

Wilson's Rapid Insight



INVESTOR PRESENTATION

Indy Singh – Executive Chairman, Fiducian Group

Rahul Guha – Executive Chairman, Fiducian Services

26 May 2021

Agenda

- Business Overview
- Financials
- Growth Opportunities
- Key Dates and Contacts



Platform Administration Business

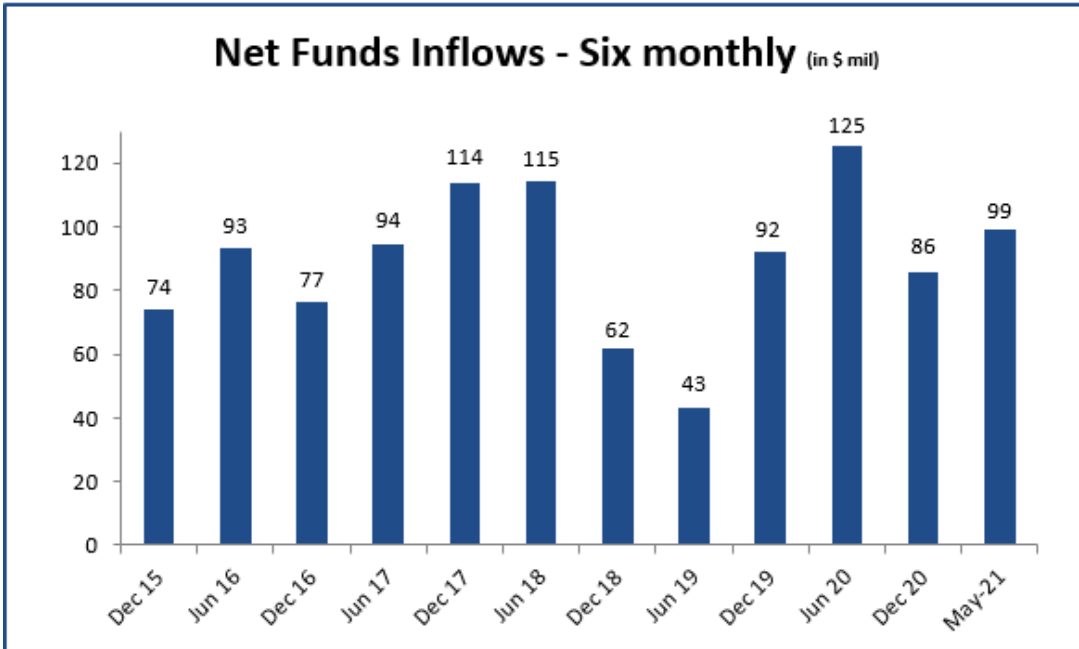


- **\$2.75 Billion in Funds under Administration (FUAdmin) as at 30 April 2021**
- Market competitive platform offering for Investments, Superannuation and SMA administration with own licences
- Investment menu includes 15 Fiducian multi-manager funds, 57 external managed funds, SMAs and Term Deposits tailored to financial adviser and client demands
- Advanced leading edge technology solutions help financial advisers
 - Electronic signatures, Digital applications with Online ID verification
 - True Straight Thru Processing (STP)
 - Multi Factor Authentication (MFA) increasing security of sensitive data and protection against frauds
 - Online Opt-in, Annual Service Agreements and Fee renewals
- Competitive Fees can be customised at client, adviser, dealer-group and product levels
- Potential for additional netflows from distribution to IFAs and white labels / badge opportunities
- IT system “FasTrack” provides cost effective automation of client administration. 20 year track record

Revenue and Profit for the half year ended and Funds as at December 2020:

