

FY 2021-22 H1 RESULTS

INVESTOR PRESENTATION

Indy Singh – Executive Chairman, Fiducian Group

Rahul Guha – Executive Chairman, Fiducian Services

Sydney, 14 February



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Agenda

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

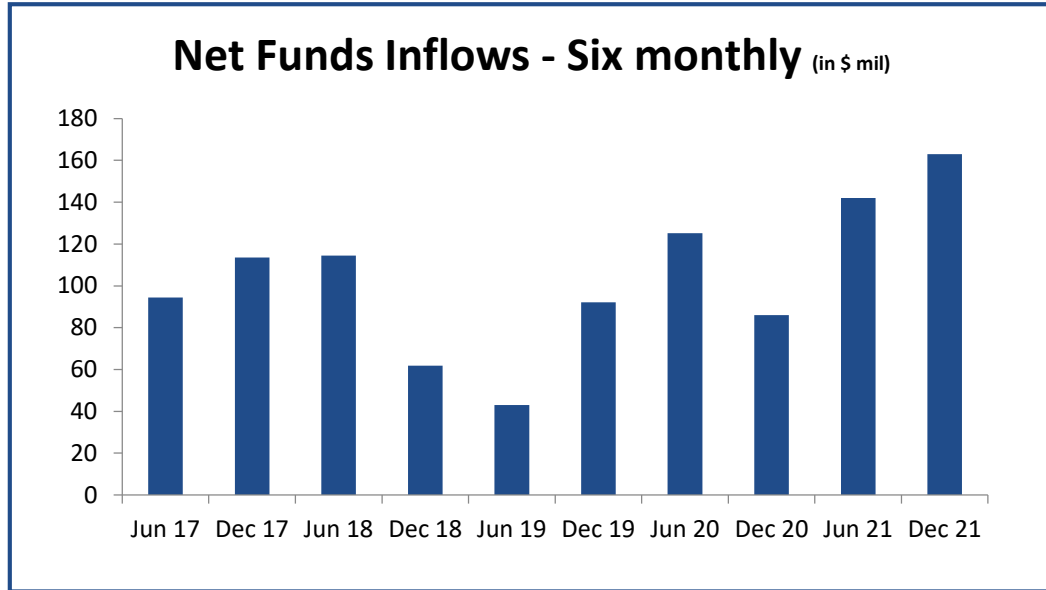


Platform Administration Business



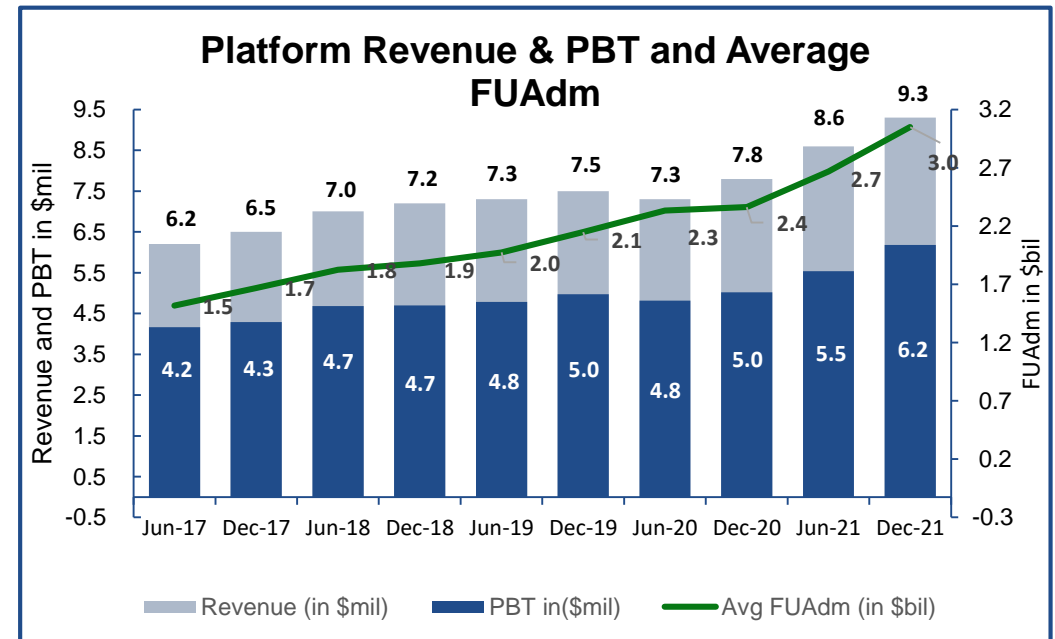
- Market competitive platform offering for Investments, Superannuation and SMA administration with own licences
- Investment menu includes 15 Fiducian multi-manager funds, 57 external managed funds, SMAs and Term Deposits tailored to financial adviser and client demands
- Advanced leading edge technology 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
- **IFA and SMA focussed product launched recently**. Potential for additional net inflows from distribution to IFAs and white labels / badge opportunities
- IT system “FasTrack” provides cost effective automation of client administration. 20 year track record





