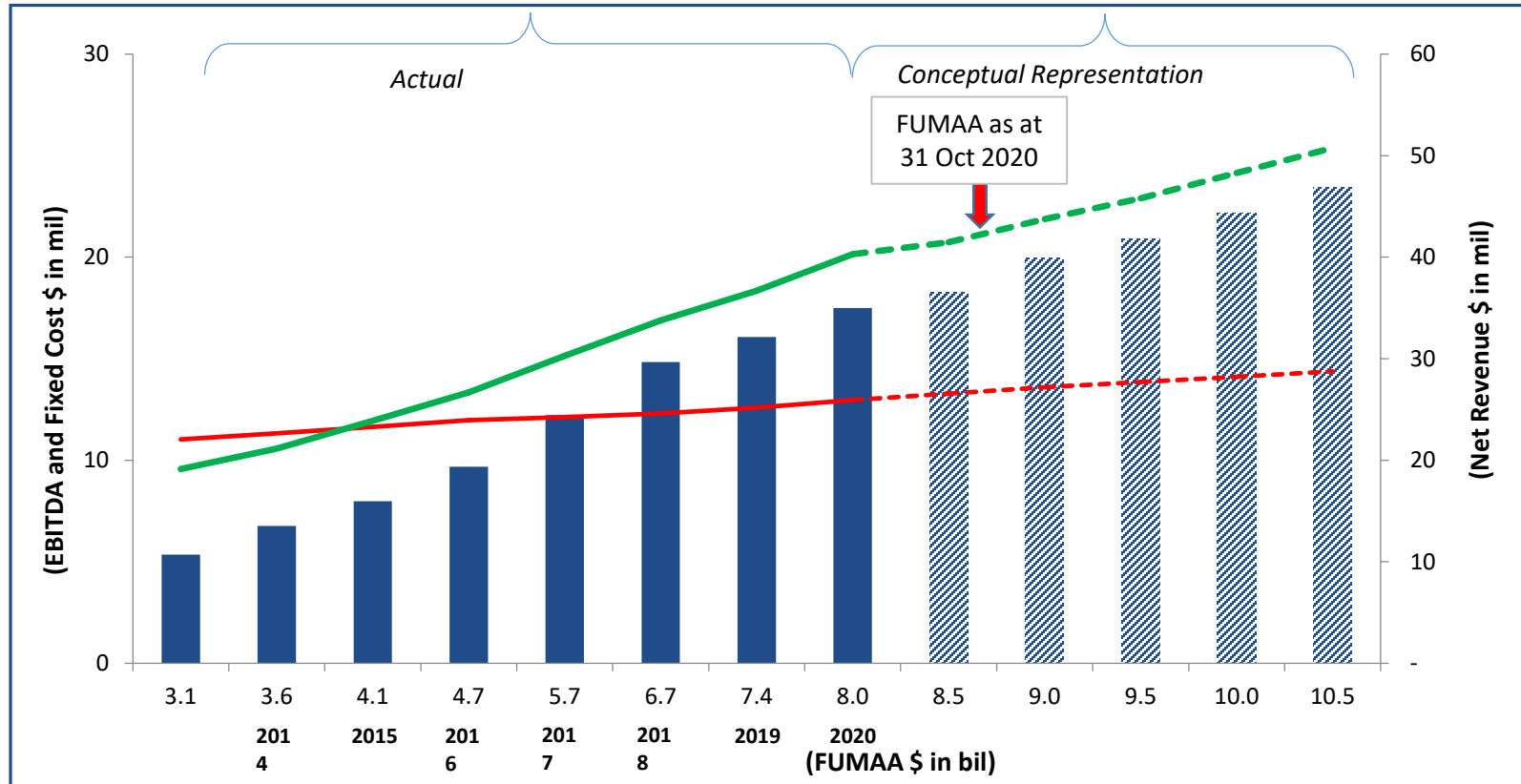


- The above graph shows annualised dividend yield (before franking credits) on \$1,000 invested in FID on 01/07/2012.
- Double digit EPS growth (based on UNPAT) in 15 out of 20 years since listing

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

- While the financial market has had large swings, our investments assets are diversified and expected to earn a Balanced return. The market volatility will have an impact on our revenue.
- Fiducian has surplus cash for its operations with no debt. The company has generated positive operating cash flow at all times during the year.
- Necessary infrastructure has been implemented for all staff to work from home.
- We continue to operate as Business as Usual. All service standards are maintained.
- We have seen no evidence of fear-driven withdrawals from our platform. We have received net positive inflows on weekly basis since the crisis evolved. We have received 212 requests totalling \$2.02 mil till date for COVID-19 early release from superannuation

- 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.
- Grandfathered Trail Commission – About 1% of the Group’s net revenue is from grandfathered commissions
- Fees for No Service – Management is confident of its tested procedures and controls on providing services for a fee.
- Adviser Education Standards – All financial planners have been assessed. Training plans implemented to ensure where required, qualifications are attained within the required timeframes.

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

- Half-year results announcement date: 15 February 2021

Contacts

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Information provided are for year ended/as at 30 June 2020 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 11 November 2020.
