



## INVESTOR PRESENTATION

# Wilson's Rapid Insight

Indy Singh, Executive Chairman, Fiducian Group  
Rahul Guha, Executive Chairman, Fiducian Services  
Sydney  
20 November 2018

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# Profit Generating Sustainable Business Model



Funds  
Management



- Process driven, client focused investment products
- 15 Managed Funds: 4 Diversified Funds, 4 Sector Funds, 7 Specialist Funds
- **\$2.29 Billion in Funds under Management (FUM)**
- Listed comparables include NGI, MFG, PCG, PPT

WRAP  
Platform



- Market competitive Wrap & Managed Discretionary Accounts (MDA) Platform, SMSF admin
- Trustee of the Fiducian Superannuation Service and Operator for IDPS, FIS
- **\$1.86 Billion in Funds under Administration (FUAdmin)**
- Listed comparables include HUB, NWL, OVH, PPS

Financial  
Planning



- Respected non-bank financial planning licensee with over twenty one years of experience
- 37 high quality practices, 61 representatives, national footprint
- **\$2.31 Billion Funds Under Advice (FUA)**
- Listed comparables include CAF, CUP, ED1, IFL

FinTech



- Specialist Fintech system developer
- Developer of 'FORCE' Financial Planning software & 'FASTRACK' platform administration system
- Listed comparables include BVS, CL1, IRE

# Funds Management

- 15 Funds using Fiducian’s Manage-the-Manager (MTM) system of Investment
- Select expert Managers – with proven performance, differing investment processes / styles
- Combine experts with different weightings – up to 39 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
- Consistently superior results against the world’s best fund managers in the Australian Market



Fiducian Funds	3-year return (ranking) p.a.	5-year return (ranking) p.a.	7-year return (ranking) p.a.	10-year return (ranking) p.a.
Growth	7.2% (3/164)	8.7% (1/160)	10.6% (4/150)	8.6% (4/122)
Balanced	6.5% (15/164)	7.8% (4/160)	9.6% (13/150)	8.0% (18/122)
Ultra Growth	7.0% (34/106)	9.9% (1/100)	12.4% (3/92)	
Capital Stable	3.9% (13/101)	5.0% (5/99)	6.1% (12/95)	5.9% (17/78)

Other specialist MTM funds				
Technology	11.3%	19.7%	22.9%	15.1%
India	3.9%	18.9%	15.2%	12.1%

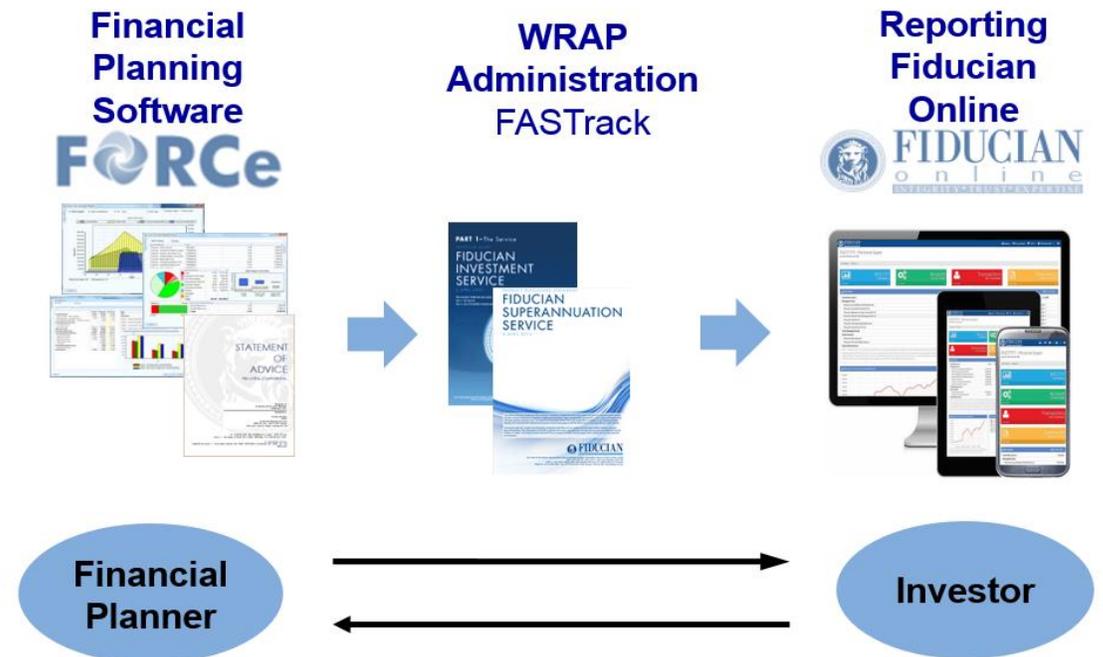
The above performances are based on independent survey conducted by Morningstar survey as at October 2018