- **Net In-flows of \$163 million** during first half of FY 2021-22. 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

- Competitive Fees in the bottom half of the industry average
- Highly scalable model generates stable margins even as Funds Under Administration (FUAdm)
- Platform administration delivers **PBT Margins 66% of Revenue**



Funds Management Business



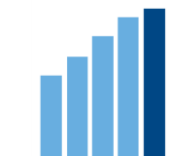
Fiducian Overview – Funds Management

- 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 20 years, the four Fiducian diversified funds ranked in the top decile to quartile in **64 out of 64** readings against up to **195** fund managers on Morningstar survey



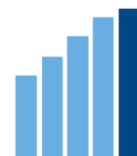
Total Managers - 44

The number in each circle indicates the number of Investment Managers for each fund



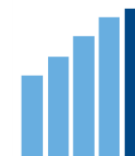
\$14.2m

Revenue



\$7.5m

Total PBT



\$4.4b

FUM

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.	
Capital Stable	5.4%	47/112	7.2%	9/107	5.6%	6/104	5.2%	8/97	6.4%	5/92
Balanced	13.9%	77/183	13.5%	4/173	10.0%	3/167	9.2%	3/160	10.7%	7/148
Growth	16.7%	15/183	15.3%	2/173	11.1%	2/167	10.2%	2/160	11.9%	2/148
Ultra Growth	23.2%	12/134	19.2%	3/127	12.7%	5/122	12.4%	1/111	14.3%	3/101
Other specialist MTM funds										
Technology	20.4%		30.4%		22.8%		20.2%		24.4%	
India	40.4%		14.3%		12.7%		10.6%		18.2%	

**Source: Morningstar Direct December 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

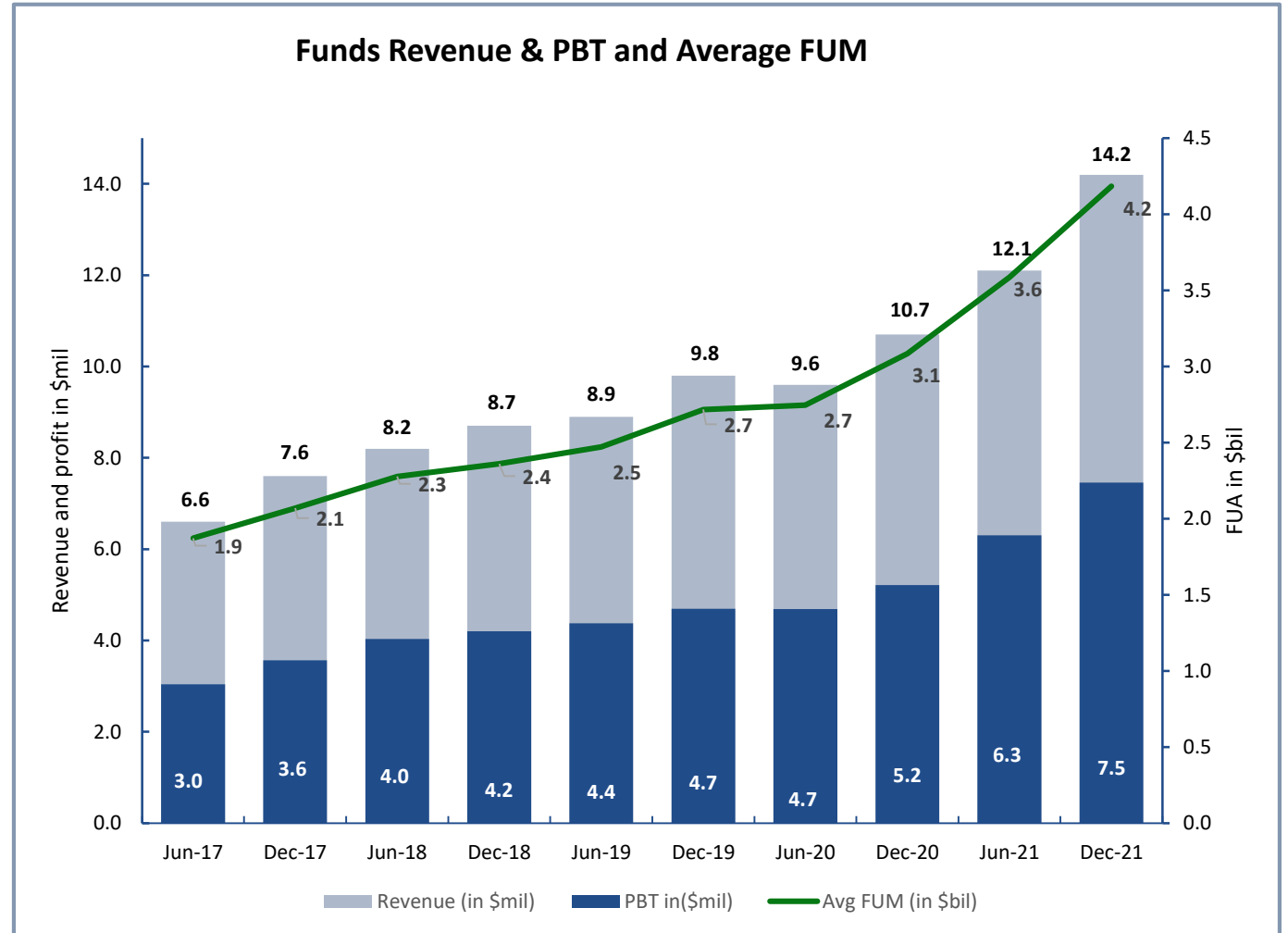
Finalist: **Fiducian Funds management** - India Fund



