

# KiwiWRAP KiwiSaver Scheme

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## Other Material Information

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Issued by Consilium NZ Limited

This document gives you important information about this investment to help you decide whether you want to invest.

There is other useful information about this offer on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). Consilium NZ Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

KiwiWRAP 

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## 01 General

This document contains information that Consilium NZ Limited ('Consilium', 'Manager', 'we' or 'us') considers to be material to the KiwiWRAP KiwiSaver Scheme ('Scheme') that is not contained in the Scheme's Product Disclosure Statement ('PDS'). All capitalised terms in this document have the same meanings as defined for them in the Scheme Trust Deed.

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## 02 Key terms of the Scheme

The Scheme is a KiwiSaver scheme governed by a Trust Deed dated 4 November 2020. Its main purpose is to help Members save for their retirement.

### Amendment to governing document

The Trust Deed can be amended by agreement between Consilium and the Supervisor, so long as the amendment does not detract from the Scheme's purpose of providing retirement benefits to Members and does not have a material adverse effect on the Members.

### Exemption notice

The Scheme is subject to an exemption granted by the FMA which can be found at <http://fma.govt.nz/compliance/exemptions/current-exemption-notice>. This exemption covers several areas, and for prospective and current Members, requires that you:

1. Must receive personalised advice from an appropriately qualified and registered financial adviser (Adviser), that has an agreement with Consilium to access the Scheme, before you can invest<sup>1 2</sup>.
2. Are provided with a Product Disclosure Statement (PDS) along with an Investment Options Supplement (IOS) before you apply to join the Scheme. The PDS will contain less information than those provided by most other schemes.
3. Receive personalised reports relating to your Personal Plan on a quarterly basis.

### Personal Plan

You choose the composition of your Personal Plan based on advice from your Adviser. If agreed by Consilium in its discretion, you can authorise your adviser to change underlying investments in your personal plan. This would be

done by your adviser directing Consilium on your behalf to make those changes, Consilium only exercises its discretion to agree to advisers being able to exercise such an authority in a very limited number of cases. Alternatively, you can change the investments within your Personal Plan through your Adviser by providing an updated Investment Direction. The investment options are described in the IOS that accompanies the PDS. Only investments detailed in the IOS can be held within the Personal Plan.

For all Members, after membership is approved, your funds are invested into a Personal Plan. Personal Plans are set up separately to hold specific investments for Members to be managed on an individual basis but remain part of the same single Scheme.

### Eligible Investors

An Eligible Investor under the Financial Markets Conduct Act 2013 (FMCA) is a person who certifies they have sufficient knowledge and experience of dealing in financial products that enables them to sufficiently assess the merits and risks of a transaction. An Eligible Investor forms part of the category of 'wholesale investor' under the Act. Financial markets legislation provides greater protections for retail investors than it does for wholesale investors.

An Eligible Investor is not required to:

1. Have received advice from an Adviser.
2. Have an Adviser determine the investment policy and objectives that are to apply to their Personal Plan.
3. Have received from an Adviser a risk indicator, a description of further risks or confirmed details on portfolio fees.

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<sup>1</sup> For an Adviser to enter into an agreement with Consilium to provide access to the Scheme, they will be subject to a due diligence process.  
<sup>2</sup> Unless you are an Eligible Investor. Refer to 'Eligible Investors' above.

To be an Eligible Investor under the FMCA, you must certify in writing that you are an Eligible Investor. The certification must contain the following:

1. Confirmation that you have sufficient previous experience in acquiring or disposing of financial products that allows you to assess the merits of the transaction and the adequacy of the information provided to you.
2. State that you understand the consequences of certifying yourself to be an Eligible Investor.
3. State the background for the certification, such as details of your previous experience.
4. Include a signed confirmation from your Adviser, chartered accountant or lawyer that you have received sufficient advice about the consequences of certifying yourself to be an Eligible Investor, and that there is no reason to believe that the certificate is incorrect.

When applying for membership in the Scheme you must provide your Adviser with the appropriate certification, which will then be provided to Consilium to review before your membership application is accepted. If you are an Adviser joining the Scheme, this requirement may be waived.

Eligible Investors still require the services of an Adviser for implementation and monitoring of their investments.