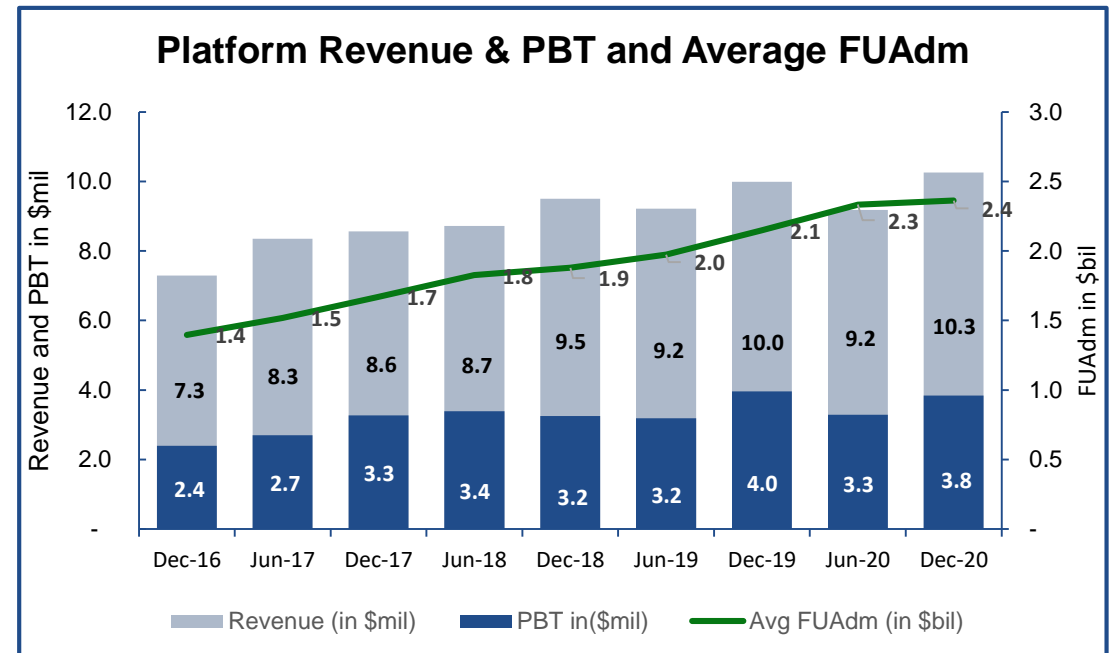


Fiducian Overview – Platform Administration



- PDS Fees have recently been reduced to be in the bottom half of the industry average
- Highly scalable model generates stable margins even after fee reductions as FUAdm grows even after fee reductions
- **PBT Margins 37% of Net Revenue**

- **Net In-flows of \$86 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
- Marketing to external dealer groups and IFAs begun



Note: Platform segment financials include Corporate. Fund Flow figures for Jan to May 21 is as at 25 May 2021

Funds Management Business



Fiducian Overview – Funds Management

- **\$3.70 Billion in Funds under Management as at 30 April 2021**
- Fiducian provides highly effective Manage the Manager System (Multi-Manager) with greater diversification and below average risks to generate consistent above average returns
- The investment team selects expert managers with proven performance, differing investment processes and complementary styles
- Assets are primarily held directly through mandates. Managers can be replaced without liquidating holdings
- The in-house team decides on manager allocations and tactical allocation
- Over 15 years, the four Fiducian diversified funds rank in the top quartile to top decile in 64 out of 64 readings against up to 208 fund managers on Morningstar survey

Fiducian Manage the Manager Investment Philosophy
10 Sector Funds • 4 Diversified Funds • 42 Underlying Investment Manager Teams



Revenue and Profit for the half year ended and Funds as at December 2020:



Fiducian Overview – Funds Management

- **Consistently superior results** against the world’s best fund managers in the Australian market

Fiducian Funds	1-year return (ranking) p.a.	3-years return (ranking) p.a.	5-years return (ranking) p.a.	7-years return (ranking) p.a.	10-years return (ranking) p.a.
Growth	27.1% (5/208)	9.8% (2/199)	10.4% (1/190)	10.0% (1/185)	9.6% (2/167)
Capital Stable	10.0% (21/129)	5.5% (9/124)	5.4% (9/118)	5.5% (6/114)	5.9% (9/103)
Balanced	23.0% (28/208)	9.0% (7/199)	9.4% (7/190)	9.0% (3/185)	8.8% (8/167)
Ultra Growth	10.5% (1/136)	11.3% (2/133)	12.1% (1/123)	12.1% (1/116)	11.3% (1/107)

Other specialist MTM funds

Technology	33.1%	24.1%	24.0%	23.0%	22.4%
India	38.7%	2.3%	9.9%	13.9%	12.1%

**Source: Morningstar Direct April 2021*

Past performance is not a reliable indicator of future performance and Fiducian does not guarantee the performance of the Funds or any specific rate of return.