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
- Funds Management delivers **PBT margins 53% of Revenue**

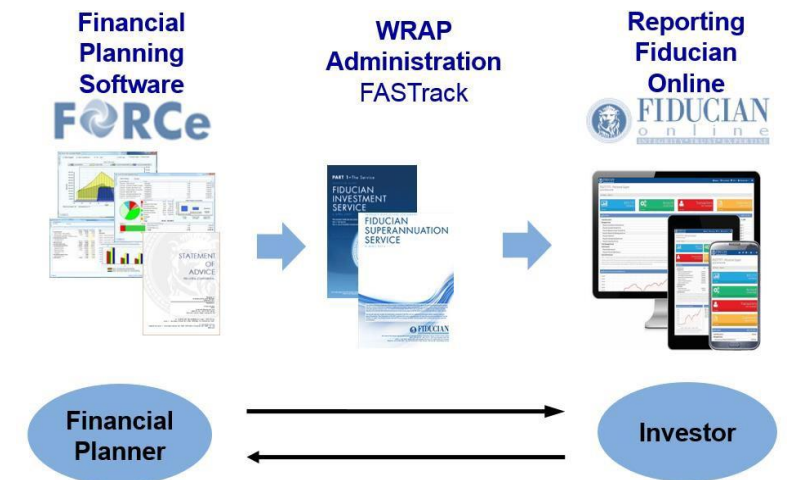


Fintech Capabilities



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
 - Feature-rich functionalities, full scalabilities: True-STP, E-Signatures, Online Application, Online Opt-in, MFA
 - 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
 - Automated Compliance monitoring
 - Fully integrated with Fastrack and data-feed from external platforms
 - Workflow systems to monitor adviser performance and compliance
- Holistic **‘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