2017 FundSource Awards – International Equity Sector  
 Winner: Fiducian Funds management - Technology Fund  
 Finalist: Fiducian Funds management - India Fund



# WRAP Platforms (FSS/FIS) – FinTech (FORCe & FASTrack)

- Public offer “Superannuation Fund”
- Investor Directed Portfolio Service (IDPS)
- 15 – Multi-manager Funds using the Fiducian Manage-the-Manager system
- 57 – Single Manager Fund Choices
- 13 – Managed Discretionary Accounts ( Direct Share Ownership)
- Investments are held by external parties – National Australia Bank, for security and safe keeping
- Administration for SMAs, IMAs and MDAs
- Competitive Fees, Flexible Structure



Fully Integrated Fintech Solution  
for Advisers and Clients

# Financial Planning – Focus on Quality and Expertise

- We are selective in recruiting Financial Planners
- National footprint with 37 practices, 61 representatives

● 30 Franchise Offices

● 7 Salaried Offices

Total 61 Authorised Representative



Wealth Creation



Retirement Planning



Superannuation



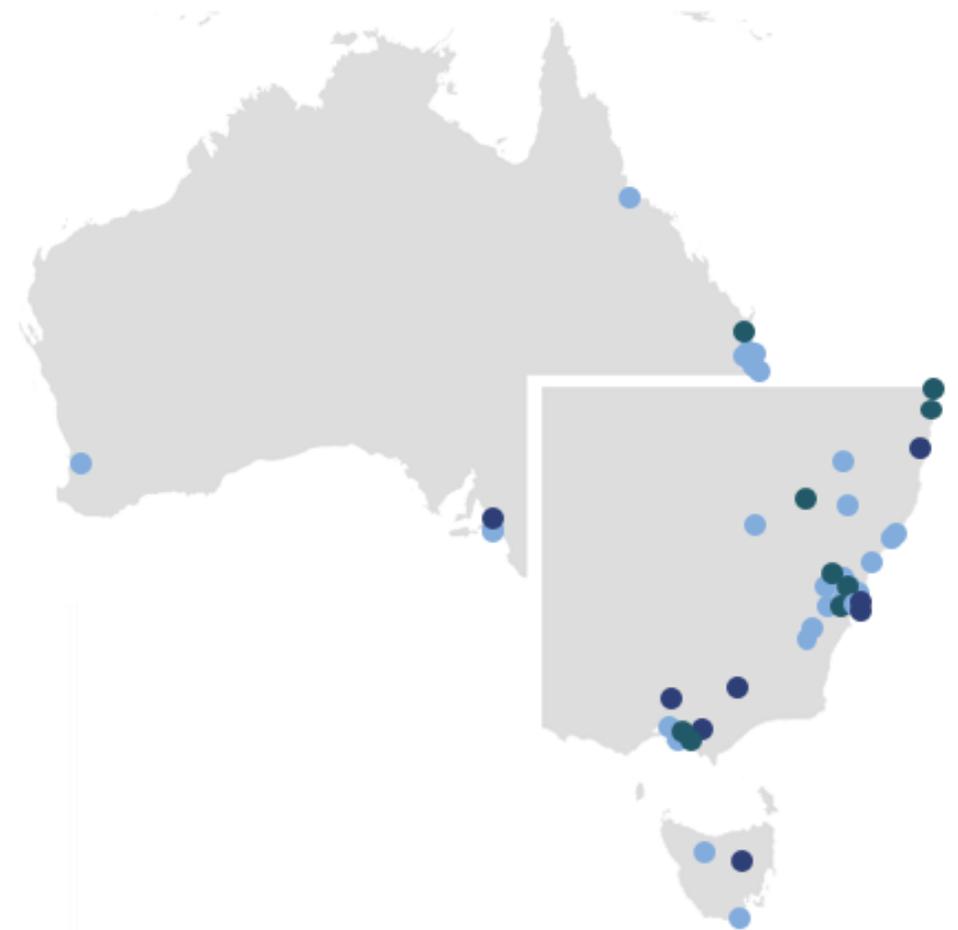
Investment Advice



Estate Planning

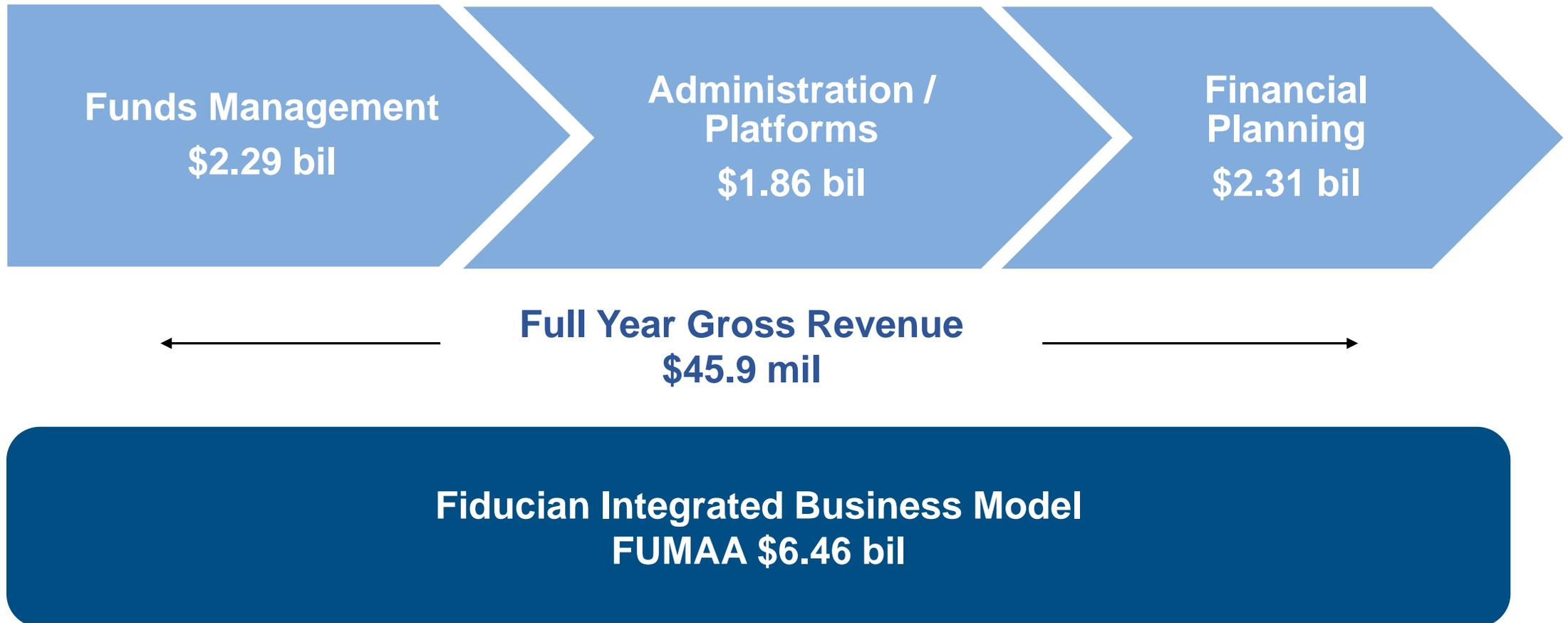


Personal Insurance



# Integrated Business Model

Our clients experience the Fiducian difference:



