

**FIDUCIAN PORTFOLIO SERVICES LIMITED**  
**HALFYEAR RESULTS**  
**1 July - 31 December 2013**

**27 February 2014**

The Directors are pleased to report on the consolidated operating performance of Fiducian Portfolio Services Limited and wholly owned operating entities for the half year ended 31 December 2013.

**REVIEW OF OPERATIONS**

EBITDA increased by 16% over the equivalent period of the previous year to \$3,112,000 (December 2012: \$ 2,680,000). After adjusting EBITDA for depreciation and amortisation of \$329,000 (December 2012 : \$270,000) operating profit before tax was \$2,793,000 (December 2012: \$2,410,000), 16% higher than the previous year. Net profit for the consolidated entity after providing for income tax was \$ 1,855,000 (December 2012: \$1,690,000). Net tangible assets as at 31 December 2013 was 39 cents per ordinary share up from 36 cents per ordinary share as at 31 December 2012.

HALFYEAR ENDING 31 DECEMBER		
	2013	2012
	\$000	\$000
Operating Revenue	11,024	10,933
Commissions paid	2,187	2,291
Trading revenue	8,837	8,642
Gross margin	80%	79%

As foreshadowed in previous reports, Governments across the world supported policies to stimulate growth in their economies. This has benefitted major share markets which have delivered attractive returns over this period.

While Europe has shown only marginal improvement, the US seems set on a self sustaining recovery. This is positive for global growth. Over the last five years, investors have remained nervous about growth assets. However, the last six months appear to have been a watershed with our investors who are starting to make a cautious entry into share markets which should stand them in good stead down the track.

At each six monthly interval over the past five years, we started from higher funds under administration base and ended the period either stable or lower. This time our closing funds under administration are

higher in December than they were in July, which should support future earnings growth.

**FUNDS UNDER ADMINISTRATION**

The parent entity is the Operator of the Fiducian Investment Service, the Trustee of Fiducian Superannuation Service and the Responsible Entity of Fiducian Funds. At 31 December 2013, assets under administration in the Fiducian platforms were \$1,017 million (30 June 2013: \$934 million). Our assets under administration grew by around 9% over the last six months, which was a welcome change to the declining to stable trend of the last five years.

**FUNDS UNDER MANAGEMENT**

The parent entity is the Responsible Entity of the Fiducian Funds, which apply our in-house Manage-The-Manager system of investment. They continue to attract the majority of retail funds placed with us, and total around \$1.1billion. Our funds are positioned to capture a share market recovery and have been marginally weighted towards growth assets. As a consequence they have performed well.

The Fiducian India Fund is now available on a number of wrap platforms in the market place and is also being distributed to the IFA market.

**FINANCIAL PLANNING**

The relationship between our salaried and franchised financial planners and their clients remains strong and is founded on quality financial planning advice and strategy.

In the last six months we have increased our network by two financial planners. The prescribed changes to licence exemption have resulted in significant opportunities to add new franchisees which are being progressed. Recruitment of these additional franchisees should be finalised in the second half of the current financial year. Finally our appetite to make acquisitions for our existing salaried network continues and the team are progressing a handful of opportunities of which ideally at least one should materialise before the end of the financial year.

Meanwhile we continue to emphasise quality training, professional development and compliance. These have supported our efforts to be compliant with the requirements of the FoFA legislation.

**BUSINESS SERVICES**

Fiducian Business Services is starting to build steady volumes through its accountancy resourcing service and has proven its potential by increasing the profitability of accounting practices that use its services. A third accounting practice with around \$0.2 million of fees was recently acquired in Sydney. This is likely to become a fast growing area of our business and negotiations to acquire new practices are underway in Victoria, Tasmania and Western Australia.

**INFORMATION TECHNOLOGY**

Our Wrap administration software Fastrack is delivering efficiency benefits for our Platform Administration business. In addition, FORCE, our financial planning software, continues to be used by our affiliated financial planners. We are currently reviewing options on how to commercialise use of these softwares in the broader market. Current projects include a revamp of our online reporting interface, Fiducian Online, and minor modifications to our web based initiative, Fiducian BPO.

