

# Fiducian Group (ASX: FID)

## FY 2015-16 Investor Presentation

Investor Briefing  
September, 2016





# New South Wales

## Office Locations

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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**
- **Business Outlook**
- **Contacts**



# Victoria

## Office Locations

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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



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# Queensland

## Office Locations

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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
- **\$1.6 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
- **\$1.3 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
- 41 high quality practices, 62 representatives, national footprint
- **\$1.8 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



- Market pioneering Tax Agent and aggregator of general tax practitioners
- Operates FiducianBPO.com.au and Fiducian Self Managed Super Service
- 2 accounting practices co-habit existing financial planning outlets
- 4 accounting practices merged thus far
- Small Cap 'peer group' comparables includes CUP

# 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	5.1% <b>(2/194)</b>	11.1% <b>(1/186)</b>	9.7% <b>(4/176)</b>
Balanced	4.9% <b>(4/194)</b>	10.1% <b>(5/186)</b>	9.0% <b>(20/176)</b>
Ultra Growth	6.9% <b>(5/127)</b>	14.9% <b>(1/114)</b>	11.8% <b>(3/106)</b>
Capital Stable	4.2% <b>(20/122)</b>	6.6% <b>(9/118)</b>	6.7% <b>(20/113)</b>

## Other specialist MTM funds not available elsewhere

India	2.4%	27.3%	16.0%
Technology	1.1%	22.4%	21.7%

## Market Segment: Funds Management

\*Source: Morningstar – 30 June 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



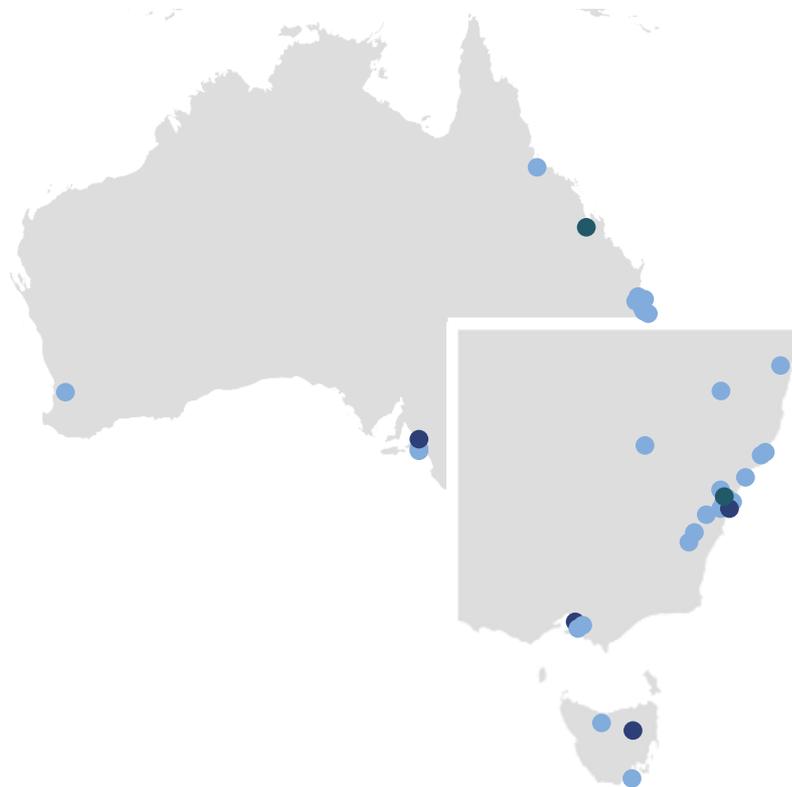
**Market Segment: Platform Operators & Administrators**



# Financial Planning

We are selective in recruiting Financial Planners.

