

Fiducian Group (ASX: FID)

Investor Presentation

Wilson Investor Briefing
10 November, 2016





New South Wales

Office Locations

Abbotsford

Ballina

Bathurst

Bondi Junction

Castle Hill

Caves Beach

Chatswood

Gosford

Hunter Valley

Ku-ring-gai

Macarthur

Manly

Newcastle

Nowra

Randwick

Riverwood

Roseville

Southern Highlands

St Ives

Sydney CBD

Tweed Heads

Walcha

Windsor

Fiducian Group FY 2015-16

- **FY 2016 Highlights**
- **Business Overview**
- **FY 2016 Results**
- **Growth Strategy**
- **FY 2017 Update and Business Outlook**
- **Contacts**



Victoria

Office Locations

Berwick

Chadstone

North Melbourne

Sale

St Kilda

Surrey Hills

FY 2015-16 Highlights



62
Aligned Planners
& Associates



111 Staff
around Australia
from over 20
different countries
of origin



Launched **new**
Diversified Social
Aspirations Fund



\$243mil
of Acquisition



41 Offices
across Australia

Flagship funds top performance
ranking for the year:



Balanced **4**/₁₉₄
Growth **2**/₁₉₄
Ultra Growth **5**/₁₂₇
Cap Stable **20**/₁₂₂

Source: Morningstar 30 June 2016



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE



Queensland

Office Locations

Buderim

Caboolture

Gold Coast – Merrimac

Redcliffe

Sunshine Coast

Business Overview – A Self-Sufficient Solid Business Foundation

Funds Management



- Market leading Funds Management
- 15 Managed Funds: 4 Diversified Funds, 4 Sector Funds, 7 Specialist Funds
- **\$1.7 Billion in Funds under Management (FUM)**
- Small Cap 'peer group' comparables include PTM, IFL, PPT, HFA

WRAP Platform



- Market competitive Wrap & Managed Accounts Platform
- Trustee of the Fiducian Superannuation Service
- **\$1.4 Billion in Funds under Administration (FUAdmin)**
- Small Cap 'peer group' comparables including IFL, PPT, EQT, CVW, HUB

Financial Planning



- Market respected boutique financial planning advice licensee
- 46 high quality practices, 65 representatives, national footprint
- **\$1.9 Billion Funds Under Advice (FUA)**
- Small Cap 'peer group' comparables include IFL, CVW, SDF, AUB, YBR

Software



- Market unique technology provider
- Developer of 'FORCe' Financial Planning software & 'FASTRACK' platform system
- Small Cap 'peer group' comparables include RFL

Tax Agent Services



- Accounting & business service provider linked to Sydney Financial Planning office
- Accountancy outsourcing for tax returns through overseas partners
- Administration and accounting services to Self Managed Superannuation Funds (SMSF)

Note: All figures are as at October 2016



Funds Management

- **15 Funds using Fiducian's Manage-the-Manager system of Investment**
- **Select expert Fund Managers – with proven performance and differing investment processes plus styles**
- **Combine experts with different weightings – up to 35 Fund Managers**
- **Dynamic asset allocation and continuous management**
- **Obtain combined results from teams of expert fund managers not individual stars**
- **Delivers greater Diversification with reduced risks**

Market Segment: Funds Management



Funds Management



Fiducian Funds	1-year return (ranking) p.a.	3-year return (ranking) p.a.	5-year return (ranking) p.a.
Growth	9.5% (13/199)	9.9% (1/190)	12.5% (4/176)
Balanced	8.7% (23/199)	9.0% (4/190)	11.4% (12/176)
Ultra Growth	14.5% (4/126)	13.8% (1/115)	15.9% (2/106)
Capital Stable	5.4% (35/124)	6.1% (10/119)	7.4% (20/114)