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

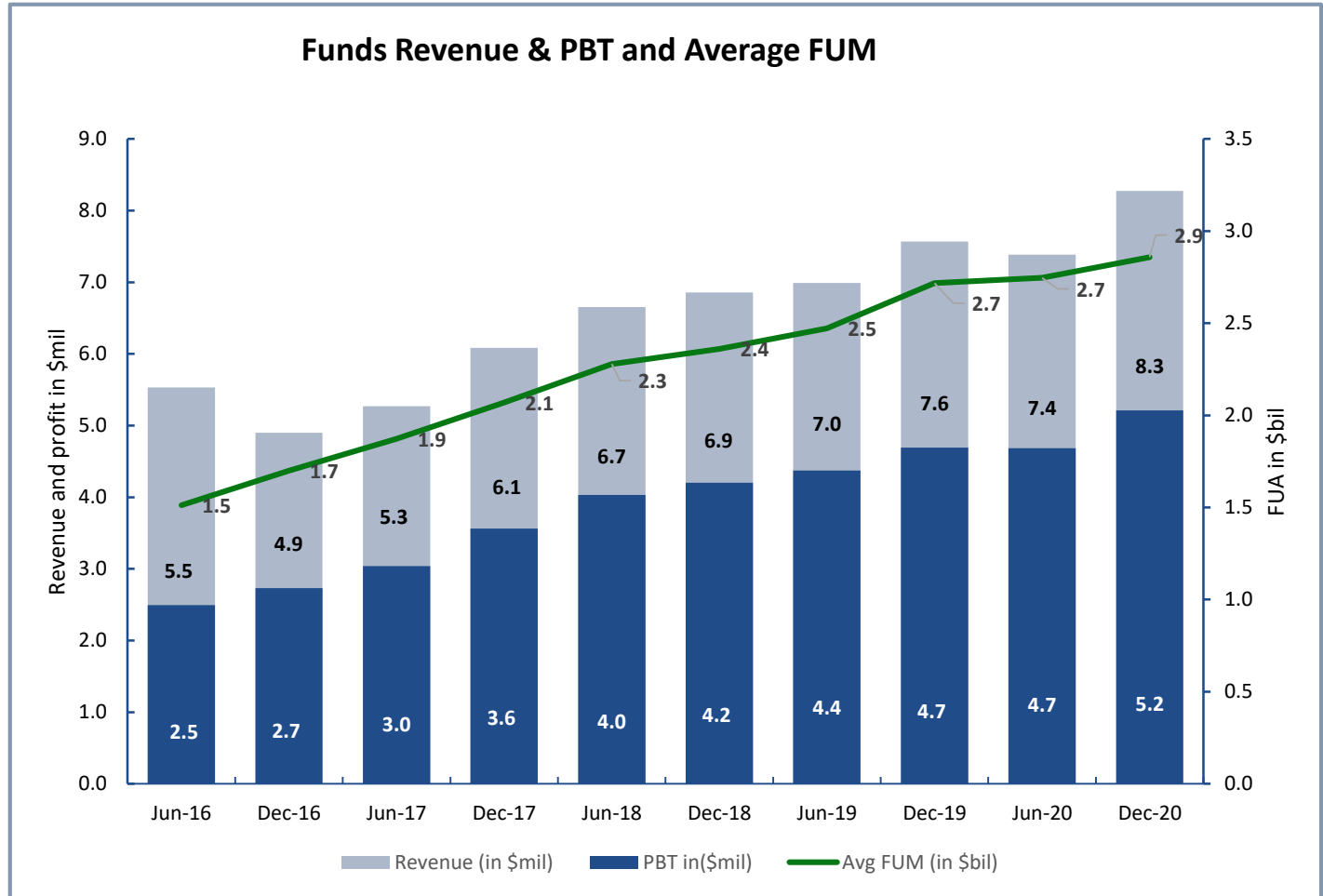
Finalist: **Fiducian Funds management** - India Fund



Fiducian Overview – Funds Management



- PDS Fund Fees are in line with industry peer groups. Added benefits for clients are access to multiple managers whose fees are paid by Fiducian through the relevant Fiducian Fund
- Fiducian margins correspond to fund size. As Fiducian increases manager allocation, fees charged by managers' scales down
- **PBT margins 63% of Net Revenue**
- Closing FUM of \$3.7 bil provides a higher starting point for future period

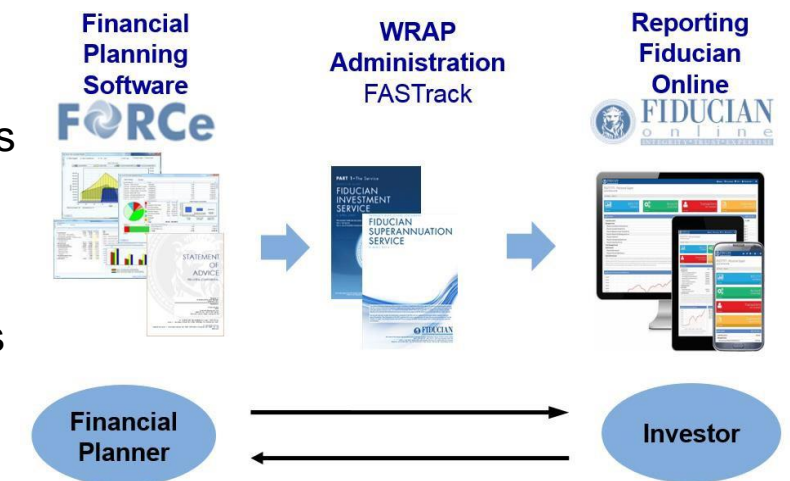


Fintech Capabilities



Fiducian Overview – FinTech Capabilities

- Proven and time tested Fintech capabilities underpin Fiducian’s successful business model
- Recent programming team expansion and new system development provides opportunities for commercialisation
- Market leading **Platform Administration System, ‘Fastrack’** provides an automated solution for advisers for investment execution and client registry.
 - Developed in-house since 2012 with own Intellectual Property with no legacy system issues
 - Promotion to external dealer groups and Software as a Service (SaaS) external offering now begun
- Adviser driven **Financial Planning Software, ‘FORCe’** enables efficiency
 - Modelling, CRM, Advice document generation
 - Compliance monitoring
 - Fully integrated with Fastrack and data-feed from external platforms
 - Workflow systems to monitor adviser performance and compliance
- Wholistic **‘Fiducian Online’ Client reporting**
 - Client account and transaction reporting including external holdings
 - Fully functional client reporting website
 - Front-end for advisers available across all devices