# Five Year Summary: Financials

	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL PERFORMANCE</b>					
Gross Revenue	45,873	40,752	35,451	26,253	22,874
Underlying Net Profit After Tax (UNPAT)	10,505	8,710	7,036	5,748	4,501
Statutory Net Profit After Tax (NPAT)	9,198	7,512	5,839	4,622	3,983
Cost To Income Ratio (CTI) - ex amortisation %	56%	60%	63%	62%	63%
<b>FINANCIAL POSITION</b>					
Total Assets	40,562	36,277	33,690	28,770	26,363
Total Equity	31,132	27,620	24,127	21,191	19,351
Cash	13,885	9,548	9,691	12,374	11,194
<b>SHAREHOLDER INFORMATION</b>					
Number of shares outstanding	31,242,623	31,264,368	31,110,855	30,883,398	30,757,897
Market Capitalisation (in \$ mil)	146	128	72	53	50
EPS based on UNPAT (in cents)	33.6	27.8	22.6	18.6	14.6
Dividends (in cents)	20.0	16.0	12.5	10.0	9.1
Share Price - 30 June closing (in \$)	4.66	4.09	2.31	1.70	1.62

2014-2018



**24%**  
Annualised  
Profit Growth



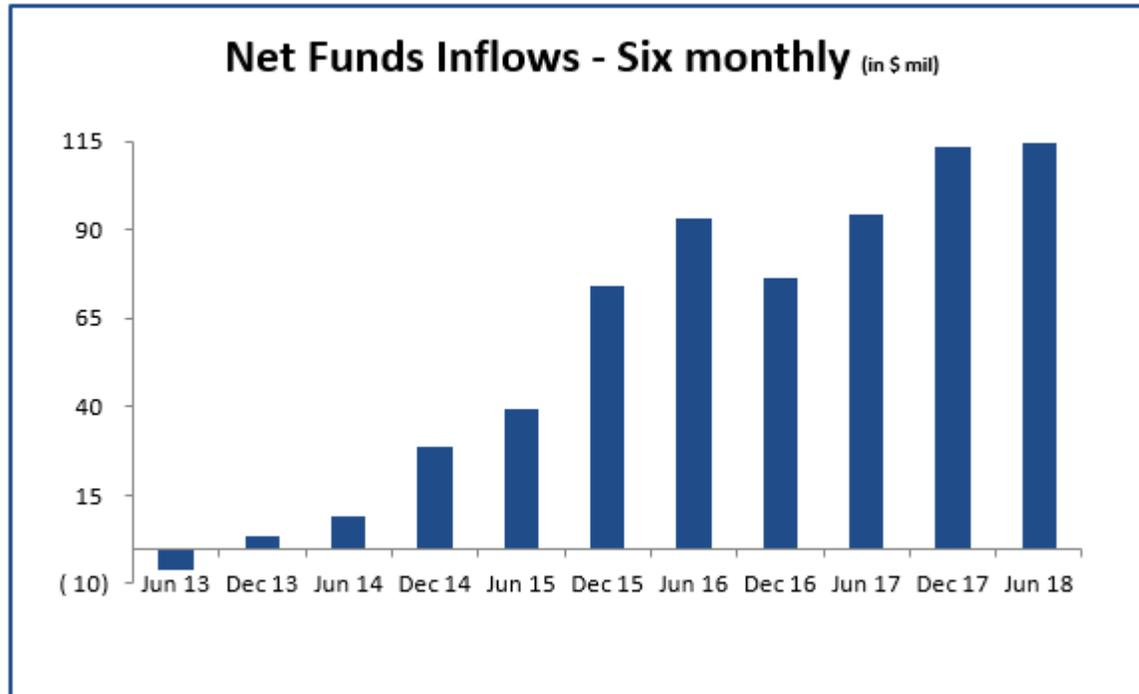
**23%**  
Annualised  
EPS Growth



**7%**  
Cost To Income  
% Reduction