Other specialist MTM funds not available elsewhere

India	5.6%	35.0%	19.9%
Technology	10.5%	22.5%	25.7%

Market Segment: Funds Management

*Source: Morningstar – 30 September 2016



WRAP Platforms (FSS/FIS) – FASTrack System

- Public offer “Superannuation Fund”
- Investor Directed Portfolio Service (IDPS)
 - 15 – Multimanager Funds using the Fiducian Manage-the-Manager system
 - 57 – Single Manager Fund Choices
 - 4 – Managed Discretionary Accounts (Direct Share Ownership)
- Investments are held by external parties – National Australia Bank, for security and safe keeping
- Create your own SMA or use a financial planner
- Competitive Fees



Market Segment: Platform Operators & Administrators



Financial Planning

We are selective in recruiting Financial Planners.

National footprint with 46 high quality practices, 65 representatives



- 34 Existing FP Offices
- 12 New FP Offices
- 65 Representatives

Note: All figures are as at October 2016

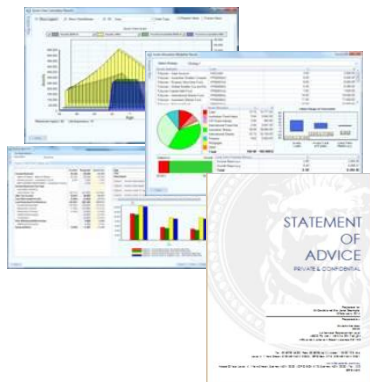
Market Segment: Financial Planning/ Wealth Creation



IT Software Development (FORCe & FAStTrack)

Financial
Planning
Software

FORCe



WRAP
Administration
FAStTrack



Reporting
Fiducian
Online



**Financial
Planner**

Investor

Market Segment: Fintech (IT Development)



Integrated Business Model

Our clients experience the Fiducian difference:



← **Total Revenue (FY 15-16)** →
\$35.5 mil

Fiducian Integrated Advice Model
FUMAA \$4.9 bil

Note: All figures are as at October 2016



A scenic landscape featuring a large, calm lake in the foreground. The water is a deep blue, reflecting the sky and the surrounding greenery. In the background, there are several rugged, rocky mountains with sharp peaks, partially covered in green vegetation. The sky is bright blue with scattered white clouds. The overall scene is peaceful and natural.