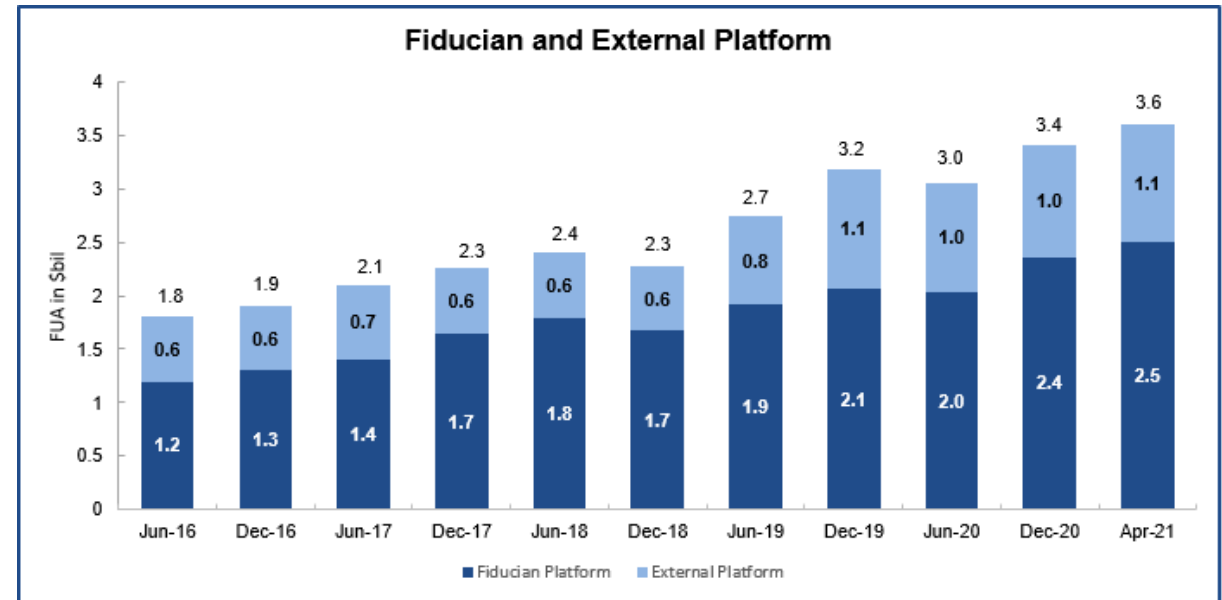


Financial Planning Business



Fiducian Overview – Financial Planning

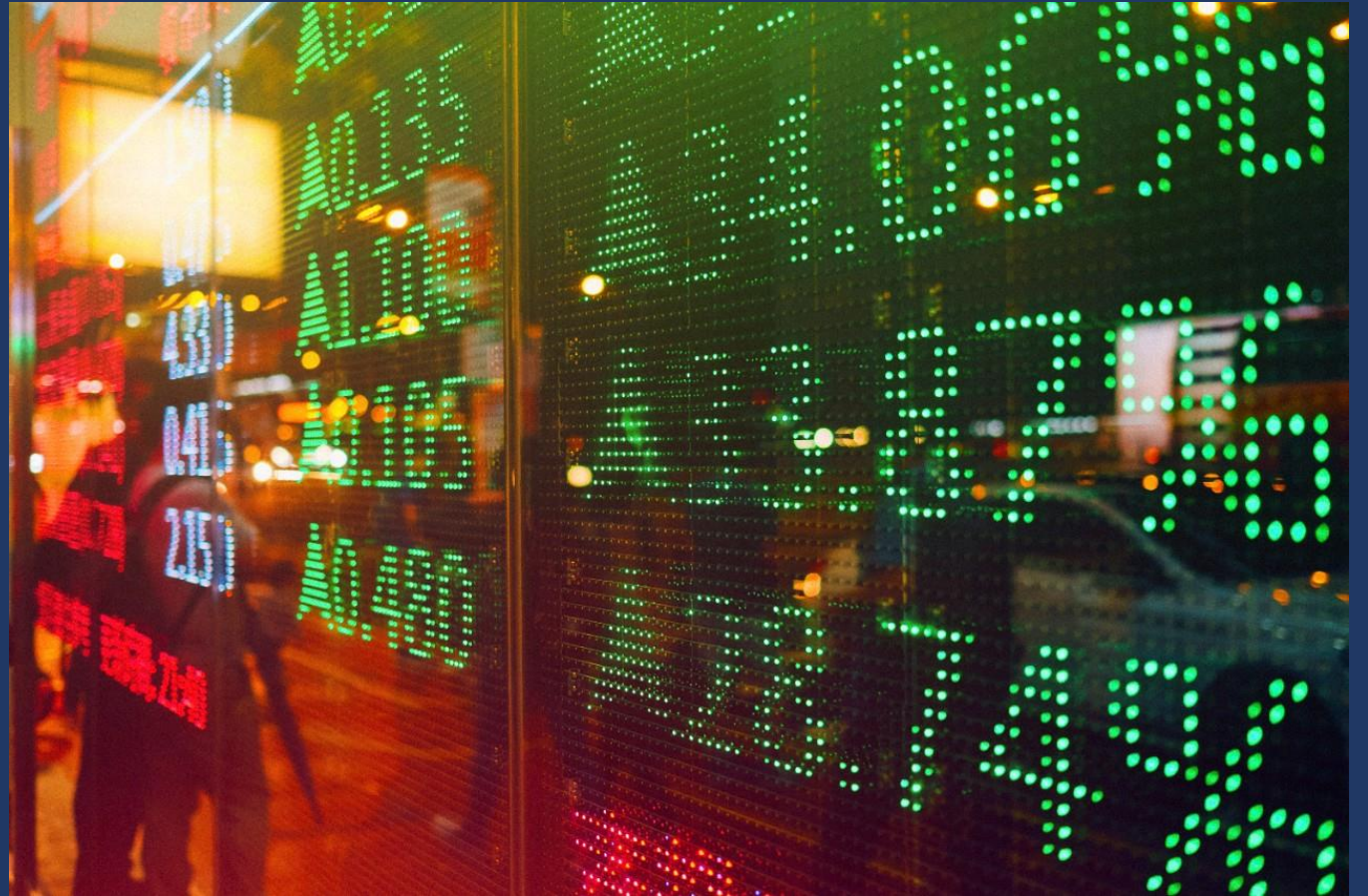
- **Enabler of steady flows** to Fiducian Funds and Platform
- Selective recruitment of Salaried and Franchised planners aligned to Fiducian culture driven by Quality and Expertise
- Planners focused on delivering outcomes aligned to Clients Best Interest obligations
- Growth through acquisitions of client books, organic referrals and recruitment of new franchisees to the network
- Acquisition driven net-flows into platform over 1 to 3 years if right for client