✓ Sustainable growth history consistently over long term

# Net Fund In-Flows in Platform

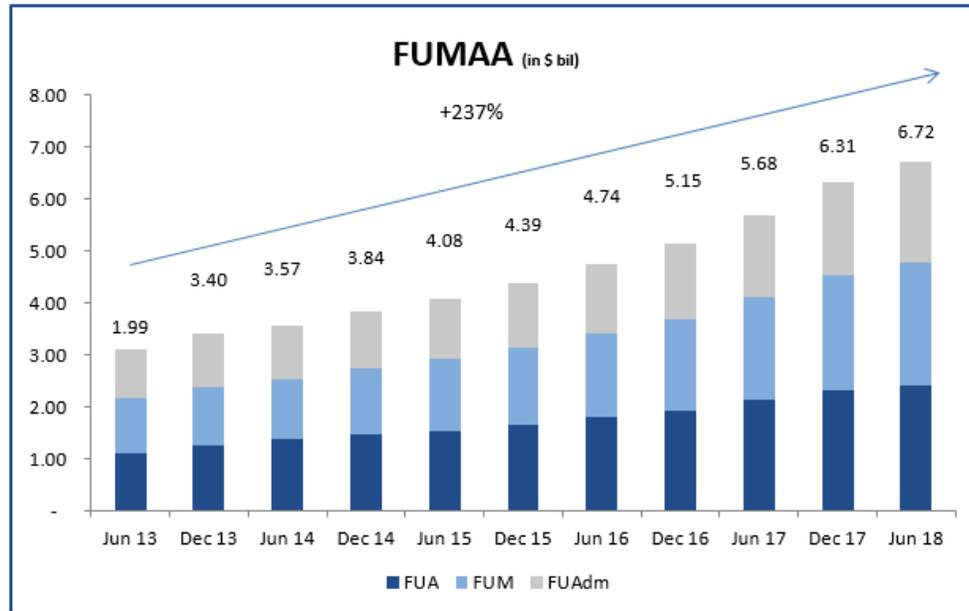


## Funds Inflows and Outflows (in \$ mil)

Years	Inflows	Outflows	Net Funds Inflows
Jun 14	57.01	( 47.91)	9
Dec 14	78.01	( 49.26)	29
Jun 15	87.69	( 48.10)	40
Dec 15	111.07	( 37.17)	74
Jun 16	134.87	( 41.83)	93
Dec 16	115.33	( 38.73)	77
Jun 17	174.79	( 80.31)	94
Dec 17	157.47	( 43.87)	114
Jun 18	165.63	( 51.12)	115

- ✓ Net In- Flows of \$229 mil during FY17-18
- ✓ Both Salaried and Franchised networks contributing to the Inflows
- ✓ Combination of organic flows from active referrals and inorganic flows from strategic acquisitions

# FUMAA Growth



**FUMMA Closing Balance (in \$ bil)**

Years	FUA	FUM	FUAdm	Total
Jun 13	1.12	1.04	0.95	1.99
Dec 13	1.26	1.12	1.02	3.40
Jun 14	1.37	1.17	1.03	3.57
Dec 14	1.46	1.28	1.11	3.84
Jun 15	1.54	1.37	1.17	4.08
Dec 15	1.66	1.47	1.25	4.39
Jun 16	1.82	1.59	1.32	4.74
Dec 16	1.94	1.76	1.45	5.15
Jun 17	2.14	1.96	1.58	5.68
Dec 17	2.31	2.21	1.79	6.31
Jun 18	2.41	2.37	1.94	6.72