Tasmania

Office Locations

Devonport

Launceston

Hobart

FY 2015-16 Results – Financial Highlights

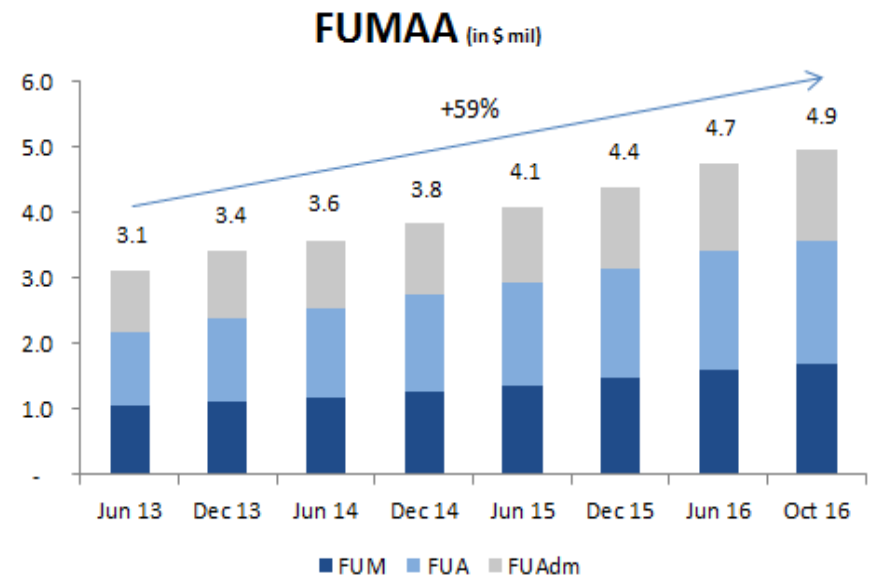
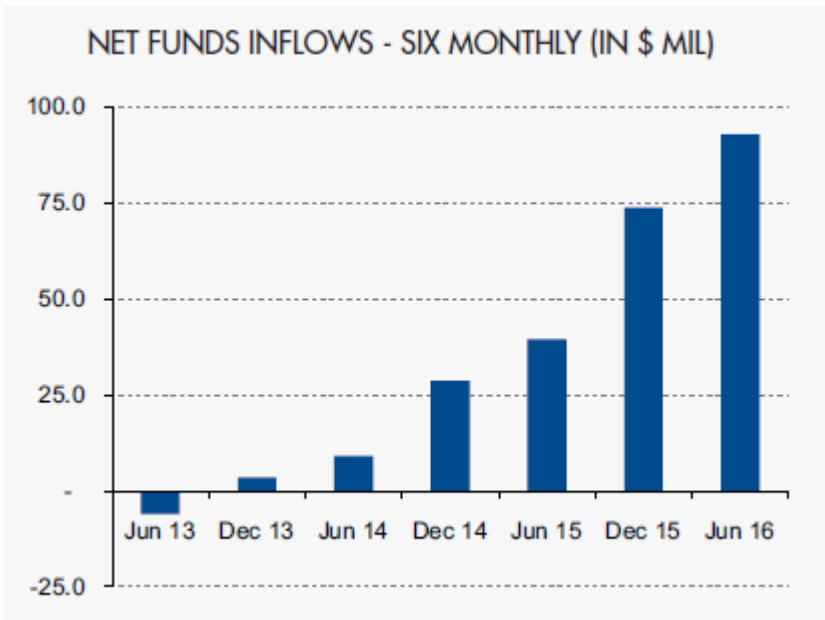
Year Ending 30 June (\$ in thousands)	2016	2015	% CHANGE
Operating Revenue*	35,451	26,253	↑ 35%
Fees and Charges paid*	-9,385	-5,715	
Net Revenue	26,066	20,538	↑ 27%
Gross Margin	74%	78%	
Underlying EBITDA	9,673	8,069	↑ 20%
Depreciation	-100	-165	
Tax on underlying earnings	-2,537	-2,156	
Underlying NPAT (UNPAT)	7,036	5,748	↑ 22%
Amortisation	-1,197	-695	
One-off Restructure Expenses (net of tax)	-	-431	
Statutory NPAT	5,839	4,622	↑ 26%
Basic EPS based on UNPAT (in cents)	22.6	18.6	↑ 22%
Funds Under Management, Advice and Administration or FUMAA	4,736 Mil	4,084 Mil	↑ 16%

*(The Operating Revenue includes fees received by Fiducian Investment Management Limited, "FIM", as responsible entity of the managed investment schemes which includes underlying fund manager fees from 1 March 2015 previously netted off. This is as a result of an amendment to the product disclosure statement whereby fees due to the underlying fund managers are now paid by the responsible entity and not separately charged to unit holders).




Corporate Activities at a Glance

Funds Management	Revenue \$10.6 mil Top quartile performance has driven significant inflows Benefitting from scaled fees from underlying managers
Administration	Revenue \$19.8 mil Completion of restructure has increased operational efficiencies
Financial Planning	Revenue \$13.2 mil Strong organic growth across salaried and franchisee network \$243 mil FUA acquisition successfully integrated into the business
Business Services	Revenue \$1.0 mil Generated cross referrals to Financial Planning business
Corporate	Inter-segment Sales (\$9.1 mil) Experienced management team and board in place Reduction of Cost to Income ratio through scalability of operations
Information Technology	Significant investment in developing end-to-end STP capabilities