FUA Distribution - Apr 2021 (in \$bil)



Financials



Five Year Summary: Financials

	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



16%

Annualised UNPAT Growth



16%

Annualised EPS Growth



8%

Cost to Income % Reduction

✓ Sustainable Growth history consistently over the long term

Half-Year Highlights

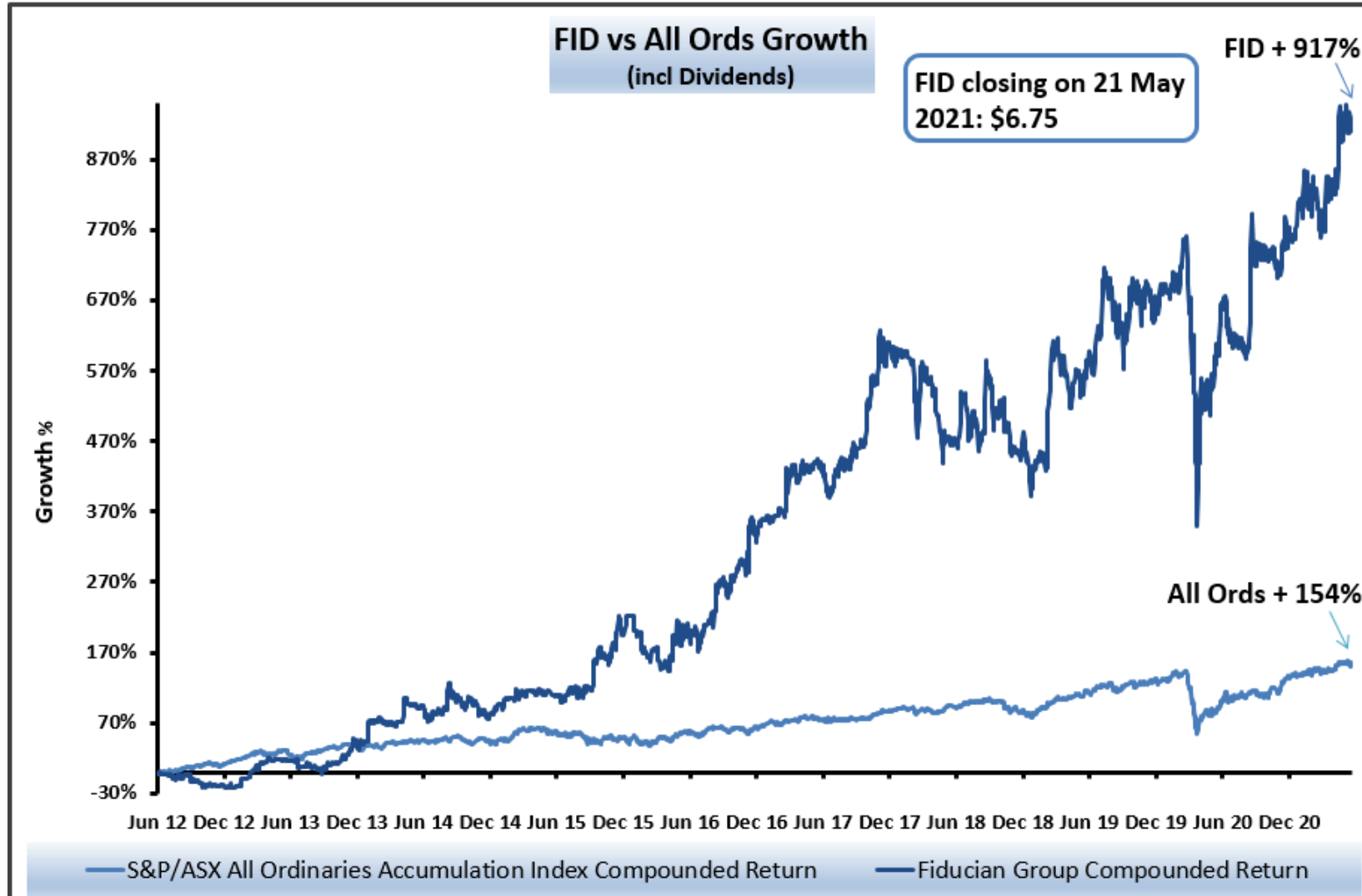
Financial highlights			
Half-Year ending 31 December	2020	2019	% Change
	\$'000	\$'000	
Operating Revenue	28,346	27,795	2% ↑
Fees and Charges paid	(7,638)	(7,484)	
Net Revenue	20,708	20,311	2% ↑
Gross Margin	73%	73%	
Underlying EBITDA (including lease rents paid)	8,958	8,904	1% ↑
Underlying EBITDA Margin	32%	32%	
Depreciation	(124)	(100)	
Tax on underlying earnings	(2,173)	(2,373)	
Underlying NPAT (UNPAT)	6,661	6,431	4% ↑
Amortisation	(856)	(1,008)	
AASB 16 <i>Leases</i> adjustment impacts - Office Lease	(80)	(56)	
Statutory NPAT	5,725	5,367	7% ↑
Basic EPS based on UNPAT (in cents)	21.2	20.4	4% ↑
Basic EPS based on NPAT (in cents)	18.2	17.1	
Funds Under Management, Advice and Administration FUMAA (\$ in millions)	9,327	8,203	14% ↑

