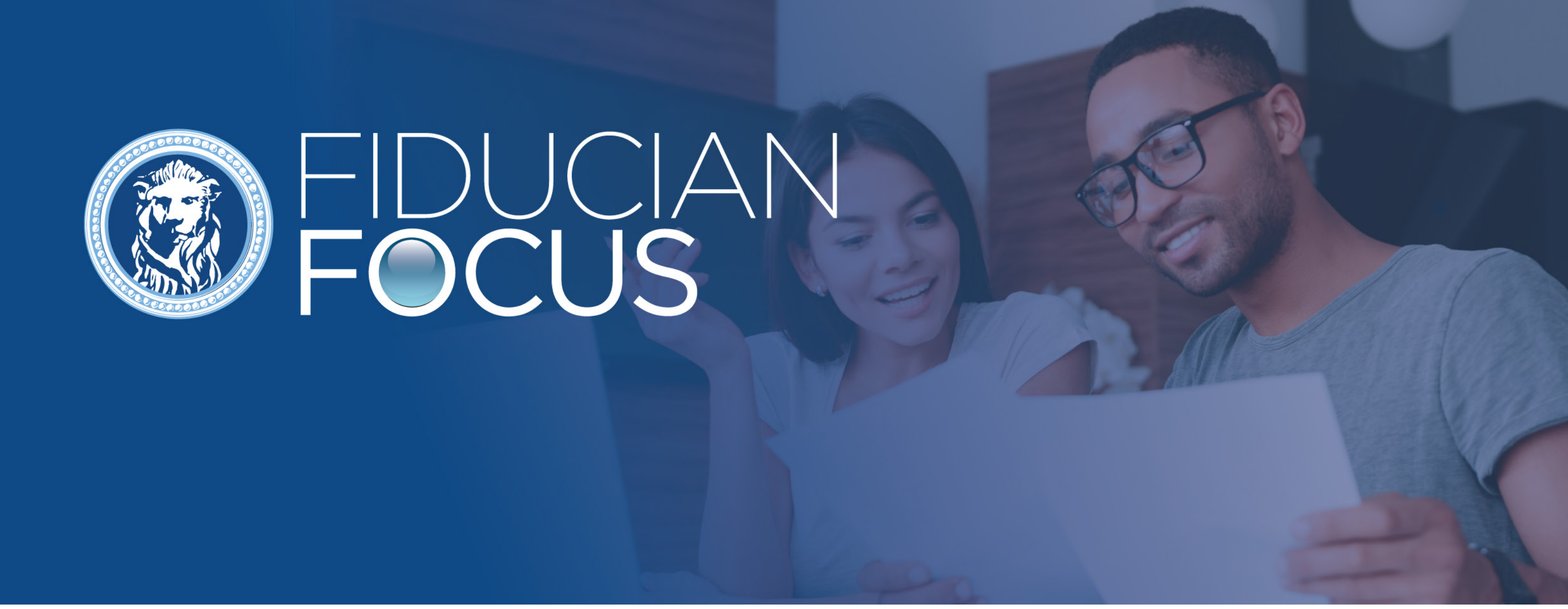


November 2021

A note from Robby Southall

Robby Southall
Executive Chairman,
Fiducian Financial Services

What does the world of financial planning look like post COVID-19?

We have all been impacted, in one way or another, by COVID-19 and I am very happy to share that finally, after over 260 days of lockdown where I am here in Melbourne, the longest in the world, we will no longer be impacted by the continuous treat of closed doors, restrictions and the overall mental impact that lockdown carries.

What have we learnt?

In short, two main things, the need for human interaction and technology is our friend. Over the past nearly two years our network of expert Financial Planners and their clients have adapted. Using online services to continue their requirements via telecommunications and video technologies to deliver outstanding results for their clients as they aim to reach their financial goals. This has built an additional way to achieve the human interaction we all need.

As our network of expert planners continues to grow, welcoming a new team of Financial Planners in South Australia, our service offerings to Australians becomes more accessible. With an expanding network and the increased use of technology within our business, we are more accessible than ever to connect with our clients, their families, and individuals from all over Australia. Our aim remains to provide them with the best strategic advice to reach their financial goals.

A closer look at emerging markets

The Indian economy has emerged from the COVID-19 pandemic in a strong position. Government fiscal support and accommodative monetary policy have set the base for a strong rebound in activity in the near term, and longer term economic reforms combined with positive demographic factors are supportive of elevated growth over the long term.

The Fiducian India Fund has delivered strong returns for investors over the last 10 years. Performance has been above its own benchmark (BSE 100) and a range of other emerging market indices. Please review to Figure A below.

Given the high growth nature of emerging market economies, there is the potential to capture outsized returns, but this is usually accompanied by higher risk.