## **Scheme valuation**

The valuation methodology applied to Personal Plans, and thus, the Scheme's assets, is net market value in accordance with the latest accounting standard for the valuation of investments (i.e. at the latest available redemption price).

## **Savings suspension**

If you have been a KiwiSaver member for more than 12 months (or less, if suffering, or likely to suffer, financial hardship) you can apply to the Inland Revenue Department (IRD) for a savings suspension. If the IRD grants the suspension, this will apply for 3 months for financial hardship, or between 3 months and 5 years for other types of savings suspension.

## **03 Withdrawals**

Within KiwiSaver, funds are generally locked in until you reach the qualifying age of 65.

You can access your funds through either a full withdrawal, several ad hoc withdrawals, a regular withdrawal or a transfer of assets to a Consilium Wrap account.

Under specific circumstances, you may be able to access some or all your funds earlier than the qualifying age. These circumstances are governed by the KiwiSaver Rules.

There are rules which specify when withdrawals can be made and how much of your funds can be withdrawn (see the next pages). To request a withdrawal, you must give written notice to us (which cannot be revoked). A withdrawal request will generally be actioned once reviewed by us and the Supervisor (if applicable).

## Transfer to another KiwiSaver scheme

Under section 65 of the KiwiSaver Act 2006, Members may transfer to another KiwiSaver scheme at any time. You can initiate a transfer by applying to another scheme provider. Once your membership with another scheme is accepted, Consilium will inform your Adviser, liquidate your Personal Plan and have the balance (subject to any Side-Pocketing restrictions) paid to your new scheme. No written notice or form is required for this type of withdrawal.

## Buying your first home

You may request to make a one off withdrawal from the Scheme to help pay for the purchase of your first home (or its deposit), if you meet the following requirements:

1. You have been a KiwiSaver member (or a member of a complying superannuation fund) for a combined period of at least three years; and
2. The home you are purchasing is, or is intended to be, the principal place of residence for the Member or the Member and their family; and
3. You have not previously owned property (as defined under the KiwiSaver Rules).

Any first home withdrawal must be paid into your solicitor's trust account prior to settlement. In some circumstances you may still be able to make a withdrawal if you have owned a home before. You may also be entitled to a KiwiSaver HomeStart grant.



See [kaingaora.govt.nz](http://kaingaora.govt.nz) for more information.

If not all of your KiwiSaver funds are needed for the withdrawal, the withdrawal will be funded first from your and your employer's contributions (excluding market gain/loss) and secondly, from the government's contributions (including market gain/loss). Funds transferred from an Australian complying superannuation scheme cannot be used. You must retain a minimum balance of \$1,000 in your KiwiSaver account after making a first home withdrawal.

The withdrawal amount will be paid within 20 business days of our acceptance of your request and calculation of your entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

To request a first home withdrawal, you will need to complete the First Home Withdrawal form and provide the specified documentation.



A copy of the form can be found at [www.kiwiwrap.co.nz](http://www.kiwiwrap.co.nz).

## Deceased member

If you die while you are a Member of the Scheme, your representative (executor) can apply to be paid your Personal Plan balance. If you die intestate, your Personal Plan balance will be paid to the relevant person as detailed in section 65 of the Administration Act 1969.

The withdrawal amount will be paid within 20 business days of our acceptance of the request and calculation of the entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

To request a deceased member withdrawal, your representative will need to complete the Deceased Member Withdrawal form and provide the specified documentation.



A copy of the form can be found at [www.kiwiwrap.co.nz](http://www.kiwiwrap.co.nz).

## Serious illness

You may request a withdrawal for serious illness if Consilium and the Supervisor are satisfied that either:

1. You have an illness, injury or disability that results in you being totally and permanently unable to work in the job that you are suited to by reason of experience, education, or training; or
2. You have an illness, injury or disability that poses a serious risk of you dying soon.

The withdrawal amount will be paid within 20 business days of our acceptance of your request and calculation of your entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

To request a serious illness withdrawal, you will need to complete the Serious Illness Withdrawal form and provide the specified documentation. The specified documentation includes medical evidence of your serious illness (including a declaration from your medical team) before being able to request a decision from the Supervisor.



A copy of the form can be found at [www.kiwiwrap.co.nz](http://www.kiwiwrap.co.nz).