Segment Reporting



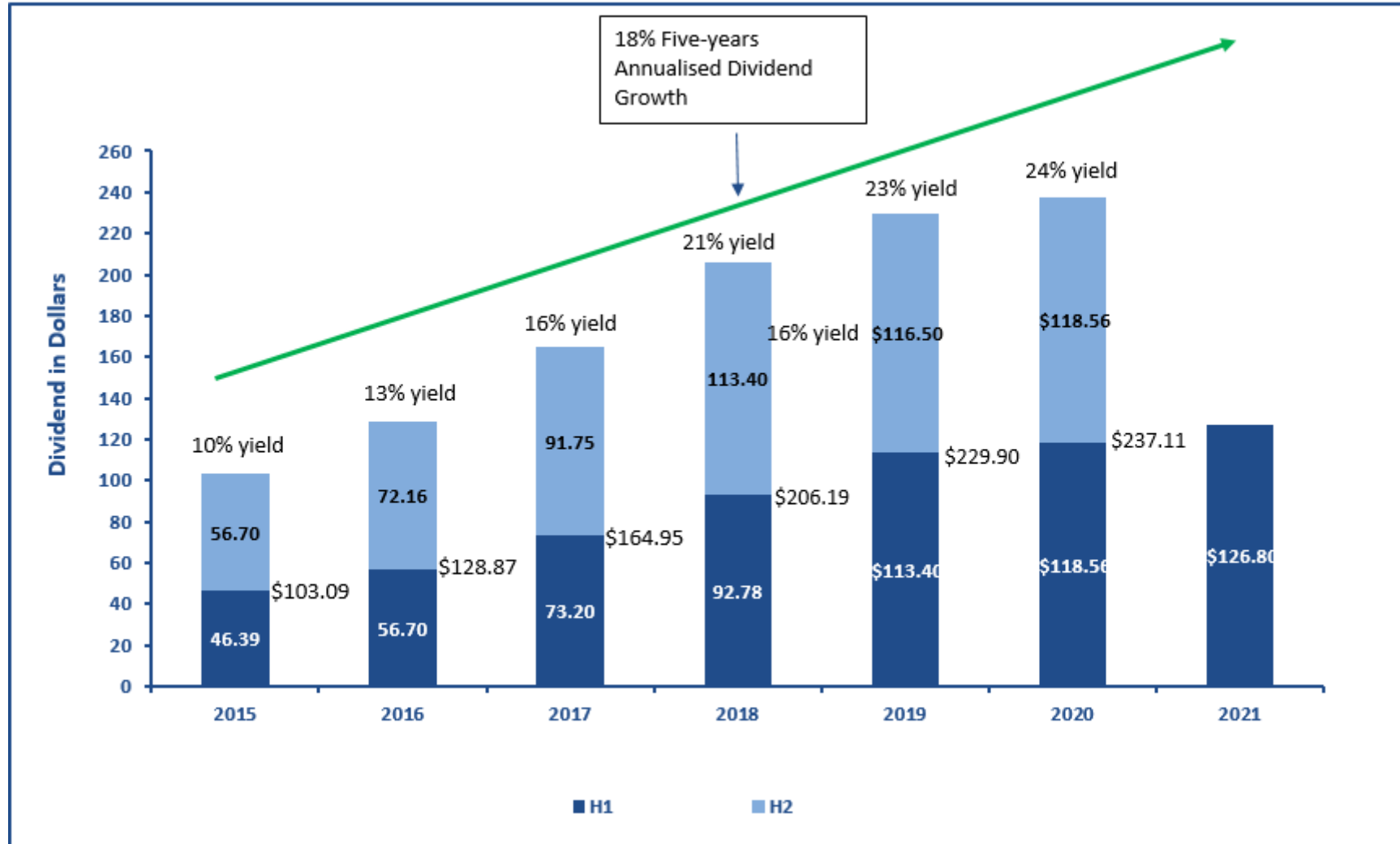
	Corporate and Platform Administration	Funds Management	Financial Planning	Consolidated
	\$'000	\$'000	\$'000	\$'000
Half-year 2020				
Revenue from external customers	7,720	10,733	9,250	27,703
Intersegment sales	2,532	(2,472)	(60)	-
Other revenue	9	13	621	643
Total segment revenue	10,261	8,274	9,811	28,346
Profit Before Tax	3,836	5,213	(1,193)	7,856
Half-year 2019				
Revenue from external customers	7,373	9,826	9,917	27,116
Intersegment sales	2,595	(2,295)	(300)	-
Other revenue	22	37	621	679
Total segment revenue	9,989	7,568	10,238	27,795
Profit Before Tax	3,964	4,692	(916)	7,740