National footprint with 41 high quality practices, 62 representatives, 4 accounting practices merged thus far



- 34 Existing FP Offices
- 7 New FP Offices
- 4 Accounting Practices
- 62 Representatives

**Market Segment: Financial Planning/ Wealth Creation**



# IT Software Development (FORCe & FAStTrack)

Financial  
Planning  
Software

**FORCe**



WRAP  
Administration  
FAStTrack



Reporting  
Fiducian  
Online

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online  
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**Financial  
Planner**



**Investor**

Market Segment: Fintech (IT Development)

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# Integrated Business Model

Our clients experience the Fiducian difference:



← **Total Revenue (annual)** →  
**\$35.5 mil**

**Fiducian Integrated Advice Model**  
**FUMAA \$4.7 bil**

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

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Devonport

Launceston

Hobart

# FY 2015-16 Results – Financial Highlights

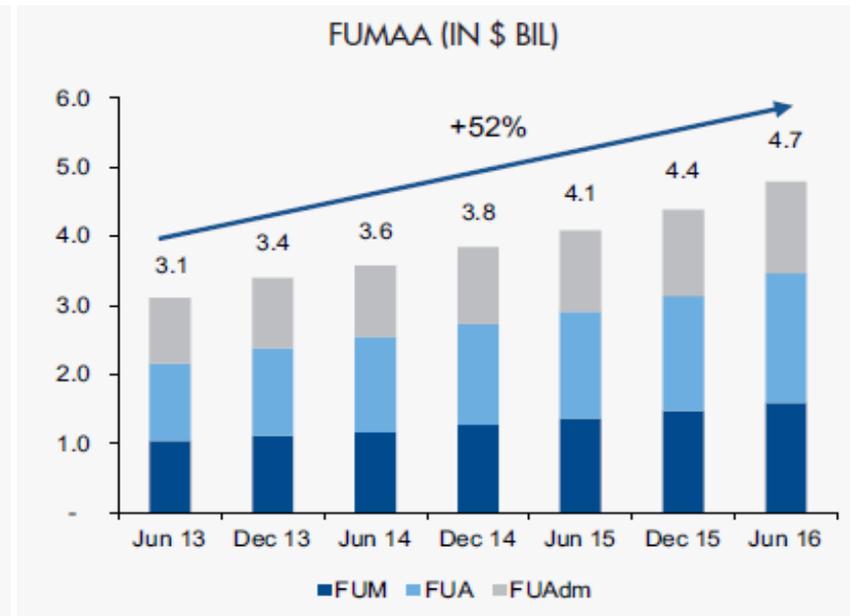
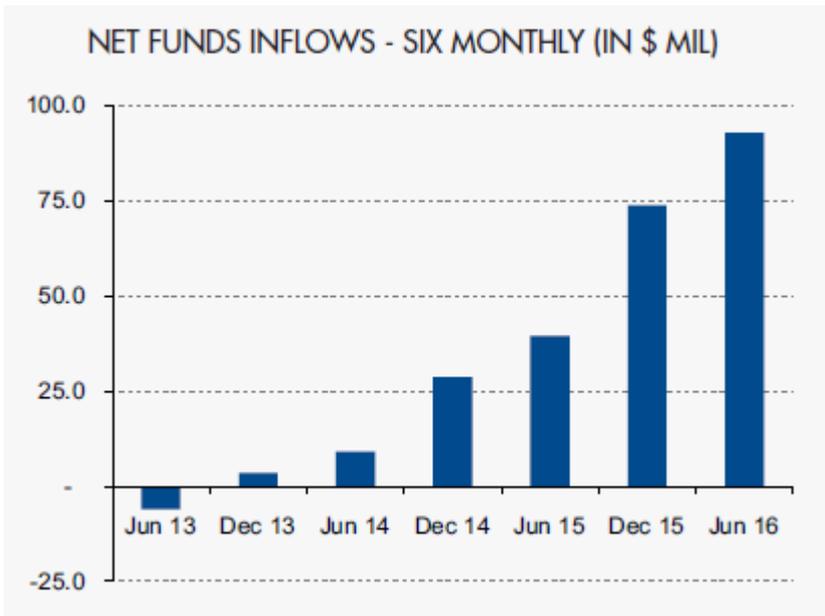
Year Ending 30 June (\$ in thousands)	2016	2015	% CHANGE
<b>Operating Revenue*</b>	<b>35,451</b>	<b>26,253</b>	<b>↑ 35%</b>
Fees and Charges paid*	-9,385	-5,715	
Net Revenue	26,066	20,538	↑ 27%
Gross Margin	74%	78%	
<b>Underlying EBITDA</b>	<b>9,673</b>	<b>8,069</b>	<b>↑ 20%</b>
Depreciation	-100	-165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