## Life-shortening congenital conditions

You may request a withdrawal for a life-shortening congenital condition if Consilium and the Supervisor are satisfied that either:

1. You have a known congenital condition which is likely to shorten your life below the age of 65 (a condition listed in the regulations); or
2. There is medical evidence to verify that your congenital condition is expected to reduce life expectancy below NZ retirement age (a non-listed condition).

You may choose the amount of the withdrawal up to the full value of your Personal Plan balance.

We will also require a statutory declaration acknowledging that your funds are to be released as if you had reached New Zealand Superannuation qualification age and that after withdrawal, you are no longer eligible to receive the government contribution or compulsory employer contributions.

The withdrawal amount will be paid within 20 business days of our acceptance of your request and calculation of your entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

To request a life-shortening congenital condition withdrawal, you will need to complete the Life-Shortening Congenital Condition Withdrawal form and provide the specified documentation.

For listed conditions, we will require a medical certificate that verifies the condition before being able to request a decision from the Supervisor. For a non-listed condition, we will require a medical certificate that satisfies us that the condition is life shortening and that you suffer from that condition.

 A copy of the form can be found at [www.kiwiwrap.co.nz](http://www.kiwiwrap.co.nz).

## Significant financial hardship

You may request a withdrawal on the grounds of significant financial hardship if Consilium and the Supervisor are satisfied that you meet the requirements and have exhausted all other forms of funding. The sorts of circumstances where a withdrawal may be available include:


1. If you are unable to meet minimum living expenses.
2. If you are unable to meet mortgage repayments on your principal family residence, resulting in the mortgagee seeking to enforce the mortgage on the residence.
3. Meeting the costs of modifying your home to meet your, or your dependent family's, special needs arising from a disability.
4. Meeting the cost of your, or your dependent family member's, medical treatment for an illness or injury.
5. Meeting the cost of your, or your dependent family member's, palliative care.
6. Meeting the cost of a funeral for a dependent family member.

The Supervisor determines the amount you may withdraw, but it may only consist of your and your employer's contributions. The Supervisor may limit a withdrawal to an amount that, in the Supervisor's opinion, is required to alleviate your hardship.

The withdrawal amount will be paid within 20 business days of our acceptance of your request and calculation of your entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

To request a significant financial hardship withdrawal, you will need to complete the Significant Financial Hardship Withdrawal form and provide the specified documentation.

We will require a statutory declaration of your assets and liabilities and income and expenditure alongside evidence of your financial position before being able to request a significant financial hardship withdrawal from the Supervisor.

 A copy of the form can be found at [www.kiwiwrap.co.nz](http://www.kiwiwrap.co.nz).

## Permanent emigration from New Zealand

### To Australia

You can transfer your Personal Plan balance to an Australian complying superannuation scheme at any time following your permanent emigration to Australia. We will require evidence that you have permanently emigrated, including a statutory declaration. You can transfer everything including your contributions, your employer's contributions, the \$1,000 kick-start (if you were eligible) and government contributions.

### To any other country

No earlier than one year after a permanent emigration from New Zealand, you may request to withdraw funds. You can withdraw your contributions, your employer's contributions, and the \$1,000 kick-start (if you were eligible). Government contributions are refunded to the IRD. Any amounts previously transferred from an Australian complying superannuation scheme are not able to be withdrawn.

The withdrawal amount will be paid within 20 business days of our acceptance of your request and calculation of your entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

To request a permanent emigration withdrawal, you will need to complete the Permanent Emigration Withdrawal form and provide the specified documentation. We will require evidence that you have permanently emigrated, including proof of address and a statutory declaration.

 A copy of the form can be found at [www.kiwiwrap.co.nz](http://www.kiwiwrap.co.nz).

## Relationship property

A withdrawal may also be required for settlement of relationship property. Any court order relating to a Member's relationship property settlement with their spouse, civil union partner or de facto partner will be acted upon in accordance with the KiwiSaver Act. You and/or your partner will not be paid an amount which would be greater in value than the benefits which you would have been otherwise entitled to receive. We will require certified copies of any court orders.

The withdrawal amount will be paid within 20 business days of our acceptance of your request and calculation of your entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

## Withdrawal to meet tax liability on foreign superannuation withdrawal

You may request a withdrawal to pay a tax liability arising from a withdrawal from a foreign superannuation fund to transfer to KiwiSaver. This includes any obligations arising under the Student Loan Scheme Act 2011 arising from a withdrawal from a foreign superannuation fund to transfer to KiwiSaver. The withdrawal will only be the amount required to settle the liability and may only be withdrawn from your or your employer's contributions.

