



## FNZ DISCLOSURE STATEMENT

### Who FNZ is

FNZ Ltd (FNZ) is a provider of investment administration services, online investment platforms, and other services in New Zealand and around the world. We provide our services to Consilium NZ Limited (Consilium), on an institutional (wholesale) basis. You do not have a direct contractual relationship with FNZ.

Because FNZ is involved in providing certain services to Consilium - which are used in providing wealth management services to you - we need to disclose the following information to you. Please read this disclosure document carefully, and contact Consilium or your financial adviser if you have any questions or concerns.

### What FNZ does

FNZ has been engaged by Consilium to carry out **investment administration** and provide **custody** services with respect to the investment assets you hold through Consilium, or adviser group who contracts with Consilium and accesses FNZ's services. These assets may include cash, listed investments, fixed interest, managed funds and other assets.

**Investment administration** means carrying out your instructions with respect to your investment assets. These may include instructions to purchase, sell, transfer or otherwise dispose of your investment assets. FNZ will carry out these instructions on your behalf and will also collect dividends and other distributions that are generated by your investments. These will be credited to your account with Consilium. FNZ Services (New Zealand) Limited assists FNZ to provide these services.

**Custody** means holding your investment assets in trust for your benefit. FNZ Custodians Ltd is the entity that is the nominal owner of the investment assets held. This means that these assets will be recorded at Shareholder Registries, at Unit Registries (Fund Manager record keepers), on Bank Accounts and at similar record-keepers in the name of FNZ Custodians Ltd. FNZ Services (New Zealand) Limited assists FNZ to provide these services.

However, you retain full beneficial ownership of those assets at all times, and may withdraw, transfer out, or sell down these assets at any time subject to your client agreement with Consilium, the laws of New Zealand, and any other applicable regulations. You do this by giving instructions to your financial adviser which FNZ will then carry out on your behalf.

FNZ Custodians Ltd, a related company of FNZ, holds assets belonging to you and other investors on a pooled (aggregated or omnibus) basis. FNZ cannot use or benefit from these assets in any way except as disclosed below in the section titled, How FNZ is remunerated.

FNZ provides administration and custody services only. We do not provide investment advice, tax advice, valuation services, manufacture financial products or conduct investment research.

In addition to the services provided in respect of investment assets, FNZ provides scheme custodian services in relation to the KiwiWrap KiwiSaver Scheme and I-Select Superannuation Scheme. This Disclosure Statement is not provided in connection with KiwiSaver or Superannuation services. Refer to the product disclosure statement and accompanying investment information for those KiwiSaver or Superannuation schemes for information in relation to FNZ's services and fees, or you may request information from your financial adviser.

### How FNZ is remunerated

FNZ is paid a fee for the services described above. This fee is composed of three parts and is paid to FNZ in the following ways:

#### **By payment from Consilium**

FNZ is entitled to payment of a fee for its services directly from Consilium.



***By deducting an administration fee for brokerage transactions***

FNZ deducts an administration fee when you instruct us to buy or sell securities. Trading of securities is executed using third party brokers and FNZ's administration fee is the aggregate of the brokerage fees charged by the third-party brokers, plus FNZ's Margin (if any). The brokerage fees charged by the third-party brokers vary depending on the style of trade execution used (for example direct market access or handled by dealers) and the markets on which the trade is placed. In some markets the third-party broker may be a related party of FNZ

FNZ's Margin is a BPS\* rate based on the value of the trade. The rate of FNZ's Margin in BPS varies according to the third-party broker used, the type of execution methodology used, and the market on which the trade is placed. FNZ Margin may not apply to all trades. You can contact your adviser for the FNZ Margin that FNZ charges as part of your administration fees or you can view the indicative margin on your order by logging into your Consilium account.

\*BPSs ("Basis Points") is a standard unit of measure used to describe the percentage charge applying to a transaction. 1 basis point, or "BPs" is the same as 0.01% or 1/100<sup>th</sup> of 1% or 0.0001 in decimals.

***By deducting an administration fee from interest earned***

Money held in your Consilium Cash Management Account earns interest from being held in an interest-bearing bank account.

FNZ deducts and retains an administration fee from that interest.