\*(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

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

# Net Flows and Funds Growth



# Five Year Financial Summary

	2016	2015	2014	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL PERFORMANCE</b>					
Gross Revenue	35,451	26,253	22,874	22,106	23,205
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	3,983	3,270	2,211
Cost To Income Ratio (CTI) - ex amortisation %	63%	62%	63%	70%	79%
<b>FINANCIAL POSITION</b>					
Total Assets	33,690	28,770	26,363	22,446	20,935
Total Equity	24,127	21,191	19,351	18,320	17,314
Cash	9,691	12,374	11,194	9,440	7,674
<b>SHAREHOLDER INFORMATION</b>					
Number of shares outstanding	31,110,855	30,883,398	30,757,897	31,532,429	31,805,231
Market Capitalisation (\$ in mil)	72	53	50	32	31
EPS based on UNPAT (in cents)	22.6	18.6	14.6	11.8	8.3
Dividends (in cents)	12.5	10.0	9.1	6.8	5.0
Share Price - 30 June closing (in \$)	2.31	1.70	1.62	1.03	0.97

2012-2016

 **28%**  
Annualised  
Profit Growth

 **29%**  
Annualised  
EPS Growth

 **16%**  
CTI %  
Reduction



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# Western Australia

## Office Locations

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Garden City

Osborne Park

# Growth Strategy

<b>Funds Management</b>	Leverage off successful Manage-The-Manager model and expand in new markets where profitable
<b>Administration</b>	Distribute SMA capabilities and offer Badged solutions to IFA market
<b>Financial Planning</b>	Continue to attract high quality planners and expand through value accretive acquisitions
<b>Business Services</b>	Provide holistic Client Experience and increase cross-referrals between Planning & Accounting
<b>Corporate</b>	Re-invest in business growth while supporting existing dividend policy of 60-70% of NPAT
<b>Information Technology</b>	Enhance STP functionalities and commercialise Financial Planning software