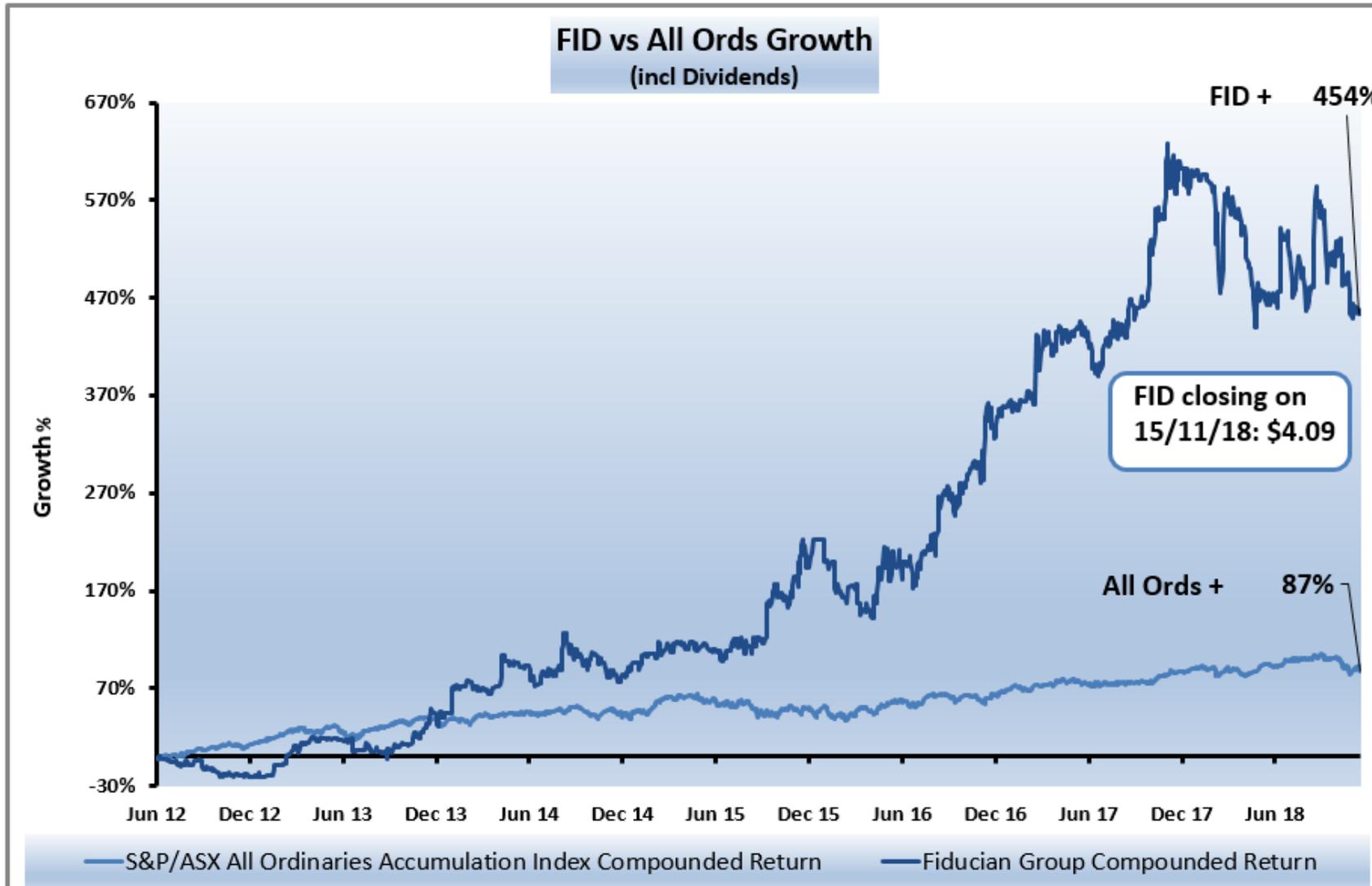
- ✓ Consistent FUMAA growth contributed by strong organic and inorganic inflows and market improvements
- ✓ \$83 mil acquisition announced by Fiducian for Franchisees and salaried offices in FY18: strengthens retention
- ✓ Increase in FUA as proportion of FUMAA reflects recent acquisition