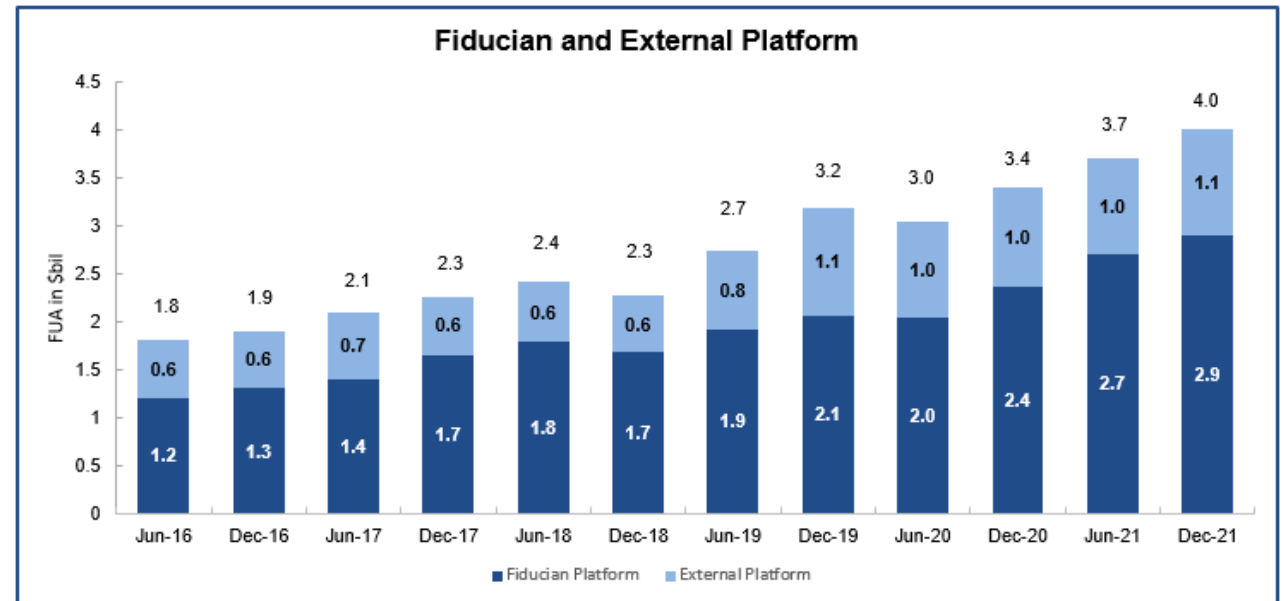


Financial Planning Business

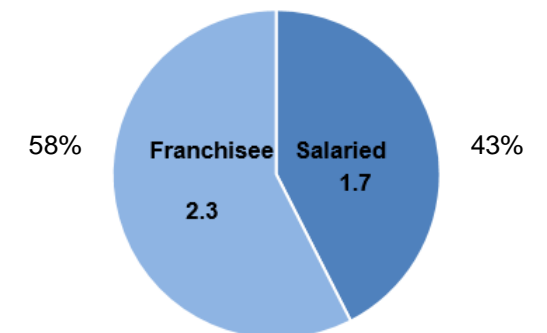


Fiducian Overview – Financial Planning

- **Enabler of steady flows** to Fiducian Funds and Platform
- 66 planners across 46 offices across Australia
- 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



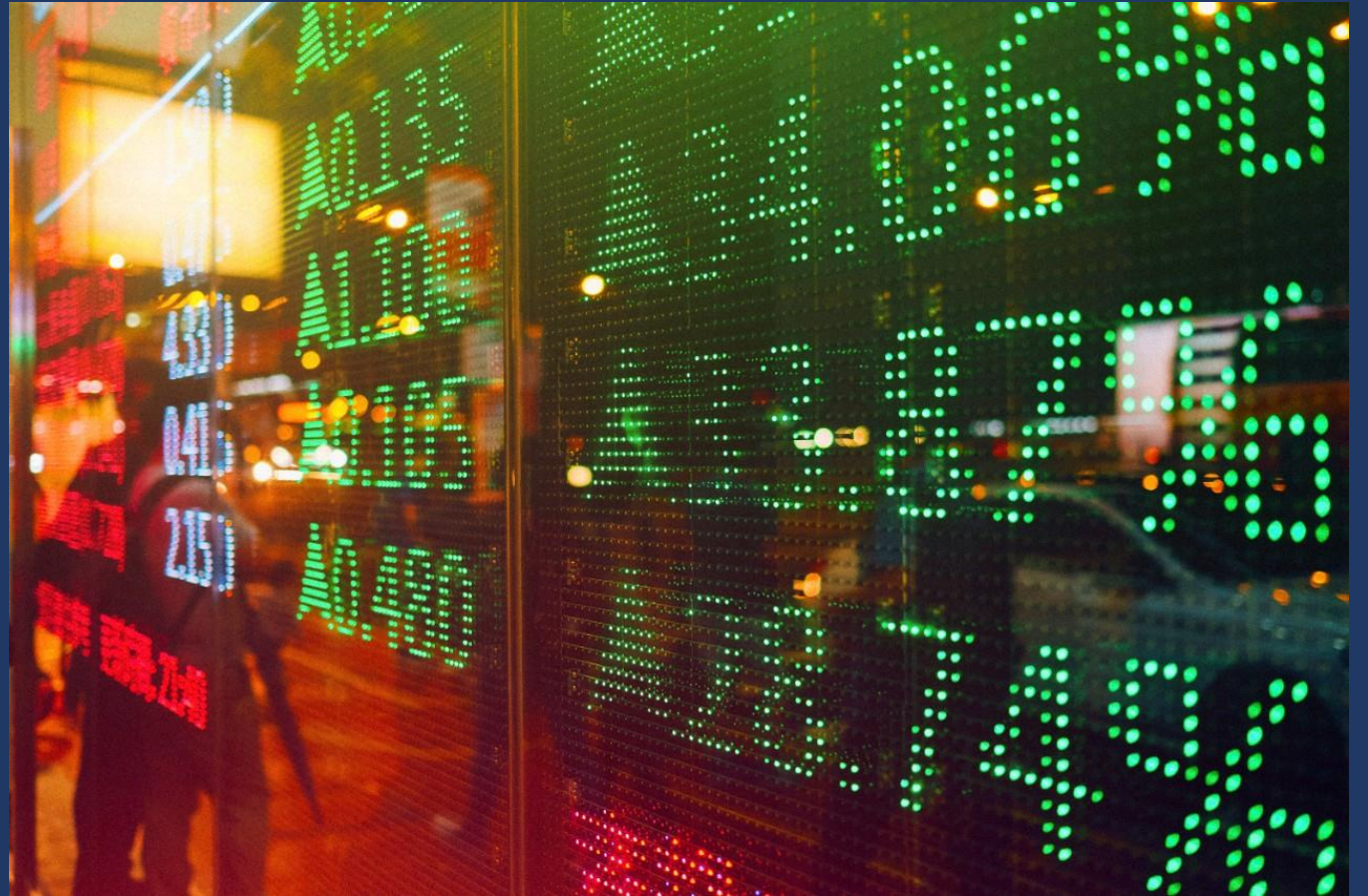
FUA Distribution - Dec 2021 (in \$bil)



