



Strategi
Group

— 2023 —

Strategi Group Due Diligence Kit

Full Disclosure before and
during engagement

1. Company information

Company name	Strategi Group Holdings Limited (This is the holding company for Strategi Institute Limited, TAFE College, and Strategi Limited (trading as Strategi Compliance)).
Address	Unit 4 Building E, 17 Corinthian Drive, Corinthian Office Park, Albany, Auckland 0632.
Telephone	+64 9 414 1300
Website	www.strategigroup.co.nz
Type of company	Registered NZ limited company
Company number	8191493
NZ business number	9429049368383
Incorporation date	Strategi Group Holdings Limited: 02 June 2021 Strategi Ltd: 29 November 1996 Strategi Institute Ltd: 22 June 2010
Industry classification	K624030 Holding company
Company vision	To be the preferred provider of training and advice to the financial and professional sectors.
Company purpose	Improve people and businesses through outstanding training and advice.
Financial stability	Strategi Group is owned by the Sardar Family Trust (David and Sue Greenslade), and has been operating for over 25 years. The business is conservatively managed from a financial perspective. Strategi Institute protects student fees via a static fee trust which is administered by Public Trust. Additionally, the financial statements of Strategi Institute are audited annually. There is no external financial audit required for Strategi Compliance.
Business Continuity Plan (BCP)	Strategi Group's business continuity plan (BCP) is designed to ensure minimal disruption to clients. Strategi's BCP enables all staff to work remotely. All computer systems and data are backed up regularly and securely, and can be accessed remotely in the event of disruption.

<p>Company Structure</p>	<p>Strategi Group Holdings Limited is the parent company of subsidiary companies Strategi Limited (trading as Strategi Compliance) and Strategi Institute Limited (together known as Strategi Group). Strategi Group comprises:</p> <ul style="list-style-type: none"> • Strategi Group Holdings Limited: This is purely a holding company to receive profits and hold shares in the two trading businesses. • Strategi Institute Ltd: This is a category 1 Tertiary Education Organisation providing NZCFS5(V2), New Zealand Certificate in Real Estate (Salesperson) (Level 4) and other qualifications in the financial services, real estate, and aligned professional service industries. It also provides micro-credential courses, specialist courses, AML/CFT training manuals, workplace assessment, recognition of prior learning, corporate consultancy, and RADAR- the online education platform with over 300 CPD modules. In 2023, it expanded into the Real Estate industry with NZQA qualifications and verified CPD courses. It operates in the Real Estate industry using the TAFE College brand. • Strategi Ltd: Trading as Strategi Compliance is the compliance and auditing business. It has over 1000 AML/CFT audit clients. It undertakes independent external compliance assurance reviews for finance companies, FAPs and their authorised bodies plus provides the popular virtual compliance officer solution to FAPs. Strategi Compliance also undertakes licensing work, business valuations, consultancy, investigations, and ongoing compliance work for clients.
<p>Affiliations</p>	<p>Strategi Group maintains close affiliations with other specialist companies in Australia, South Africa and the United States, providing access to support and additional resources. These relationships enable Strategi Group to keep up to date with the latest international trends in the financial services industry and to bring the best to our clients.</p> <p>In addition Strategi Group has close working relationships with a number of New Zealand-based organisations, including the Financial Services Council, Financial Advice New Zealand, Financial Services Federation, ATAINZ, REINZ, FINSIA, and the CFA Society. Strategi Group outsources a number of services, such as legal and accounting services in relation to its business operations.</p>

2. Governance and Compliance

Board of Directors and senior management	Governance is provided by a board of three directors- two of whom are independent. The group business has a senior leadership team comprising the executive director (David Greenslade), the Chief Operating Officer and the sales and marketing manager. Line managers report to the Chief Operating Officer.
Tertiary Education Commission (TEC)	Strategi Institute has been approved to receive TEC funding for the provision of the New Zealand Certificate in Financial Services (Level 5) version 2 programme. Strategi Institute must meet all NZQA and TEC audit, quality and financial requirements to receive this funding.
Compliance Assurance	Strategi Group has a comprehensive compliance assurance programme in place. This includes an independent external audit of Strategi Institute by NZQA plus a defined 'second line' internal compliance resource designed to ensure Strategi Group is compliant with relevant legislation, regulation, code, conduct, and client contracts. The assurance provided is separate from those responsible for delivery, but not independent of the management chain.