FID outperformance against All Ords Accum Index



- Since Jun 12, FID has **outperformed All Ords by 763%** (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- H1 dividend is 12.30 cents/share

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

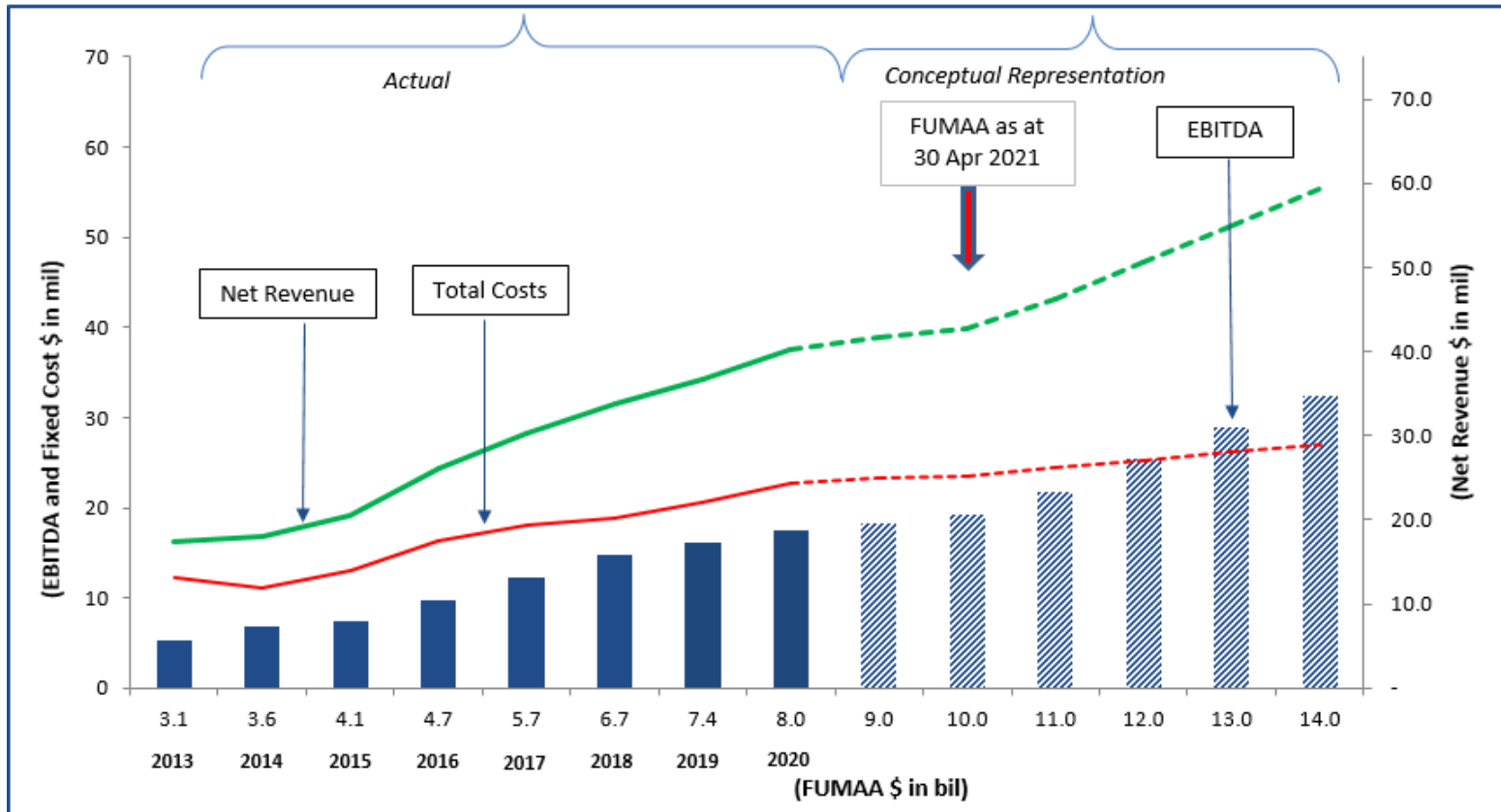


- The above graph shows annualised dividend yield (before franking credits) on \$1,000 invested in FID on 01/07/2012.
- Double digit EPS growth (based on UNPAT) in 15 out of 21 years since listing