Acquisition of Financial Planning Business of People's Choice Credit Union

- **40 staff including 16 planners** joined Fiducian Group on 1 February 2022
- The acquisition has added **\$1.1 billion in Funds under Advice** from approximately **5,000 clients** currently contributing over **\$8 million in recurring revenue**
- Acquisition consideration is \$12.6 million with 70% already paid as up-front and rest after 12 months. Another one-off payment of up to \$0.6 million will be made subject to an additional \$2 million being received in the first year as up-front and / or ad-hoc advice revenue on top of the recurring revenue
- Significant presence added in South Australia and Fiducian's first office in Darwin, Northern Territory
- All clients have been communicated with as high level of personalised service continues
- Transitioning Staff are going through detailed induction and orientation process to assimilate smoothly in Fiducian's process and culture. Initial response has been positive
- Fiducian has the expertise and experience to ensure the acquisition will be a success for everyone involved including the clients
- The management in Fiducian continues to pursue a number of acquisition opportunities and will complete any potential transactions only if it is beneficial for Fiducian Group and the clients

Financials



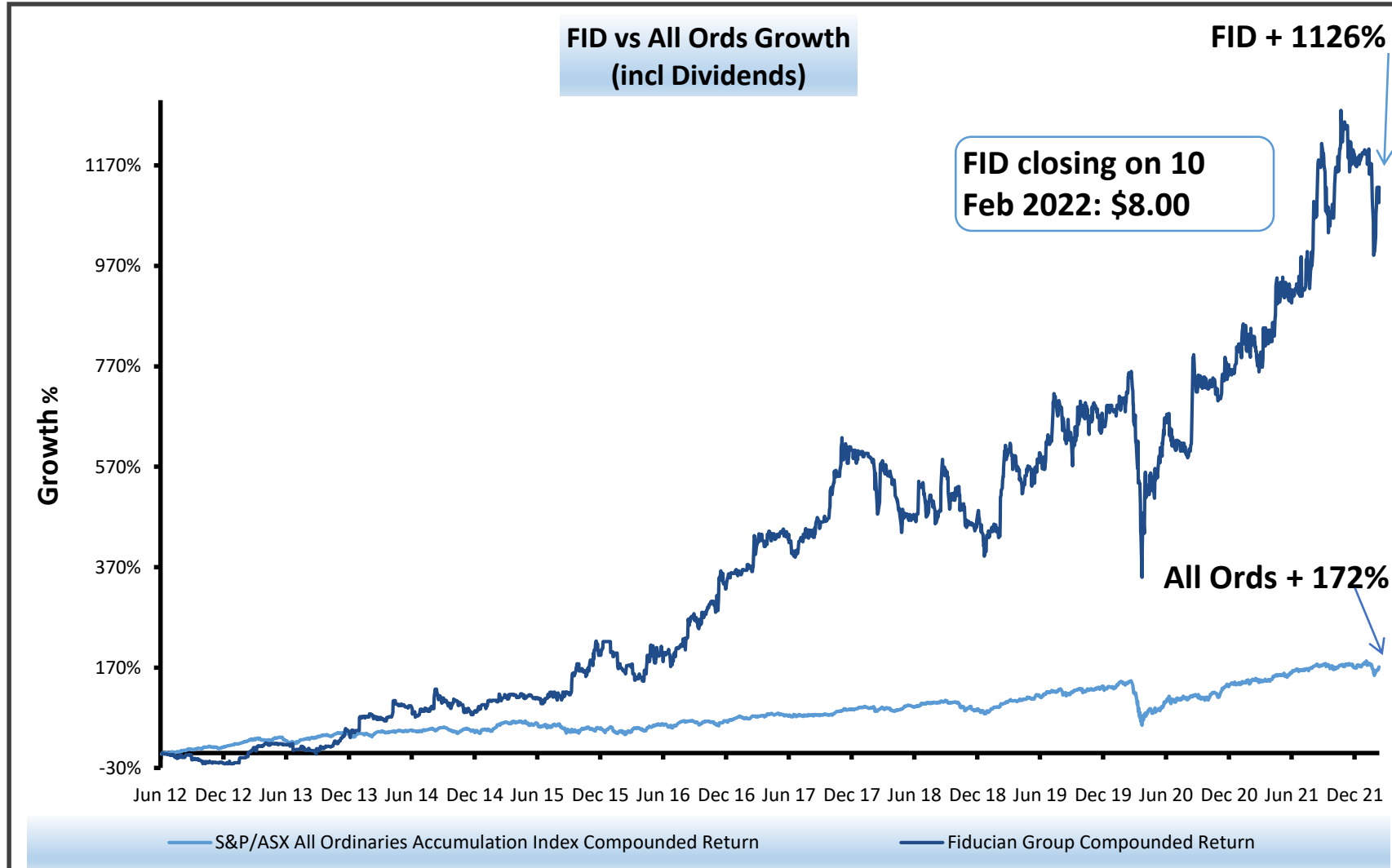
FY 2022 H1 Financial Highlights

Financial highlights			
Half-year ending 31 December	2021	2020	% Change