3. Structure

Shareholdings	All three companies are privately owned. Strategi Group intends to offer staff the opportunity to purchase shares in Strategi Group.
Scope of services	<p>Financial markets licence support</p> <p>Strategi has been involved with over 200 firms applying for a financial markets licence. This assistance involves providing:</p> <ul style="list-style-type: none">• Applicants with an application template partially customised to their business;• A range of supporting documents to accompany their licence application;• Checking applications and providing guidance and additional information through the actual licence assessment process;• A suite of templates and new processes to meet licence obligations;• An ongoing compliance and governance process to meet licence obligations, and training and support around operating a licensed business;• Full development of policies, processes and controls and drafting of applications for FAP, DIMS, MIS and DI licences. <p>AML/CFT Solutions</p> <p>Strategi is one of the leading AML auditors in New Zealand and has undertaken over 1000 audits for clients supervised by the DIA, RBNZ and FMA since the legislation came into effect in 2013.</p> <p>Education and training services</p> <p>Strategi Institute provides education to those in the financial services, real estate and related industries. Strategi Institute partners with clients to help them develop their professional expertise, increase their revenues and grow their business.</p> <p>We provide a full range of courses to meet all continuing professional development (CPD) requirements and take students through the New Zealand Certificate in Financial Services (Level 5) qualification and relevant real estate qualifications.</p>

	<p>In addition, we can work with our partner networks and corporates to develop new topics relevant to a specific organisation.</p> <p>Radar platform</p> <p>This robust online learning platform delivers CPD training, financial product provider accreditation modules and online assessments. This platform can deliver much of the required adviser and staff training each year and has added functionality for compliance management and reporting on staff training. Radar has over 300 CPD training modules, with more continually being added.</p> <p>As of October 2023, Radar had over 7000 users.</p>
<p>Capacity to undertake work</p>	<p>We have a flexible workforce of 40-50 staff. This is split between core full-time staff plus a range of specialist contractors. This allows us to retain and build upon core competencies and use our contractor team to handle surges in workflows or large and detailed contracts. We also have an agreement in place with CoAxiom to use their specialist team when we need additional expertise to undertake a project.</p> <p>Our contractors range from full-time employment with Strategi Group (either on the compliance or the training side) to part-time facilitators/assessors and compliance professionals. All of our contractors have separate contractor agreements and agree to our code of conduct policy. Historically, our Strategi Institute trainers and assessors have all been contractors, but this is now changing. Strategi Institute is expanding, and we now need a mixture of full-time employees undertaking facilitation/assessing plus contractors to handle cyclical workloads.</p>

Expertise to undertake work

Strategi Group deliberately hires a diverse range of staff so it can provide:

- Professional audit services such as AML/CFT audits and compliance assurance reviews.
- Professional advice to the financial and real estate industries and other professional services sectors.
- High-quality education and training services.
- Support in multiple languages.
- Interpretation of legal documents and drafting of forms by staff who have law degrees.

Compliance and regulatory investigation services

All consulting/management staff hold one or more degrees or industry-specific qualifications relating to AML/CFT, auditing, compliance, financial advice, education, business management and assessment.

Strategi Institute is recognised by NZQA as having the highest level of industry expertise a tertiary education organisation can attain. On the compliance front, Strategi Compliance is recognised by the industry for expertise and delivery by regularly receiving referrals from clients.

4. Risk management

<p>IT and Cyber Security</p>	<p>Strategi Group IT systems are actively managed and monitored by CodeBlue. We maintain Cyber security cover specifically for expenses incurred as a result of a malicious electronic attack.</p> <p>See our full Cyber Security Due Diligence in Appendix A.</p>
<p>PI Cover</p>	<p>Strategi Group has \$5m of PI cover specifically for its training, best practice and compliance processes. This gives clients peace of mind in the unlikely event that Strategi Group is negligent.</p>
<p>Privacy policy</p>	<p>We have an overarching privacy policy plus specific privacy policies relating to the different work we undertake. By way of example, Strategi Institute has a slightly different privacy policy as it must comply with NZQA mandated privacy rules. Strategi Compliance has a standard business-to-business privacy policy that is outlined in the 'Terms of Engagement' contained in the Letter of Engagement provided to those who engage its services. Much of the work undertaken by Strategi Compliance is covered by confidentiality agreements/deeds, and these have specific requirements.</p>
<p>Conflicts of interest</p>	<p>Strategi Group has to deal with actual or perceived conflicts of interest almost daily. This is due to the small size of the New Zealand financial services industry and the wide range of services provided by Strategi Group.</p> <p>Strategi Group has adopted a conflict of interest policy that involves:</p> <ul style="list-style-type: none"> • Disclosing upfront to any new or existing client a potential conflict of interest, and where necessary declining to act if the conflict cannot adequately be addressed. • Receiving no inducements from any clients or potential clients. • Having no single client who would contribute greater than 2% of total annual turnover. • Having legal and staff separation between Strategi and Strategi Institute, and enforcing this where it is necessary for some clients. • Having an Interests Register that is provided to clients where interests need to be disclosed.

	<ul style="list-style-type: none">• Having strict rules and training around intellectual property ownership and client confidentiality.• Ensuring that we are always acting in the best interests of our clients but concurrently ensuring that none of those interests are detrimental to the wider industry.
Complaints	<p>Our clients are the focus of our products and services. We believe client concerns and complaints are an important way of understanding, and learning, what we need to do to keep improving and getting better at what we do.</p> <p>Strategi Group's complaints procedures are designed to be clear, effective, confidential, and resolution focused.</p>
Client information	<p>All client information is kept securely and treated as confidential, irrespective of whether there is a formal confidentiality/non-disclosure agreement in place. This continues to be the case beyond the termination of any agreement with clients.</p> <p>Any client is entitled to view their information records held by Strategi Group.</p>

Appendix A

Cyber Security Due Diligence

Thank you for considering Strategi Group as your partner. We take cyber security seriously and have implemented robust measures to safeguard our business and our clients' interests. Below is an overview of our cyber security policy and the measures we have in place to ensure the security of our network and data.