An application for this type of withdrawal must be made within two years from the end of the month within which the liability is assessed and will be paid to the IRD.

The withdrawal amount will be paid within 20 business days of our acceptance of your request and calculation of your entitlement, unless it is deferred by Consilium (refer to deferral on page 6).

To request a withdrawal to meet tax liability on a foreign superannuation withdrawal, you will need to complete the Tax Liability on Foreign Superannuation Withdrawal form and provide the specified documentation. We will require evidence of the liability and a statutory declaration.

 A copy of the form can be found at [www.kiwiwrap.co.nz](http://www.kiwiwrap.co.nz).

## Australian superannuation

When you reach the age of 60 and satisfy the 'retirement' definition in the Australian legislation, you may make a withdrawal of an amount equal to the amount transferred from your Australian complying superannuation scheme. This withdrawal amount cannot include any gains or losses earned on that amount.

## Unclaimed benefits

If we are unable to trace you for five years from the later of your last contribution, or the date you reach qualifying age, the Supervisor and Consilium can apply section 125 of the KiwiSaver Act 2006 and section 151 of the Trusts Act 2019, and pay your benefit to the Crown.

## Deferral of withdrawals

Consilium can decide (with written notice to the Supervisor) to defer your withdrawal request if it is reasonably determined that it is not practical or would be materially prejudicial to the interests of Members generally to act on your request. Deferrals can be for up to 90 days (unless an extension is granted by the Supervisor). Reasons for deferral may include:

- a decision to terminate the Scheme,
- trading of an investment option on any exchange being suspended,
- financial, political or economic conditions applying in respect of any financial market,
- the nature of any investment,
- the occurrence or existence of any other circumstance or event relating to the Scheme or generally.

If this occurs, you will be issued a Withdrawal Deferral Notice, which will remain in force until it is cancelled. If a deferral notice is issued, you may revoke your withdrawal request. This does not apply for a transfer out to another KiwiSaver scheme.

## 04 Description of your investment options

### Plan Investment Methodology

The investments you can choose from (under the guidance of an Adviser) when developing your portfolio are available in the IOS. In addition to the investments only being able to be selected from the IOS, the following rules apply:

- A minimum initial transfer in balance of \$50,000 from either a current KiwiSaver scheme, a voluntary contribution, or a combination of both. Evidence of this may be required when you apply to join the Scheme. Once your membership has been accepted, there are no consequences for your balance falling below \$50,000.
- A sufficient New Zealand dollar cash allocation must be available to fund Personal Plan liabilities such as fees and taxes.
- The Adviser must consider the potential member's current and future financial situation (including investment needs) unless they are an Eligible Investor.
- The portfolio, rationale, the investment policy and objectives and a risk indicator must be presented in a statement of advice (unless you are an Eligible Investor).

### Investment policy and objectives

Due to the self-select nature of the Scheme (under the advice of an Adviser), the Scheme does not have a Statement of Investment Policy and Objectives, known as a SIPO, like other providers do.

Instead, your Adviser will detail a set of investment policies and objectives through a statement of advice. This will explain how your investments are selected and monitored.

### Investment Direction

The initial recommendation your Adviser makes needs to be approved by you. Once approved, it forms your Investment Direction. When a change is made to an investment selection or the allocation targets of any individual investment, this constitutes a change of Investment Direction.

Consilium has discretion to approve your Adviser to be authorised by you to make changes to your Investment Direction on your behalf, without you providing a written instruction for every change. For your Adviser to have this ability you must agree to it in writing, either when approving the recommendation that forms your initial Investment Direction, or subsequently.

If your Adviser is not approved to operate in this manner, you must provide a written instruction (email is acceptable) for any change in Investment Direction.



## Personal Plan monitoring

Your Adviser will monitor your Personal Plan in accordance with your Investment Direction. If there is a breach of your Investment Direction, Consilium may inform the Supervisor. Consilium will ensure that any loss caused to you from a breach of your Investment Direction is repaid by the appropriate party.

