

30 August 2010

# Fiducian Continued Strength

Annual Result to 30 June 2010

- Net consolidated profit after tax of \$ 4.11 million – increase of 25%
- Strong, debt-free balance sheet
- Fully franked final dividend of 4.75 cents per share payable 15 September 2010, which makes a total of 8.50 cents per share for the financial year
- Continued growth in underlying business

## **BUSINESS PERFORMANCE – Profitability supported by prudent management**

Fiducian Portfolio Services Limited (ASX: FPS), a leading Australian non bank aligned financial services organisation, has reported a net consolidated profit after tax for the annual year, of \$4.11 million (2009: \$3.28 million).

The Board is confident about the future of the business in its current form, its profitability, prospects and likely cash flow outlook, particularly in an improving economic and financial market environment. Consequently, a fully franked final dividend of 4.75 cents per share has been declared and payable on 15 September 2010 which will bring the total fully franked dividend of 8.50 cents per share (2009: 6.75 cents).

A key feature of the company is that it remains debt free and exhibits a positive working capital and cash flow position.

The Fiducian business model is unique in that it captures the full value chain of financial planning, portfolio administration, funds management, knowledge processing and IT systems enabling it to grow steadily and profitably. Each business pillar contributes individually and jointly to our superior service offering to our clients.

## MEDIA RELEASE

### **FINANCIAL PLANNING & DISTRIBUTION – network expansion**

The Fiducian Financial Services brand is continuing to grow into a quality national network of franchised and salaried Financial Advisers. Good strategic financial advice and a high frequency of client contact and communication by all Fiducian Financial Advisers has resulted in impressive client retention levels. However, where there is persistent financial market volatility, or political uncertainty as caused by the recent Federal election, our clients tend to defer new investment decisions. We have therefore put in place marketing initiatives to explain the economic environment and encourage long-term investors to take advantage of the current market weakness.

Fiducian acquired one small client portfolio during the year, to enlarge the Hobart office. Acquisitions, which can be easily absorbed into the Fiducian culture, will continue to be assessed as and when available.

Within the year, Fiducian Business Services continued operations in offering resource services to small to medium sized independent accounting and tax professionals across Australia, some of whom are within our franchise network. In addition to creating a new source of revenue, it is raising considerable interest in Fiducian from many regional accounting practices that appreciate our support.

### **PLATFORM ADMINISTRATION – good inflows and improved market valuations**

Assets under administration rose in total by 16.3% to \$1.14 billion (2009: decline 21.4% to \$984 million).

### **INVESTMENT MANAGEMENT – consistent steady returns over the long term**

Our distinct Fiducian Funds, built around our in-house Manage-the-Manager Investment system, continue to attract a majority of retail funds placed with us. Implementation of our processes has achieved consistently steady results over the long term. As a result, Fiducian continues to grow its role as the investment manager for clients of financial planners, a number of small wholesale mandates by notable charities, endowment funds and some high net worth individuals.

The Fiducian India Fund launched in 2007, has delivered 21.4% p.a. over 2 years, outperforming most asset classes over this period and continues to attract inflows as investors recognise the opportunities emerging markets present.

## MEDIA RELEASE

### **INFORMATION TECHNOLOGY – state-of-the-art financial planning software**

Fiducian Information Technology continues to provide our adviser network with state-of-the-art financial planning software and administration tools and has given Fiducian the ability to control, develop and retain our edge in reporting to clients and financial planners.

### **FUTURE OUTLOOK – profit to grow in coming years**

The Board expects profit to grow in coming years as management continues to focus on expanding its range of business activities and on realizing the full potential of financial planning, platform administration, investment management and information technology, whilst controlling expenditure.

Managing Director, Indy Singh said, "The business plan for 2011 financial year looks at expanding the revenue base by further utilizing all segments of the Fiducian business model and expanding its resourcing for services to the self managed superannuation fund and accounting community".

Ends.

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