Risk at a portfolio level

Investors will typically hold a large number of different assets. The idea that diversification can help to achieve superior returns for lower levels of risk is a key tenets of finance theory, and one of the driving philosophies of the Fiducian '[Manage the Manager]' system.

On a standalone level, the observed volatility of the Fiducian India Fund is high relative to a range of other well-known market indices, as measured by the standard deviation of returns over 10 years with the Fiducian India Fund reporting 20.0% as at 31/8/2021.

The real benefits of diversification come when assets move in a different manner from each other. For example, holding two different Australian bank shares in your portfolio will do little to achieve diversification. Both will have the same underlying earnings drivers - interest rates, bad debt charges, and domestic economic conditions. On the other hand, combining a bank share with a mining stock will offer superior diversification.

The Fiducian India Fund has provided investors with strong returns over the last ten years, particularly in relation to other emerging market equities.

Despite a relatively high level of volatility, this is mitigated by the fact it exhibits a low correlation with many other equity markets. This means that the incremental risk of an allocation to the Fund can actually be quite low as a part of a well-diversified portfolio.

Asset	10 yr return (annualised)
Fiducian India Fund	16.0%
Bombay Stock Exchange (BSE 100)	11.4%
MSCI Emerging Markets Index	8.9%
Shanghai Composite Index	3.3%

Source: Index data, Fiducian. As at 31/8/2021

To view full article visit our website: www.fiducian.com.au/investment-insights/

The importance of Aged Care in an ageing population

Did you know...?

- At age 65, a person's chance of needing aged care during their lifetime is 68% for women and 48% for men[1]
- Accommodation payments in regional areas and capital cities are not uncommon at $350,000-$650,000[2]
- Planning before you need aged care can improve your financial situation and give you more choices and control.

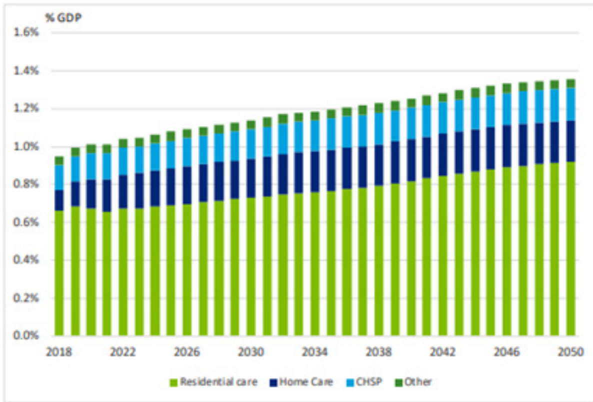
All too often we procrastinate over financial decisions and panic when the event occurs. Unfortunately, this procrastination can limit our financial planning opportunities.

This is an all too common scenario for aged care. A move into aged care usually happens in a hurry and with emotional turmoil but planning ahead can help to improve your situation and help to avoid family conflict.

You might be thinking about your own future needs, or you may be faced with making decisions for a parent or other elderly relative. Advice is a key element of these decisions. Aged care is a growing issue for many Australians and financial advice is important.

The costs for aged care are increasing and with an ageing population we all need to think more carefully about how we will be affected and how to access the help we need. Currently, more than two million people in Australia are aged 70 and over and approximately 45% of these will use aged care services. **In the 2010 Federal Government Intergenerational Report, it is projected that the cost for Government** will double by 2049/50 as a percentage of our economy (as measured by our Gross Domestic Product (GDP). This will be more money than the Government's budget for defence or education. The increasing cost of aged care is shown in the graph below:

Commonwealth expenditure on aged care by program - baseline



Source: Royal Commission into Aged Care, 2020.

How you plan for aged care and the decisions made can have a significant impact on your lifestyle and comfort, your entitlement to the age pension and the fees paid to access aged care services.

Planning for aged care should commence early and continue throughout your retirement. The fees to enter a residential aged care service tend to be significant amounts that require careful planning ahead of time.

Thinking ahead can give you (or older relatives) lifestyle choices including:

- The chance to live in your own home to maintain your independence
- Strategies to reduce ongoing fees
- Options for funding the entry costs
- Strategies to invest other assets, and
- An understanding of the impact of decisions on age pension entitlements

1 Government Intergenerational Report 2010
2 Royal Commission into aged Care 2020

Fiducian Family

Welcome to the Fiducian Family

Joshua Kozis

Fiducian Financial Services
Launceston

James Campbell

Fiducian Financial Services
Kelso

Fiducian Facebook Competition

Go in the running to win a $100 egift card just in time for Christmas

1. Like our Facebook page **@fiducianfs**
2. Tag your friends and family in to comments. They must also like our page.
3. Enter as many times as you like.
4. Enter the competition and read full T&C's via the QR code.

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We have teamed up with Surfgroms as Category Sponsors, helping teach Australian families the importance of money with our Smart Money Kids program, available to all Surfgroms.

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