**Explanatory Notes:**

- FUM includes cross holdings from diversified funds into the sector / specialised funds. Excluding cross holdings, FUM is \$1.63 bil.
- FUA includes assets held in Fiducian and External platforms
- FUAdm includes aligned advisers and IFAs

- Cash Flow in line with expectations for Jul – Sep 18:
  - \$13.0 mil Receipts from Customers
  - \$2.8 mil Net Operating Cash Flow after expenses and tax
  - \$12.8 mil Cash at end of the period
- Reinvestments into business:
  - \$0.6 mil payments for Client acquisitions
  - 13 mil FUA acquired since July 2018
- Dividend payments for FY 17-18 H2:
  - 11.0 cent final dividend totalling \$3.4 mil

# FID outperformance against All Ords Accum



- Since Jun 12, outperformance 367% including dividend
- Dividend pay-out policy 60-70% of Net Profit After Tax
- Double digit EPS growth in 14 out of 18 years since listing
- Full year dividends 20 cents – 25% growth over comparable period

# Growth Strategy

	<b>Funds Management</b>	Leverage of successful Manage-The-Manager model and expand in new markets where profitable
	<b>Administration</b>	Distribute SMA capabilities, offer Badged solutions to IFA market and Build SMSF Administration
	<b>Financial Planning</b>	Continue to attract high quality planners and expand through value accretive acquisitions
	<b>Corporate</b>	Re-invest in business growth and Active share buy-back while supporting existing dividend policy of 60-70% of NPAT
	<b>Information Technology</b>	Enhance STP functionalities and commercialise Financial Planning software