The deduction of a fee by FNZ means that the interest that you receive on your cash balance held in Consilium will be less than that which is paid to FNZ on your behalf.

The amount we deduct in payment of our fee depends upon the currency in which the funds are held, the amount of interest that your funds at the bank receive, and our agreement with Consilium.

You will receive interest as per the following table:

<b>Currency</b>	<b>Interest rate that you will receive (after deduction of applicable FNZ administration fee)</b>
<b>NZD</b>	Central bank rate – 0.25%
<b>AUD</b>	Central bank rate – 0.25%
<b>GBP</b>	Central bank rate – 0.25%
<b>EUR</b>	Central bank rate – 0.25%
<b>USD</b>	Central bank rate – 0.25%
<b>CAD</b>	Central bank rate – 0.25%
<b>CHF</b>	0.00%
<b>HKD</b>	0.00%
<b>JPY</b>	0.00%
<b>SGD</b>	0.00%
<b>THB</b>	0.00%

The central bank rate for each currency may differ and is subject to change. The central bank rate is the interest rate, that the central bank for the country where that currency is used, lends money to domestic banks. For Euro cash balances the central bank rate is the ECB Deposit Facility Rate.

If the bank stops paying interest on your funds, then the interest rate you receive will reduce to 0.00%. You can contact your adviser for more information on the current central bank rates and interest rates payable. If the bank pays interest on your funds, at a lower rate than in the table above, then you will receive the bank rate and FNZ will not deduct the administration fee.



The interest rate that you will receive may also change as agreed between FNZ and Consilium. If any method for calculating the interest rates you will receive changes this disclosure statement will be updated and made available on [www.adviser.consiliumwrap.co.nz](http://www.adviser.consiliumwrap.co.nz).

The amount of interest your funds receive from the bank is likely to exceed the amount quoted in the table above. Any amount in excess of the rates published above will be retained by FNZ as an administration fee. Due to the variable interest rate provided by the bank, this fee will vary.

### ***By deducting an administration fee from currency conversions***

FNZ also deducts an administration fee, when you instruct us to convert money from one currency to another.

In most cases, currency conversions are processed in batches of aggregated orders, that is combining the transactions made on behalf of different investors. The rate applied to your currency order is the rate offered by the bank at the time of processing minus the FNZ margin. FNZ charges a PIP\* rate for each currency. The FNZ margin in PIPs varies according to the currency from which a conversion is “from” and “to”.

The FNZ margin does not include bank margin as FX dealer. This will depend on factors like market demand and supply, trade volume and size of transaction.

You can contact your adviser for the margin, in PIPs, that FNZ deducts upon the conversion from one currency to another or you can view the indicative margin on your order by logging on to your Consilium account.

\*PIPs (“Percentage in point”) are the smallest price change that a given exchange rate can make. In this case, it is 1/100th of a cent, or 0.0001.

### ***Additional information on these fees***

FNZ reserves the right to amend the rates at which fees are deducted from interest payments and currency conversions from time to time on account of FNZ’s administration fees, subject to our contract with Consilium. We will provide an updated disclosure document to Consilium if there are any changes to the fees that FNZ deducts.

This disclosure covers fees payable to FNZ only.

For more information on the total fees you need to pay, please contact Consilium or your financial adviser.

## **How FNZ manages cash**

FNZ Ltd is a client money or property service provider for the purposes of the Financial Markets Conduct Act 2013, and accordingly is disclosing the following information regarding FNZ Ltd’s procedures relating to the receipt and disbursement of money.

Payments to your Consilium Cash Management Account will be held on trust for you and are deposited into the FNZ Custodians Ltd Client Funds Account, a trust bank account held by FNZ Custodians Ltd. You can make payments into that account by direct credit or direct debit.

Funds are held in that trust account on bare trust for you. FNZ must keep its own funds separate, except that FNZ may deposit some of its own funds (a “buffer”) into the Client Funds Account to the extent reasonably necessary to rectify or reduce the risk of a shortfall arising in an investor’s funds in the Client Funds Account. By law, any FNZ funds held in the Client Funds Account must be treated as client money for all purposes. FNZ’s view is that the use of a buffer has benefits to facilitate custodial and administration operations and in the event of FNZ becoming insolvent, the risks to investors existing or likely to arise from FNZ holding a buffer in the Client Funds Account are remote given the legal protections that apply to those funds.