	\$'000	\$'000	
Operating Revenue	33,991	28,346	20% ↑
Fees and Charges paid	(9,635)	(7,638)	
Net Revenue	24,626	20,708	19% ↑
Gross Margin	72%	73%	
Underlying EBITDA (including lease rents paid)	10,767	8,958	20% ↑
Underlying EBITDA Margin	32%	32%	
Depreciation	(140)	(124)	
Tax on underlying earnings	(2,919)	(2,173)	
Underlying NPAT (UNPAT)	7,708	6,661	16% ↑
Amortisation	(911)	(856)	
AASB 16 <i>Leases</i> adjustment impacts - Office Lease	(87)	(80)	
Statutory NPAT	6,710	5,725	17% ↑
Basic EPS based on UNPAT (in cents)	24.5	21.2	16% ↑
Basic EPS based on NPAT (in cents)	21.3	18.2	
Funds Under Management, Advice and Administration FUMAA (\$ in millions)	11,510	9,327	23% ↑

Segment Reporting

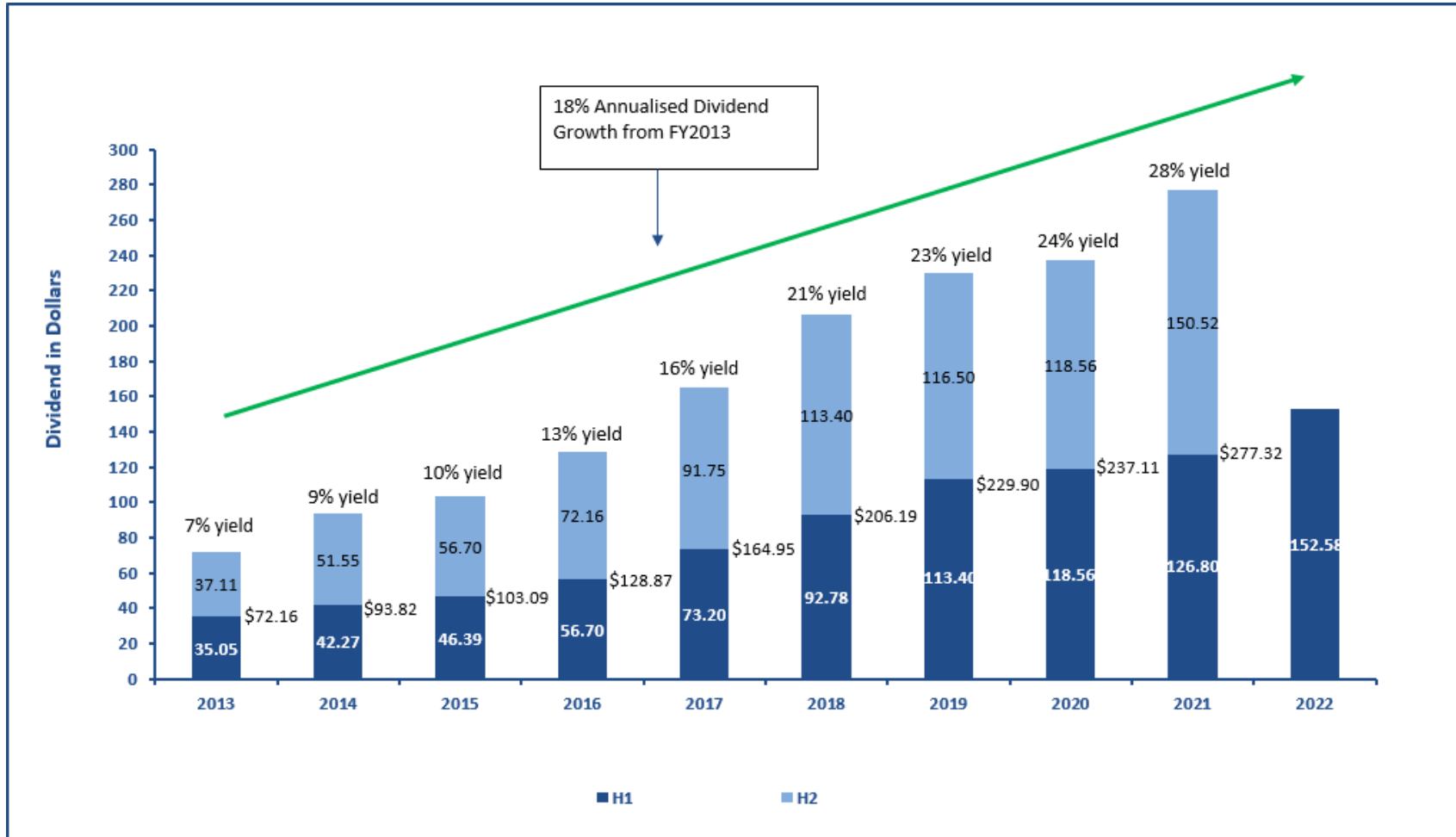
	Funds Management	Financial Planning	Platform Administration	Corporate Services	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year 2021					
Revenue from external customers	14,169	9,753	9,335	-	33,257
Inter-segment sales ¹	(2,892)	(350)	(2,200)	5,442	-
Other revenue	9	716	-	9	734
Total segment revenue	11,286	10,119	7,135	5,451	33,991
Profit from ordinary activities before income tax, depreciation and amortisation	7,455	1,336	6,194	(3,614)	11,371
Depreciation and amortisation					(1,768)
Profit from ordinary activities before income tax expense					9,603
Income tax expense					(2,892)
Profit from ordinary activities after income tax expense					6,711
Segment assets	12,681	33,535	3,121	14,652	60,869
Segment liabilities	6,057	6,423	-	3,253	15,733

