

Fiducian's Response to Royal Commission's Final Report

Sydney, Wednesday 6th February 2019

Fiducian has reviewed the recommendations and welcomed the Final Report by the Hayne Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

The Report has reiterated the norms of conduct which imply that the law is to be obeyed, that client interests must come first, that clients should not be misled and that services should be fit for purpose, delivered fairly and with reasonable care. The driving code of conduct for Fiducian and its people has always been to observe these norms and to provide products and professional services in a transparent manner for the benefit of our clients. It is refreshing to note that the way we operate is in line with the expectations detailed within the final report of the Royal Commission.

On the Royal Commission's recommendation, the Government has agreed to end grandfathered commission from 1 January 2021. At Fiducian, work on converting commissions to fees for service, that are agreed with our clients in writing, began just after the implementation of the Future of Financial Advice (FOFA) reforms. The bulk of clients are already on fee for service arrangements. Those outstanding include client book acquisitions made over the last couple of years and are in the process of conversion. About 4% of the group's net revenue is from grandfathered commissions, which management estimates will largely convert to fee for service before 2021. Insurance commissions and mortgage broking which have been adversely impacted are not our core business and therefore are unlikely to impact our revenue in any material way.

Fiducian sees no need to alter its business model or the way it has operated or intends to operate in the future. We shall continue to obey the law, all it stands for and serve our clients to the best of our ability. The words "Integrity Trust Expertise" under our logo should stand us in good stead in the future.

Fiducian will announce its financial results on Thursday, 14 February 2019 (after market close) for half year ended on 31 December 2018.

Indy Singh, Executive Chairman, Fiducian Group

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About Fiducian Group Ltd (ASX:FID) Publicly listed Fiducian Group Ltd is a successful end-to-end financial services company in this fiercely competitive sector in Australia. FGL is Australian-owned and operated. Fiducian provides:

1. platforms for investment and superannuation
2. funds management and investment
3. financial planning and wealth management
4. technology solutions for financial planners and their clients

Through the vision of founding Executive Chairman Indy Singh, the company was established in 1997 and listed in ASX in 2000