As outlined above, and in accordance with its obligations as bare trustee, FNZ will not use the money or custody investments for the benefit of itself or any other person other than as disclosed in this disclosure statement.

Money in the FNZ Custodians Ltd Client Funds Account held on your behalf, will constitute debt securities held by FNZ Custodians Limited as the nominal owner in a bank account with ANZ Bank New Zealand Limited. The direction, withdrawal and placement of those funds is purely with you, the underlying owner, or your adviser (as the authorised person appointed by you) and will be contained in the Client Agreement with Consilium which sets out the fees and costs which will be debited from your account.

Money in the FNZ Custodians Ltd Client Money Trust Account is not an offer of securities by ANZ Bank New Zealand Limited. None of ANZ Bank New Zealand Limited, any affiliate of ANZ Bank New Zealand Limited, or any of their directors, officers, employees, agents, or permitted assigns makes any representation or warranty, express or implied, to any person, including, but not limited to you as to whether a potential investment in any account held with ANZ Bank New Zealand Limited is suitable for them.

You may withdraw money from your Consilium Cash Management Account at any time using the procedure agreed with Consilium or your financial adviser.

If your Consilium Cash Management Account becomes inactive and you cannot be traced, your funds in the Consilium Cash Management Account may be paid over to the relevant regulatory authority, including the Treasury in accordance with, and to the extent allowed by, the Trusts Act 2019 or the Inland Revenue in accordance with, and to the extent allowed by the Unclaimed Money Act 1971.

To the extent permitted by law the non-mandatory trustees' duties and obligations in the Trusts Act 2019 are excluded and do not apply to custody services provided by FNZ.

## How you can access your records

FNZ keeps records of your Consilium Cash Management Account and investments held on your behalf. You can check these records at any time by contacting your financial adviser or logging into Consilium's online service.

## How FNZ is audited

FNZ is independently audited by PwC on an annual basis. This includes PwC obtaining sufficient, relevant and reliable audit evidence to enable them to issue opinions on the fair presentations of the financial statements of FNZ. FNZ also undertakes a semi-annual review of the effectiveness of our internal controls. This is carried out by PwC and is prepared in accordance with the International Standard on Assurance Engagements (New Zealand) 3402 - Assurance Reports on Controls at a Service Organisation (ISAE (NZ) 3402). This report is provided to Consilium. FNZ's custodial and client money handling procedures are also independently audited by PwC on an annual basis.

## No Criminal Convictions, Insolvency and Disciplinary Proceedings

Neither FNZ nor any of its principal officers has ever been:

- convicted of an offence under the Financial Advisers Act 2008, Financial Markets Conducts Act 2013 (any associated regulations or preceding legislation) or any crime involving dishonesty or been a principal officer of a company at a time when that company committed one of these offences;
- adjudicated bankrupt or (in the case of FNZ) been placed in statutory management or receivership;
- prohibited from managing a company or business;
- the subject of an adverse finding in any proceedings taken against it in its professional capacity; or
- expelled or prohibited from being a member of a professional body.

## How you can make a complaint



In general, you should contact Consilium or your financial adviser if you have a complaint to make.

However, if you wish to make a complaint about our service, you may contact us. We have an internal complaints process and undertake to investigate your concerns promptly and fairly. You may contact us to make a complaint by telephone, by email or in writing to:

Postal address: FNZ Ltd  
PO Box 396  
Wellington

Phone: 0800 888 445 or (04 803) 9400  
Email: [help@fnz.co.nz](mailto:help@fnz.co.nz)

If you have complained to us and you are not happy with the outcome of our internal complaints process or if we have taken more than 40 working days to resolve your complaint, you may contact Financial Services Complaints Limited ("FSCL"), an external dispute resolution scheme of which FNZ is a member. FSCL provides a free of charge service and can be contacted at:

Postal address: FSCL  
P O Box 5967  
Wellington

Phone: 0800 347 257  
Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

Alternatively, you can also make a complaint directly to the Financial Markets Authority (FMA).