# South Australia

Office Locations

Adelaide City Central

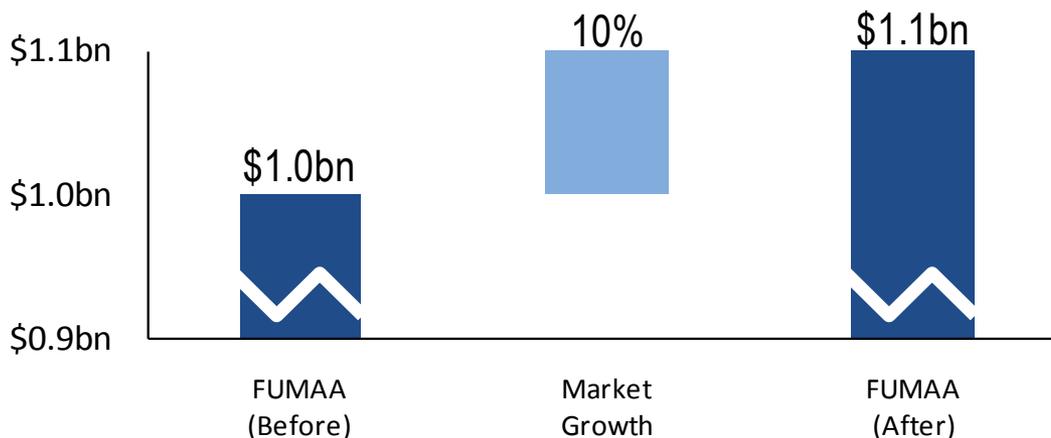
# Business Outlook – 3 Revenue Streams

Revenue Growth is a function of volume of FUMAA

## Example:



Plus, additional revenue growth if financial markets rise



## Example:

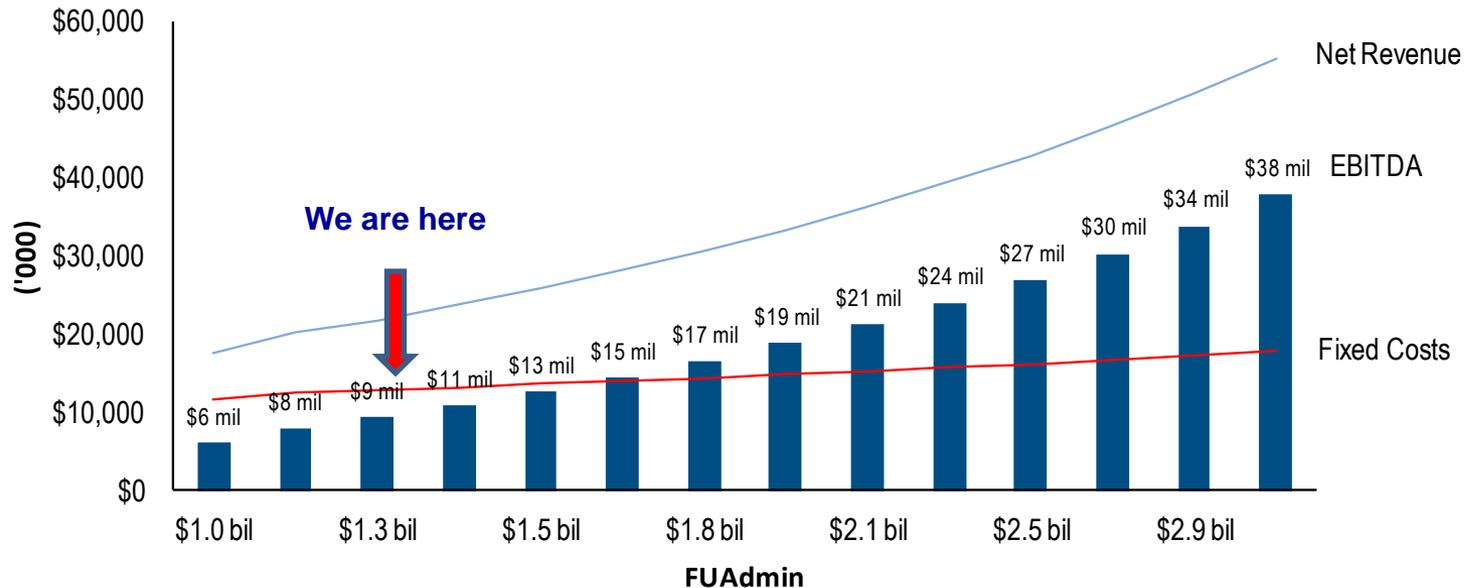
Assets rise 10%

FUMAA of \$1.0 bil rises to \$1.1 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 Administration (FUAdmin) & 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.