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



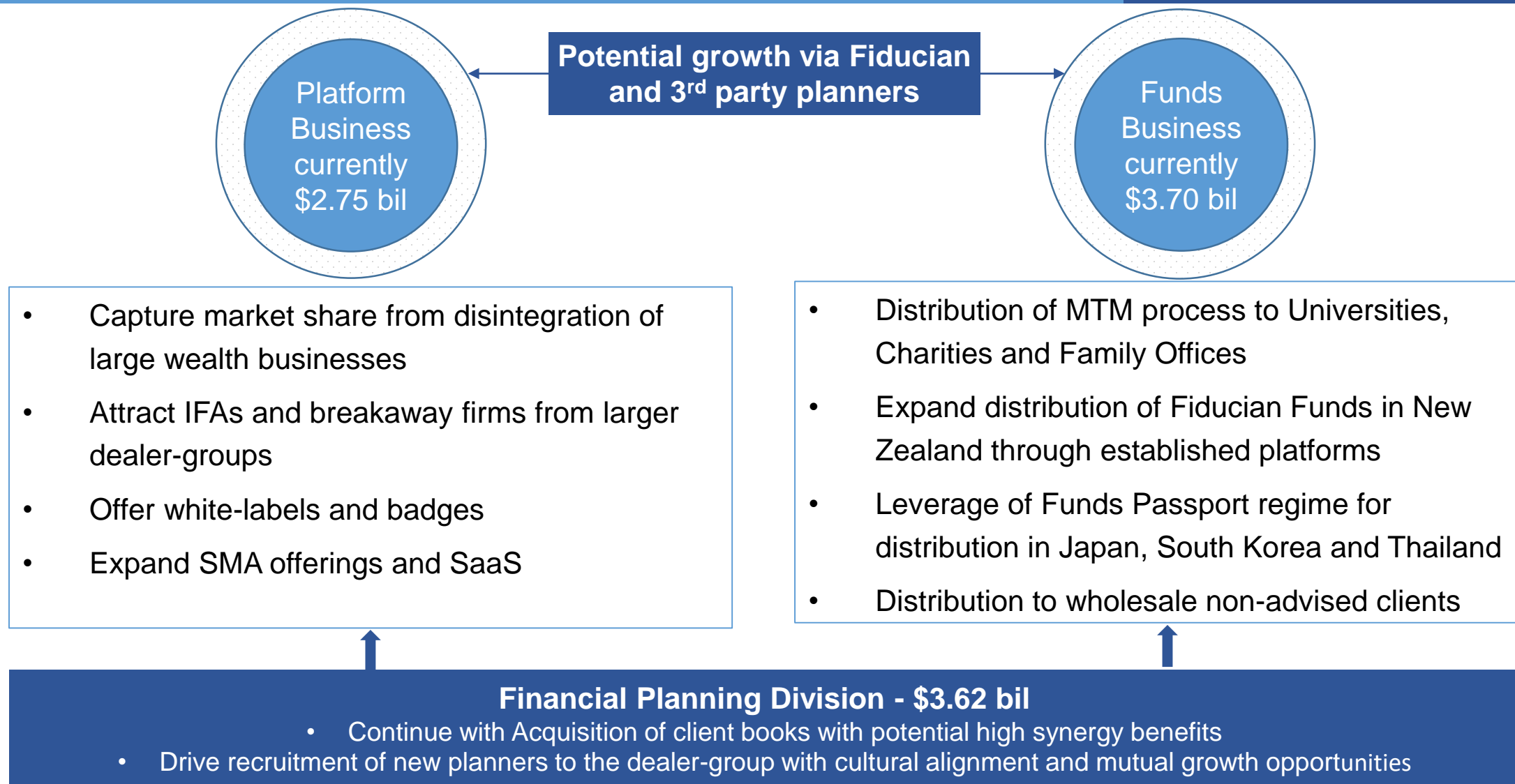
* This is not a projection or a forward-looking statement, and should not be read or relied upon as such. This concept extrapolation may or may not be correct or accurate.

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

Growth Opportunities



Market Opportunities for Growth of the Business



Key Dates and Contacts

Key Dates

- Full year results announcement date: 16 August 2021
- Annual general meeting date: 21 October 2021

Contacts

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Information provided is current as at 31 December 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 25 May 2021.

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Source: Morningstar Direct.

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