

## Important Update – COVID 19 Response

25 March 2020

**To: Fiducian Group Limited Shareholders**

**From: Indy Singh (Fiducian Group Executive Chairman)**

As you may be aware from media releases, matters are developing daily in Australia and abroad to counter the threat of the rapidly spreading Coronavirus (COVID 19). Announcements by the Prime Minister, State Premiers and various Health Ministers and departments of health suggest that we must act together to prevent its explosive growth and further transmission.

The Fiducian Crisis Management Team has been meeting daily and has recommended that all staff employed by Fiducian or having franchised relationships should be encouraged to work remotely from home until we receive information that it is safe to return to work from our physical office premises. We shall promptly advise all staff when this occurs.

Please rest assured, Fiducian was prepared for such unexpected events. Fiducian's previously developed Business Continuity framework and Pandemic Plan had been tested through different simulations using external assessors and our auditors where applicable. These plans are now operating for core processes and delivering high quality client service outcomes through remote working while all our physical offices are technically open on a needs only basis. Investment instructions are being received and transactions are being processed daily in line with normal operations. We have taken decisive steps to ensure it is business as usual as much as practicable, albeit in a different setting.

### **Employees working from home**

Staff handling administration, investment, custodial and IT services had already been set-up and trialled from home with remote access; appropriate cyber security/IT development is continuing; and new releases to expand functionality of our administration system FasTrack and financial planning system FORCe are to be released this week. The Investment team is monitoring all investments and making asset allocation changes as required. Work on acquisition of financial planning client bases and establishing new quality franchised financial planning offices is ongoing and

some are in the pipeline approaching finalisation. Senior Management is meeting daily through conference and video connections and line managers are connected to their reporting staff. Client investments are being received and transacted and pensions and regular withdrawals are being paid on schedule so that none of our investors and superannuation members are disadvantaged in any way.

## **Salaried and Franchised Financial Planning Offices**

All financial planners remain connected with their clients by phone or internet/video conferencing. They are an important element in our clients' financial lives and are available to counsel and guide their clients through these difficult financial markets. Well-designed strategies that could withstand such markets have been encouraged for use by our financial planners and we have seen no evidence of fear driven withdrawals from our platforms so far. Indeed, new investments are being received and they are accepted and processed electronically by straight through processing. If a face to face meeting is essential with clients, appropriate arrangements can be made, nevertheless, it is advised that if a service can be provided by phone, video-conferencing or the like, it should be the preferred method.

## **Travel**

All non-essential domestic travel (including business travel) and all international travel are deferred until further notice. Phone, internet and video conferencing is the preferred method of communication.

## **Further Support and Guidance**

This crisis has been a Health driven one and financial markets have reacted as a consequence. It is too early to assess the financial impact of the Pandemic on Fiducian, but suffice to say that when markets fall so does our revenue. As you may be aware, the company has surplus cash for its operations and no debt. Our investment assets are diversified across a range of asset sectors and fund managers who are entrusted to deliver better than market returns. Diversification has an advantage and we have seen that international shares, where we have an overweight position, have benefitted from a decline in the Australian dollar and fixed interest has helped to cushion investors on the downside. Therefore we feel that shareholders should take a rational and balanced view and in their decisions, and consider the actions taken by management as described above.

Governments, medical researchers and health workers are working hard to overcome the impact of the virus, while most citizens are making sacrifices and contributing through social distancing. Hopefully this obstacle to normal work practices evaporates sooner, rather than later.

At this difficult and uncertain time, our top priority remains the health and wellbeing of all persons connected with Fiducian, be they staff, clients or other stakeholders. We are monitoring the COVID-19 situation closely and will continue to provide updates as appropriate. We have weathered many disruptions over the past 23 years and come out stronger than before and so, we shall continue to work hard as we have done in the past and endeavour to deliver acceptable results for our shareholders.

**Authorised by:**

**Indy Singh**

**Group Executive Chairman**

**25 March 2020**