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2. IT service outsourcing

Outsourcing and Monitoring	Strategi Group outsources certain IT service functions and services. We closely monitor all our outsourced service providers to ensure that our and our clients' interests are protected.
Network and IT Service Provider	CodeBlue is our IT-managed services and support provider. We have adopted Microsoft 365 Modern Workplace, a cloud-based platform, reducing the need for remote access to our network. CodeBlue ensures that employee laptops are secured through various measures: <ul style="list-style-type: none"> Remote Monitoring and Management: CodeBlue installs employees remote monitoring and management tool on devices to ensure proactive monitoring and maintenance.

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	<ul style="list-style-type: none"> • BitLocker Encryption: To safeguard sensitive data, CodeBlue enables BitLocker encryption, protecting data from unauthorised access. • Block External USB Drives: External USB thumb drives are blocked to prevent data exfiltration and unauthorised data transfers. • Removal of Admin Rights: By removing admin rights from devices, CodeBlue reduces the risk of unauthorised system changes and malware installation. • Disable Printer Access: Disabling printer access ensures that sensitive documents are not unintentionally exposed or printed.
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3. Information security controls

Regulation of device use	Admin rights are removed by CodeBlue, requiring users to request installation of applications through the ServiceDesk.
Data Backup and Recovery Procedures	CodeBlue employs Duplicate Record Sharing (DRS365) for Microsoft 365 data. Daily snapshots are taken to capture changes, ensuring data resiliency and long-term retention. Data is encrypted both in-flight and at rest within CodeBlue's DRS365 service node, providing robust data protection. Data Resiliency Services (DRS) offers a robust data protection solution with a 10-year data retention policy. This ensures data security, compliance, and long-term accessibility.
Endpoint Protection Technologies	<ul style="list-style-type: none"> • URL Filtering: Strategi users are protected from web-based threats through URL filtering, which enforces acceptable use policies and restricts access to potentially malicious websites. • Application Isolation and Containment: Access Controls are implemented, restricting permissions and privileges for different applications, users, or user groups. This measure ensures that sensitive data and critical systems remain protected from unauthorised access. • Centralised Endpoint Protection Platform: ESET serves as the centralised endpoint protection platform, enabling unified management and monitoring of endpoint security. This ensures quick threat detection, response, and mitigation.

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<p>Email Security Measures</p>	<ul style="list-style-type: none"> • Quarantine Service: Suspicious emails are quarantined based on various security parameters, such as attachments, links, or sender behaviour. • Sender Policy Framework (SPF) Enforcement: SPF is enforced to verify the authenticity of email senders, preventing email spoofing and phishing attacks. • Microsoft Office Macros: Disabling macros by default protects users from potentially harmful macros embedded in malicious documents. • Sandboxing: The ability to detonate attachments and links in a controlled environment prevents malware infections and phishing attempts.
<p>Multi-Factor Authentication (MFA)</p>	<ul style="list-style-type: none"> • MFA is implemented for all remote access to the Strategi network system, adding an extra layer of security to protect against unauthorised access. • SharePoint encryption applies AES 256-bit keys to customer data stored in SharePoint Online, further enhancing data security.
<p>Antivirus and Firewalls</p>	<ul style="list-style-type: none"> • ESET antivirus firewall software is managed through the CodeBlue company dashboard, ensuring that antivirus protection is up to date and effective. • Fortinet firewalls are managed and updated by CodeBlue with baseline configurations tailored to fit client needs, providing network security and traffic filtering.
<p>Software Patching Procedures</p>	<p>CodeBlue regularly checks devices through the remote management tool Kaseya to confirm up-to-date Windows versions and security patches, reducing vulnerability risks.</p>
<p>Geo-Restriction</p>	<p>Geo-restriction is implemented for employees who are restricted to the New Zealand location only and for travel groups (for traveling users), ensuring that access is granted based on location and approved travel dates. CodeBlue implements geo-restriction measures by grouping employees as “Restricted” (limited to the New Zealand location) or “Travel Group” for traveling users. To facilitate remote work, CodeBlue requires information on travel location, dates, and management approval.</p>

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4. Risk Management

Risk assessment	Cyber risk assessment to evaluate potential vulnerabilities and risks.
Penetration testing	External and independent penetration testing on Strategi Group network and websites occurs every three years.
Employee training	<p>Employee training is conducted in the business to enhance security awareness:</p> <ul style="list-style-type: none"> • Company-wide cybersecurity workshop emphasising its importance. • Phishing awareness training to help identify and avoid phishing attempts. • Device and data security training. • Security breach response training.
Cyber insurance	We maintain Cyber security cover specifically for expenses incurred as a result of a malicious electronic attack.
Policies	Strategi Group has an ICT Disaster Recovery plan in place, developed by CodeBlue, which outlines emergency preparedness, response, and recovery procedures. The Strategi Group Board reviews the updated Strategi Group ICT Disaster Recovery Plan, and Cyber Security Policies annually.



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