Consilium will also undertake the following:

- A regular check of cash balances. If a Personal Plan has a low cash balance which means any upcoming fee and tax obligations cannot be met, we may work with your Adviser to correct this in a timely manner.
- Obtaining an annual certification from Advisers that they are complying with their obligations under their agreement with Consilium to access the Scheme.
- Sample checks that a Member's initial balance (whether from another KiwiSaver scheme or a cash deposit) is invested in accordance with their Investment Direction in a timely manner.
- Periodic audits of Advisers to check they are meeting their obligations under their agreement with Consilium to access the Scheme.
- A regular sample check of investment prices reported by the Custodian against those reported by the source of such prices.
- An annual review of all investments listed in the IOS to ensure they are still eligible, and updating the fee information stated in the IOS. Where investments are no longer eligible, working with your Adviser to ensure these are sold and the proceeds reallocated according to your replacement Investment Direction.
- Actively reviewing investment liquidity and Side-Pocketing investments as needed (refer to Side-Pocketing below).

## Side-Pocketing

Side-Pocketing is a mechanism for temporarily or permanently managing illiquid investments, and is governed by the Scheme's Trust Deed and the Side-Pocketing Policy in Appendix 1. Although investments need to be redeemable within 8 business days to be eligible for the IOS, sometimes, unexpected illiquidity occurs. This may be due to the investment going into receivership/liquidation or a temporary event, such as a corporate action trade freeze.

When an investment becomes temporarily or permanently illiquid, as agreed between Consilium and the Supervisor, it may be Side-Pocketed. Consilium does not need to ask for your (or your Adviser's) consent to Side-Pocket an investment in your Personal Plan.

Side-Pocketing is detailed in the Scheme's Trust Deed (section 5) and described in this section.

Consilium is exempt from providing pricing or financial statements on Side-Pocketed investments, but will continue to reflect their value as the most recent price received from the issuer, or pricing source, of that investment in your personalised quarterly reports.

The Side-Pocketed investment is still held for your benefit but is no longer part of your Primary Personal Plan (it forms part of a Side-Pocketed Personal Plan) and is administered separately.

While an investment is Side-Pocketed, you cannot access it for any withdrawal or transfer unless you instruct us through an Investment Direction to terminate your interest in the Side-Pocketed investment. In this scenario, Consilium and the Supervisor will agree the equitable basis for the value of the Side-Pocketed investment so it can be removed from your Personal Plan. If this occurs, the net proceeds of the disposal (if any) will be applied to your Primary Personal Plan.

When, and if, Consilium and the Supervisor agree that the investment is no longer illiquid, the investment can be reinstated into your Primary Personal Plan. If your Primary Personal Plan no longer exists (because you have moved to another scheme, retired or died), the investment will be redeemed, and the net proceeds (if any) transferred to your new KiwiSaver scheme or, if that is not possible (because you have retired or died), to you directly, or to your estate.

When either an investment is no longer illiquid, or your interest in it has been terminated, your Side-Pocketed Personal Plan will no longer exist. If another Liquidity Event occurs (either at the same time or in the future) an additional Side-Pocketed Personal Plan will be created.

## Fees and expenses

The fees are detailed in the PDS and IOS. The fees you will pay come from three broad categories: annual scheme fee, investment fees and adviser fees.

### Expenses

The Scheme's Trust Deed allows Consilium and the Supervisor to be reimbursed from the Scheme for expenses. If a decision is made to make a claim for expenses in addition to the Scheme fee, Consilium will notify you in advance before a deduction from your Personal Plan is made. These fees would also be reported to you in your personalised quarterly reports.

Consilium may elect to recover Scheme-related expenses directly from underlying fund managers whose funds are eligible for the IOS, in the form of a fee charged to those Managers for having their funds included within the IOS.

## 05 Additional taxation information

This information provides general guidance on New Zealand income tax law as it relates to Members in the Scheme, and is not provided as tax advice. You should obtain professional advice as to the specific impact of Scheme taxes on your personal circumstances before applying for membership in the Scheme. No liability is accepted by Consilium, the Supervisor or the Custodian for the tax consequences of your membership in the Scheme.

The Scheme is taxed as a widely held superannuation scheme with a financial year end of 31 March. The Scheme is not a portfolio investment entity (PIE).