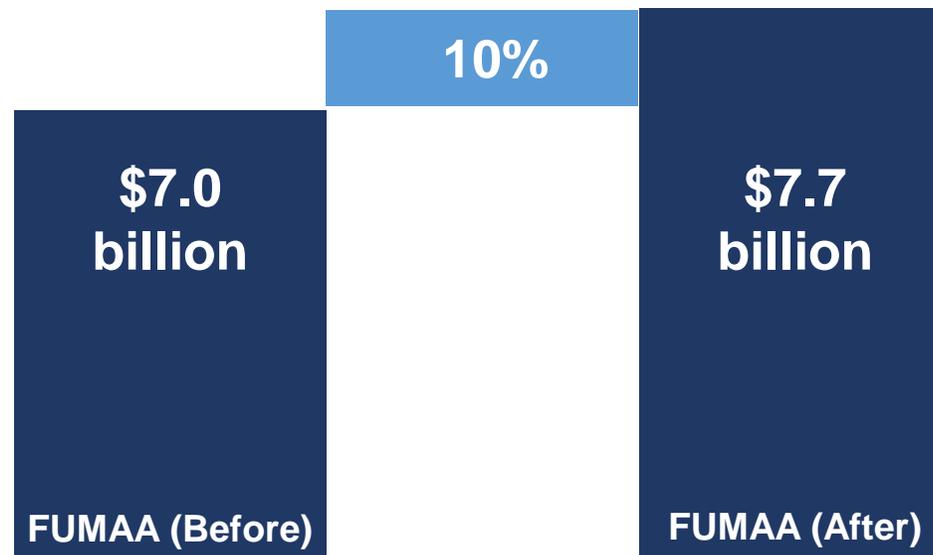
# Business Outlook – 3 Revenue Streams

Revenue Growth is a function of volume of FUMAA

**Example:**



**Plus, additional revenue growth if financial markets rise**



**Example:**

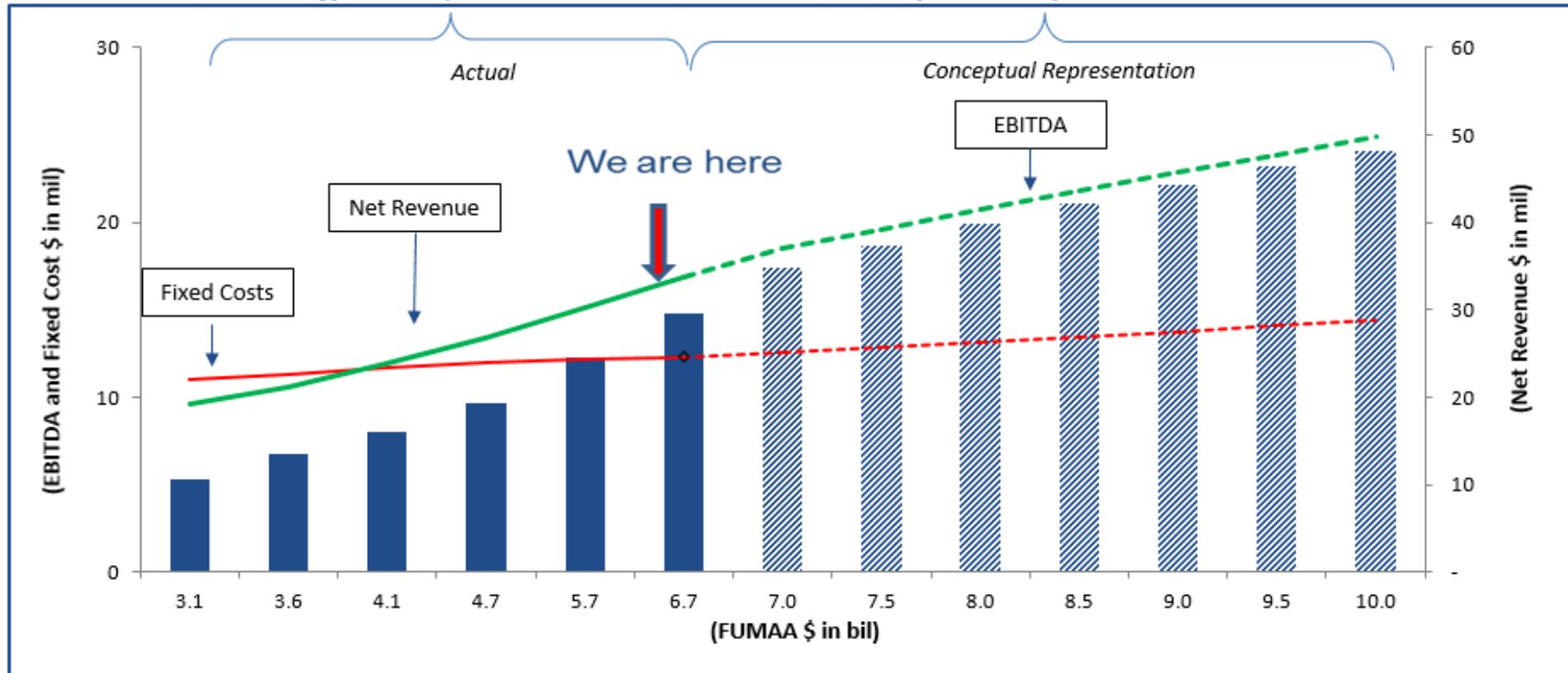
Assets rise 10%

FUMAA of \$7.0 bil rises to \$7.7 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.

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

## Key Dates

- Half-year FY 2018-19 results announcement: Thursday, 14 February 2019
- Annual FY 2018-19 results announcement: Thursday, 15 August 2019

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The information was prepared on 19 November 2018.