FID outperformance against All Ords Accum Index



- Since Jun 12, FID has **outperformed All Ords by 954%** (including dividend)
- Dividend pay-out policy is 60-70% of Net Profit After Tax
- H1 2022 dividend is **14.80 cents**, a growth of **20%** over the comparative period

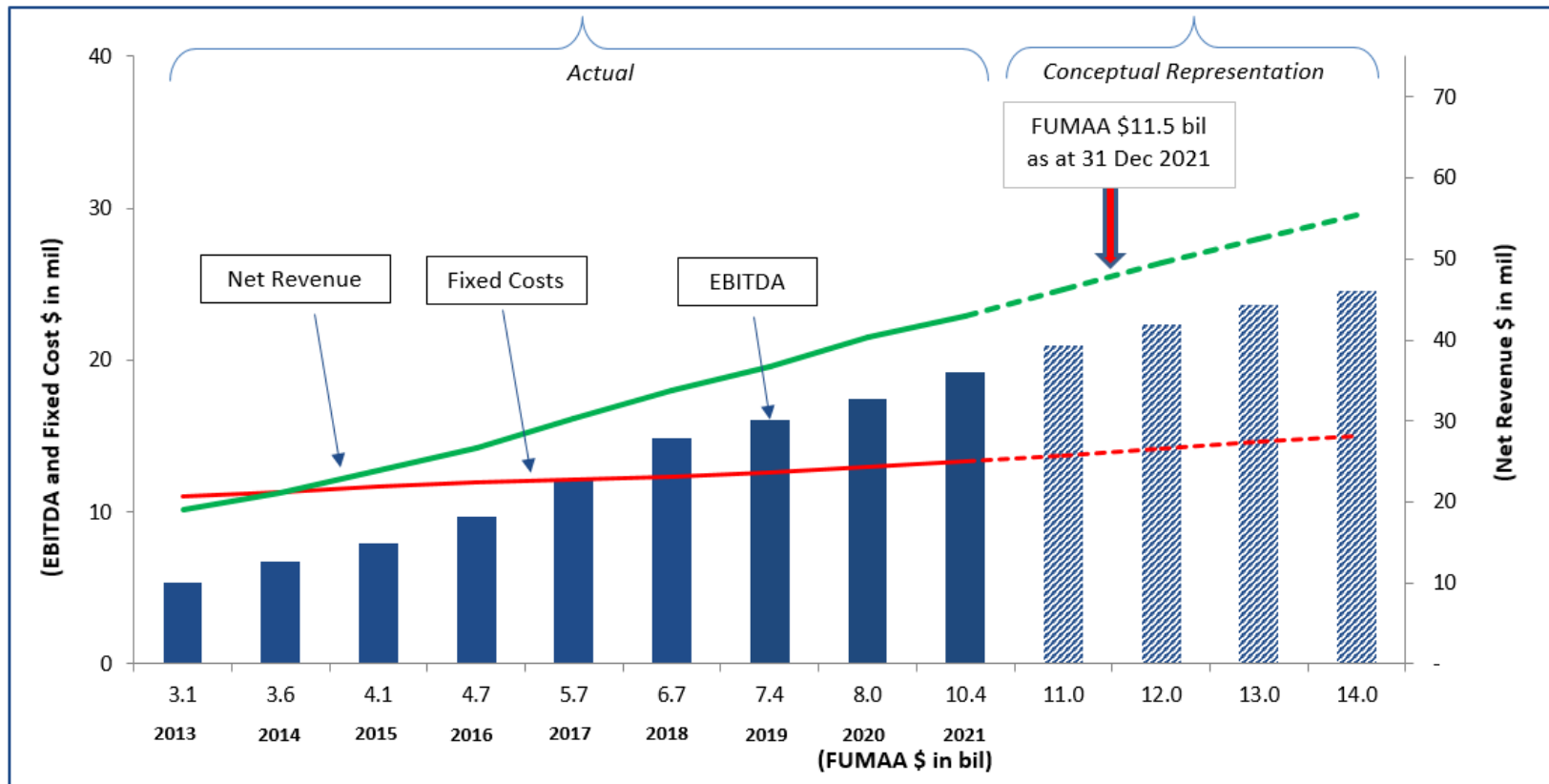
Dividends – \$1,000 invested on 1 July 2012



- The graph shows that **\$1,000 invested** in FID on 1 July 2012 delivered a fully franked dividend of **\$152.58 in H1**
- **Double digit EPS growth (based on UNPAT)** in 17 out of 22 years since listing