**COMMUNITY SUPPORT**

Fiducian continues to raise funds for charity. Sponsorship has also been extended to community organisations and sporting teams linked to our planning network. With the backing of Rotary we now assist hospitals at seven locations spread out over India, Myanmar, Nepal and Cambodia. Over 6,000 persons have now been given their eyesight through Vision Beyond Aus, the charity we support. We intend to continue our charitable support to the community.

**EMPLOYEE DIVERSITY**

Fiducian is proud to be an equal opportunity employer. It endorses diversity and currently has a number of employees that bring different skill-sets from their country of origin. We recognise that diversity includes, but is not limited to gender, age, ethnicity and cultural backgrounds.

**DIVIDEND (FULLY FRANKED)**

The directors have resolved to pay an interim fully franked dividend in respect of the December 2013 half year of 4.10 cents per share (an increase of almost 14%) having paid a final dividend of 3.60 cents per share (fully franked) for the year ended 30 June 2013. The dividend payout ratio is expected to be maintained subject to capital requirements for acquisitions, share buy-backs and other growth initiatives.

RESULTS SUMMARY	HALFYEAR ENDED	
	31/12/13 \$000	31/12/12 \$000
Revenue from operations	11,024	10,933
Operating profit before tax	2,793	2,410
Income tax expense	938	720
Operating profit after tax	1,855	1,690
Dividends paid - Ordinary	1,131	794
Weighted average earnings per share		
Basic	5.94 cents	5.32 cents
Diluted	5.93 cents	5.26 cents

This half yearly report should be read in conjunction with the most recent annual report.

DIVIDEND HISTORY	\$000
Paid 20/9/13 3.60 cents fully franked	1,131
Paid 22/3/12 3.40 cents fully franked	1,076
Paid 21/9/12 2.50 cents fully franked	794
Paid 21/3/12 2.50 cents fully franked	798
Paid 8/9/11 5.00 cents fully franked	1,601
Paid 11/3/11 5.00 cents fully franked	1,610
Paid 15/9/10 4.75 cents fully franked	1,532
Paid 15/3/10 3.75 cents fully franked	1,213
Paid 17/9/09 3.00 cents fully franked	973
Paid 16/3/09 3.75 cents fully franked	1,216
Paid 17/9/08 6.50 cents fully franked	2,114
Paid 17/3/08 6.50 cents fully franked	2,133
Paid 12/9/07 6.00 cents fully franked	1,994
Paid 2/03/07 4.50 cents fully franked	1,512
Paid 29/9/06 4.20 cents fully franked	1,411
Paid 22/2/06 2.80 cents fully franked	941
Paid 26/9/05 2.50 cents unfranked	841
Paid 21/3/05 1.75 cents unfranked	589

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

R Bucknell Chairman - Non-executive  
I Singh Managing Director - Executive director  
F Khouri Non-executive directors  
C Stone

### SECRETARY

I Singh

### ISSUED CAPITAL

On 30 September 2013 the parent entity announced to the Australian Securities Exchange its intention to buy back up to a further 500,000 shares on-market, which remains open. During the half year the parent entity purchased 594,900 shares at an average price of \$1.05. As at 31 December 2013 the parent entity had 30,937,529 Ordinary Shares on issue, after cancelling shares bought back. From the end of the period up to 27 February 2014 a further 80,561 shares have been purchased at an average price of \$1.58 per share.

At 31 December 2013 a total of 140,000 options were on issue to the Managing Director at exercise prices between \$1.05 and \$1.28 and the latest exercise date is 23 October 2018. During the half year, 100,000 options were issued to the Managing Director and while no options were exercised during this period 190,270 options lapsed. Since the end of the half year to 27 February 2014, no options were exercised.

### REGISTERED OFFICE

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## Half Year Results

1 July – 31 December 2013

**Fiducian Portfolio Services Limited**

ABN 13 073 845 931