Net Flows and Funds Growth



Five Year Financial Summary

	8-Nov-16	2016	2015	2014	2013	2012	2012-2016
		\$'000	\$'000	\$'000	\$'000	\$'000	
FINANCIAL PERFORMANCE							
Gross Revenue		35,451	26,253	22,874	22,106	23,205	 28% Annualised Profit Growth
Underlying Net Profit After Tax (UNPAT)		7,036	5,748	4,501	3,719	2,626	
Statutory Net Profit After Tax (NPAT)		5,839	4,622	3,984	3,270	2,211	
Cost To Income Ratio (CTI) - ex Amortisation %		63%	62%	63%	70%	79%	
FINANCIAL POSITION							
Total Assets		33,944	28,770	26,363	22,446	20,935	 29% Annualised EPS Growth
Total Equity		24,127	21,191	19,351	18,320	17,314	
Cash		9,691	12,374	11,194	9,440	7,674	
SHAREHOLDER INFORMATION							
Number of Share Outstanding	31,264,368	31,110,855	30,883,398	30,757,897	31,532,429	31,805,231	 16% CTI % Reduction
Market Capitalisation (\$ in mil)	103	72	53	50	32	31	
EPS based on INPAT (in cents)		22.62	18.61	14.63	11.79	8.26	
Dividends (in cents)		12.50	10.00	9.10	6.80	5.00	
Share Price - closing (in \$)	3.30	2.31	1.70	1.62	1.03	0.97	



Western Australia

Office Locations

Garden City

Osborne Park

Growth Strategy

Funds Management

Leverage off successful Manage-The-Manager model and expand in new markets where profitable

Administration

Distribute SMA capabilities and offer Badged solutions to IFA market

Financial Planning

Continue to attract high quality planners and expand through value accretive acquisitions

Business Services

Increase cross-referrals between Planning & Accounting and Build SMSF Administration and Accounting

Corporate

Re-invest in business growth while supporting existing dividend policy of 60-70% of NPAT

Information Technology

Enhance STP functionalities and commercialise Financial Planning software



South Australia

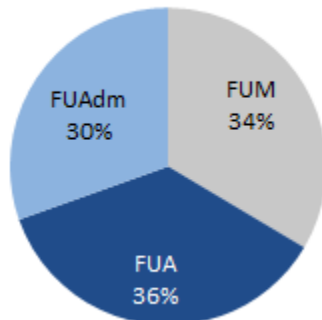
Office Locations

Adelaide City Central

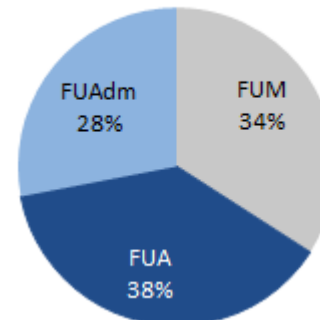
FY 2017 Update

- **Strong Cash Flow in line with expectations for Jul – Sep 16:**
 - **\$11.5 mil Receipts from Customers**
 - **\$2.1 mil Net Operating Cash Flow after expenses and tax**
 - **\$9.0 mil Cash at end of the period**
- **Financial Planning Acquisition Strategy and Organic Growth flowing through in synergy benefits across organisation**

Jun13 FUMAA \$3.1 mil



Oct 16 FUMAA \$4.9 mil



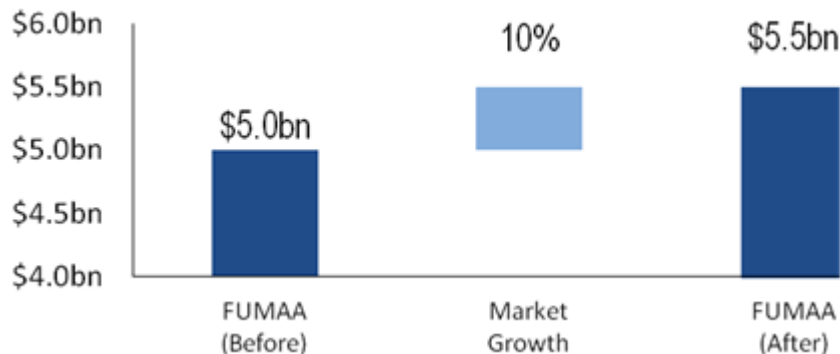
Business Outlook – 3 Revenue Streams

Revenue Growth is a function of volume of FUMAA

Example:



Plus, additional revenue growth if financial markets rise



Example:

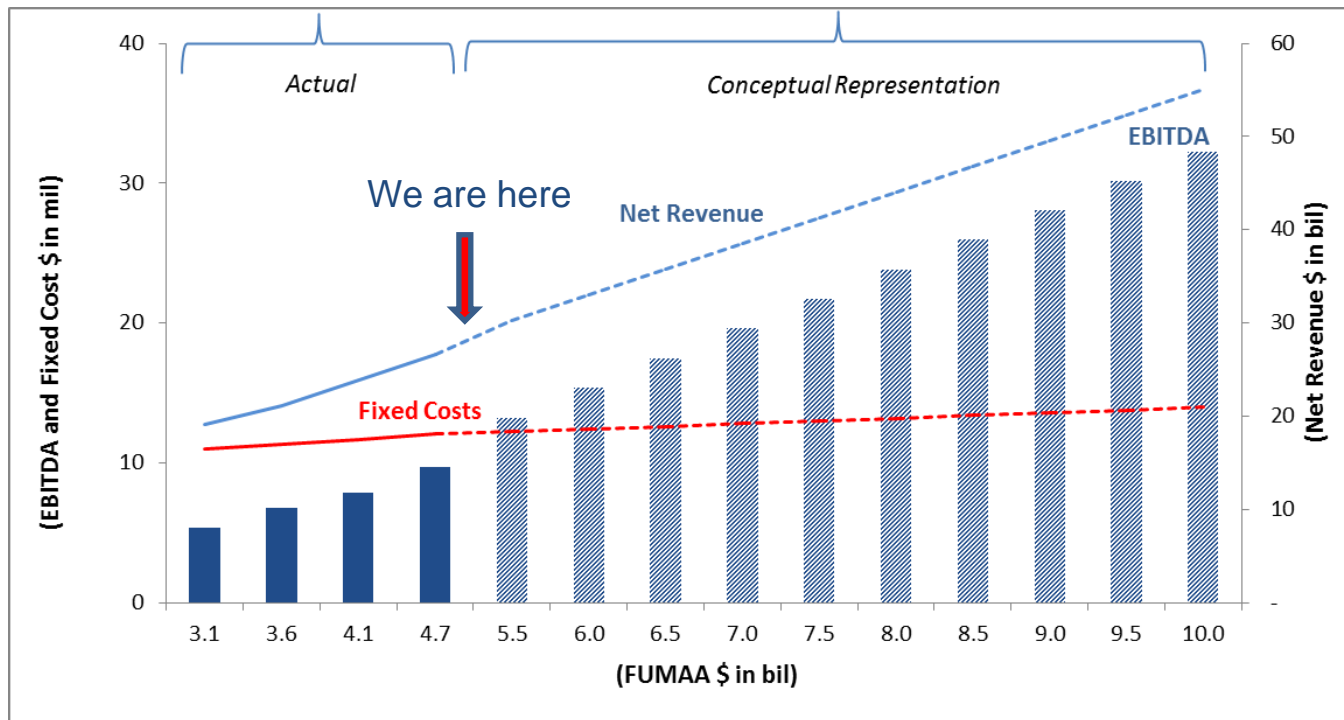
Assets rise 10%

FUMAA of \$5.0 bil rises to \$5.5 bil

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



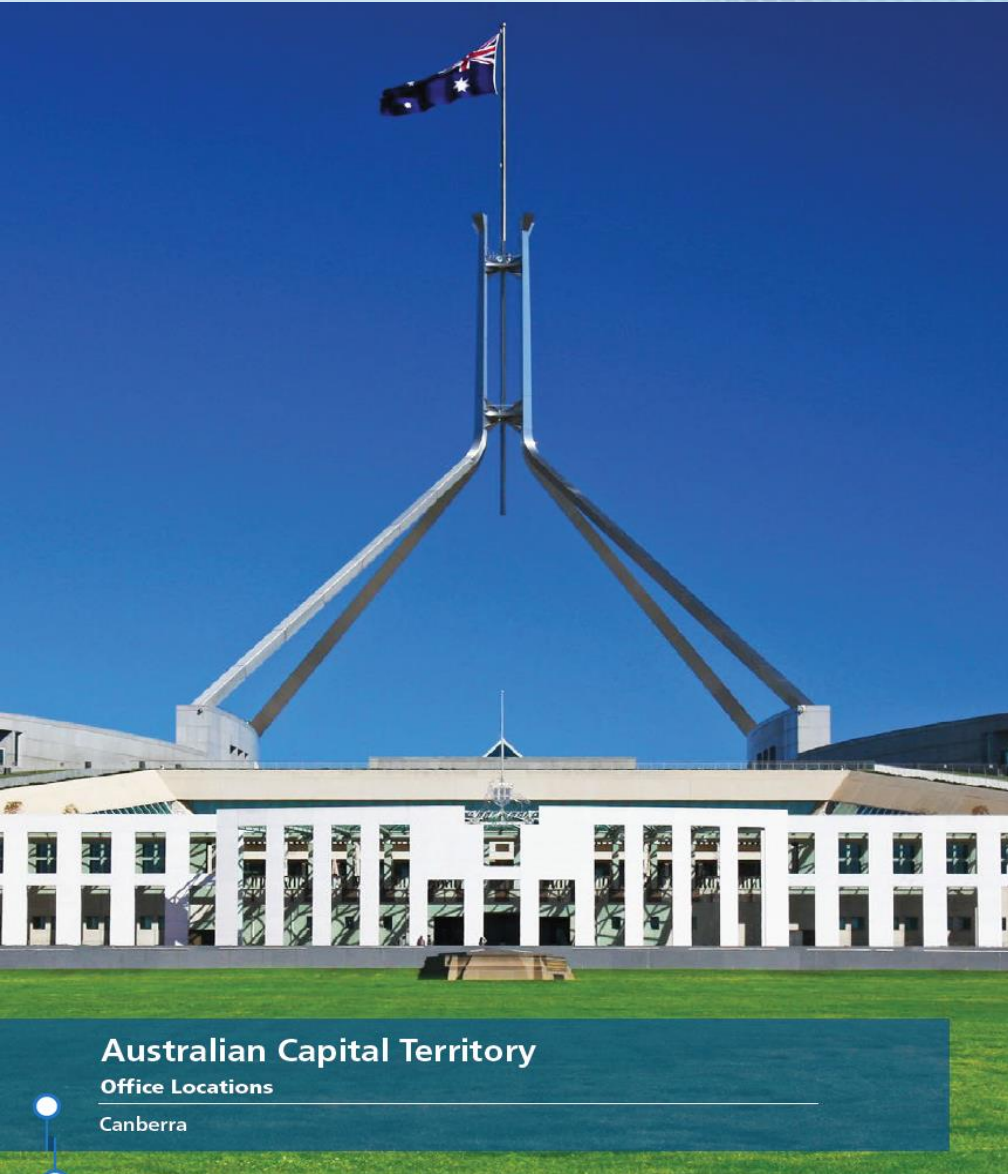
This is simply extrapolating how revenue and EBITDA could grow and is not a forecast

*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.

Outlook

- **Grow Funds Under Advice organically and through strategic acquisitions of financial planning businesses**
- **Expand platform administration services to IFAs and capture market share where value accretive**
- **Build SMSF Admin and Accounting Services**
- **Continue delivering superior investment performance through Fiducian Funds and attract IFAs**
- **Target sustainable double digit earnings growth**

Contacts



Australian Capital Territory

Office Locations

Canberra

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