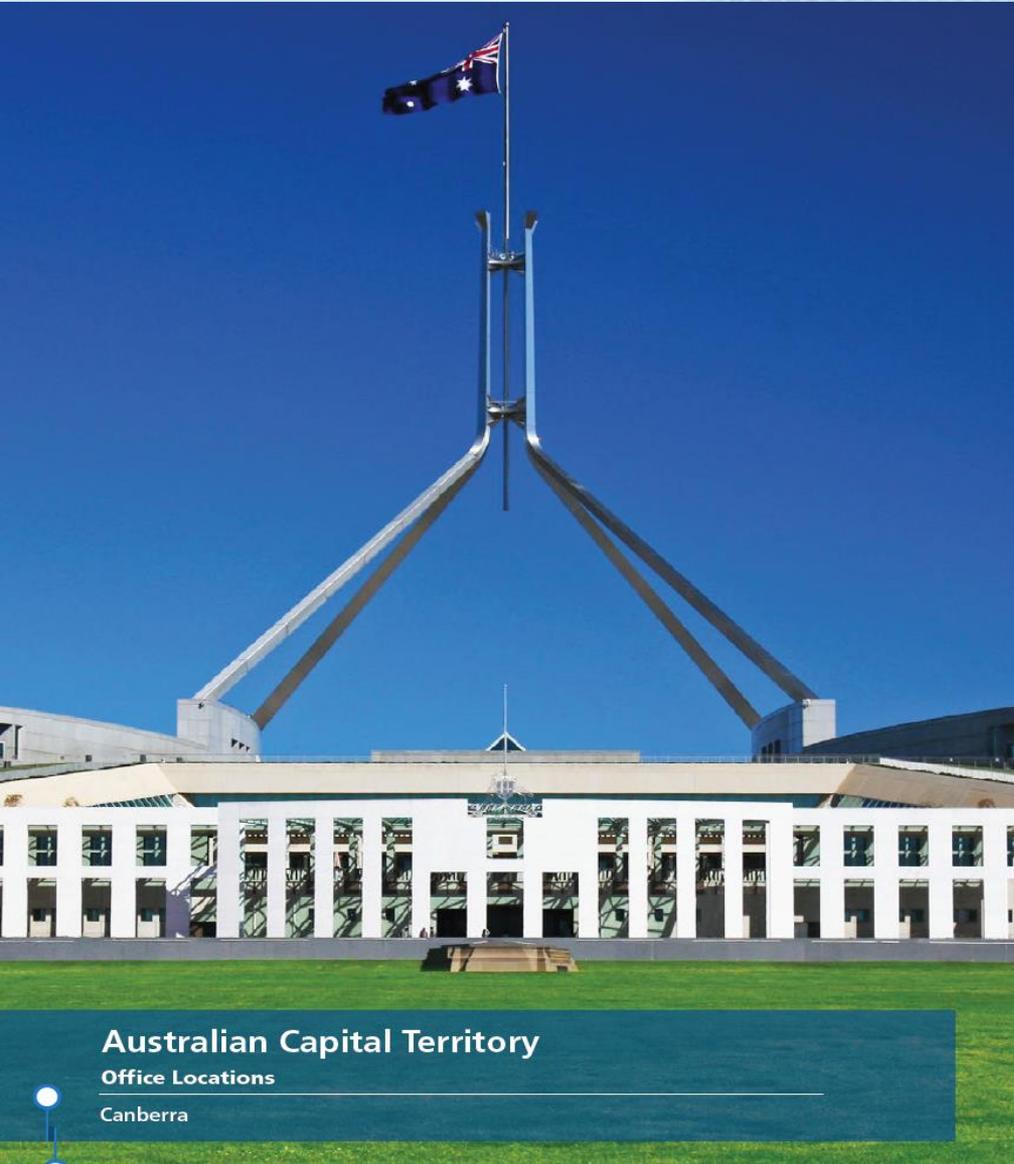
# Outlook

- **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**
- **Continue delivering superior investment performance through Fiducian Funds**
- **Target sustainable double digit earnings growth**

## 2016 Annual General Meeting

- **The Annual General Meeting of the shareholders of Fiducian Group Limited (Fiducian) will be held at Fiducian's premises at Level 4, 1 York Street, Sydney NSW on Thursday, 20 October 2016 at 10.00 am.**

# Contacts



Australian Capital Territory

Office Locations

Canberra

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