The following is a conceptual 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



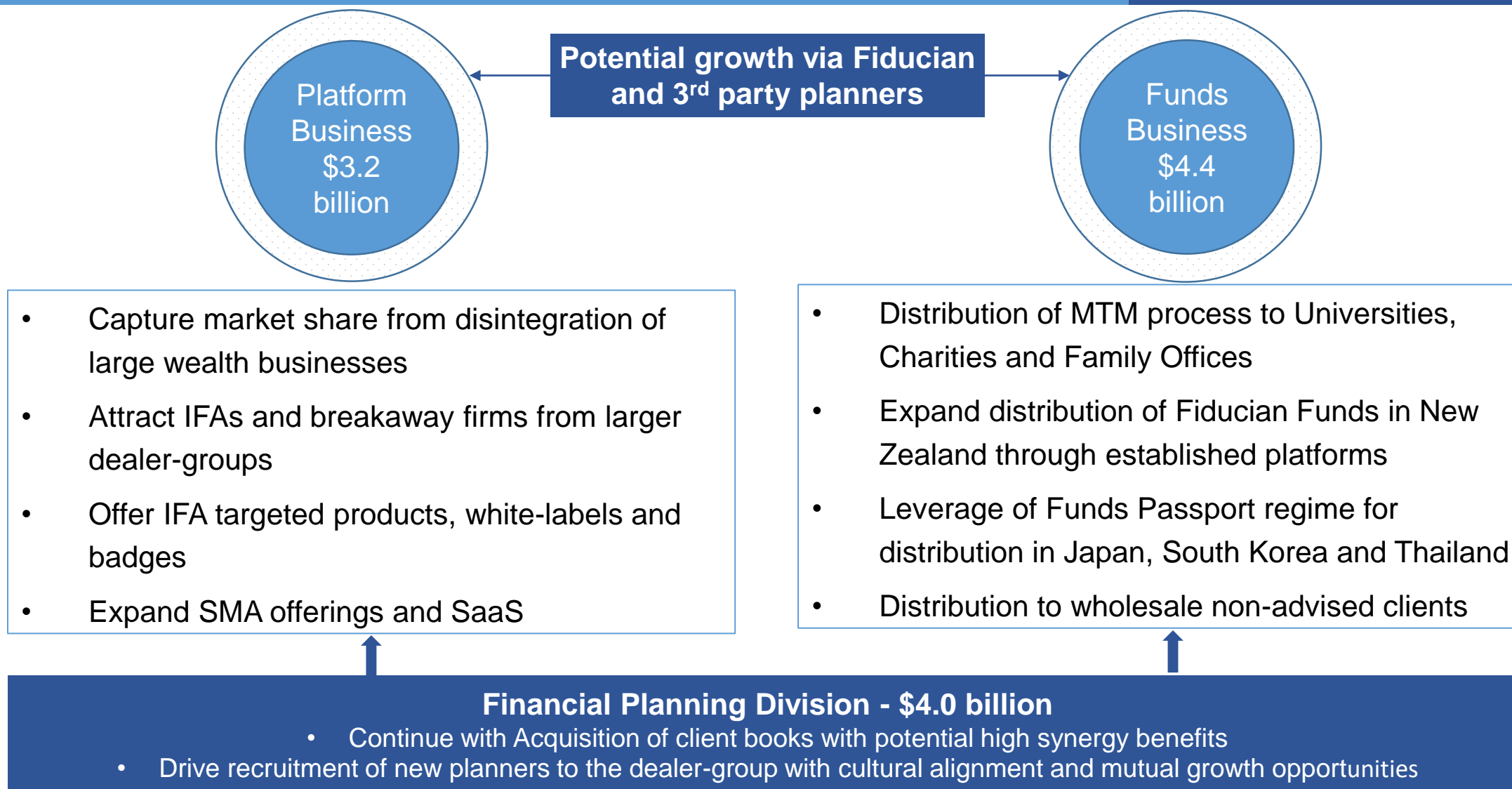
- This is not a projection or a forward-looking statement, and should not be read or relied upon as such. This conceptual extrapolation may or may not be correct or accurate.
- After December 21, an acquisition of \$1.1 billion FUA has been completed.

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

Growth Opportunities



Market Opportunities for Growth of the Business



Note: the above figures do not include recent acquisition of \$1.1 billion in FUA

Retail Investor Presentation (Online)

- Time / Date: 12:30 to 1.30 pm AEST, Thursday 17 February 2022
- Join-in details: <https://8x8.vc/fiduciangroup/investors.170222> (8x8 app or Google Chrome) or
- Dial-in: +61 2 8015 5105 Meeting ID: 552 787 399#

Key Dates

- H1 Dividend Record Date: 28 February 2022, Payment Date: 14 March 2022
- Full year results announcement date: 15 August 2022
- Annual general meeting date: 20 October 2022

Contacts

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Information provided is current as at 31 December 2021 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 14 February 2022.

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