Taxable income from your investments in the Scheme is taxed at a flat rate of 28% and payable to the IRD in up to three instalments per year (see provisional tax below). At the end of each financial year, the Scheme's overall tax position will be finalised.

Income, expenses and taxes charged within the Scheme should not be included in your personal tax return. The Custodian will not produce a taxation report for you, but the tax you have paid will be detailed in your annual member statement.

The income generated by your Personal Plan will be allocated to your Personal Plan and the tax treatment of that income will depend on the underlying investments.

The section below summarises how the Scheme calculates and charges tax (at 28%) for each investment type. The methods are subject to change without notice.

### Investment specific tax information

#### Unlisted portfolio investment entities (PIEs)

PIE tax obligations will not form part of the Scheme's tax calculations, as they are part of their own standalone tax calculation. Tax payable on PIE income is calculated by the issuers following the end of each tax year (usually in April). Tax on income for units redeemed during the tax year is calculated and paid when the units are redeemed.

#### International equities

Tax payable on income from international equities is calculated under the Foreign Investment Fund (FIF) rules, using the Fair Dividend Rate (FDR) method, and calculated daily. Under daily FDR, the FIF income for each day is calculated as 5% of the daily market value of the FIF investments divided by 365. Some investments will also deduct tax at their source which cannot be reclaimed, but may contribute a credit to the New Zealand tax payable.

#### International funds invested predominantly in fixed interest investments and hedged to NZD

Tax payable on income for these funds is calculated under the FIF rules using the Comparative Value (CV) method. Under this method, the FIF income is calculated as (closing investment value + gains) - (opening market value + costs).

## Direct bonds

Taxable income for direct bonds includes both income received from coupons and fluctuations in capital. Capital fluctuations are priced using the International Financial Reporting Standards (IFRS).

## Cash

When interest (if any) is applied, tax will be deducted at 28%. Both realised and unrealised gains and losses on foreign cash accounts will be calculated regularly and tax deducted at 28% in line with the financial arrangements rules.

## Fund manager fee rebates

Fund manager fee rebates will be taxed at 28% where they are taxable.

## Deductibility of expenses

The expenses incurred by the Scheme, including those incurred by Personal Plans within the Scheme, will generally be tax deductible.

The following specific expenses are tax deductible:

- Brokerage
- One-off initial Adviser establishment fee
- Ongoing Adviser monitoring fee
- Scheme fee

Deductible expenses will be accounted for as part of the Scheme's provisional tax payments.

For the avoidance of doubt, the above expenses are deductible within the Scheme, by the Manager, and cannot be used to offset any income earned by Members outside of the Scheme.

The Scheme may change position regarding the deductibility of expenses without notice to Members.

## Payment of provisional tax

Provisional tax for the Scheme is payable to the IRD in instalments, up to three times per year, and will be deducted from Personal Plans when payable. Where applicable, any tax credits will be allocated to your Personal Plan before provisional tax is calculated. If a Member leaves the Scheme before a provisional tax instalment is calculated, any accrued tax credits are forfeited by the Member. They will instead be claimed by the Scheme and allocated proportionately across all remaining Members.

Your Adviser will ensure there is enough NZD cash in your Personal Plan for any tax payable. Occasionally, it may be necessary for your Adviser to convert foreign dollar cash held in your portfolio to New Zealand dollars, to pay fees and tax.

In the unlikely event that tax is underpaid, use of money interest (UOMI) is charged by the IRD and may be allocated proportionately across Members. If UOMI is charged, this will be treated as a tax-deductible expense.

## Other tax related information

If the Scheme is in an overall tax loss position at end of a financial year, losses are carried forward within the Scheme and not allocated to Personal Plans within that tax year.

## FATCA exemption

The Foreign Account Tax Compliance Act (FATCA) is a US law that means New Zealand (and many other countries) need to report certain information on US persons. New Zealand agreed to implement this law in 2014 under an inter-governmental agreement. Under the agreement, 'Treaty-Qualified Retirement Funds' are non-reporting Financial Institutions (so long as less than 50% of the members are non-NZ tax residents).

The Scheme qualifies for the exemption as a Treaty-Qualified Retirement Fund and is not required to report to the IRD or to register with the US Internal Revenue Service for FATCA purposes. We will, however, still collect your FATCA information in case the Scheme's exemption status changes in the future. More information on FATCA can be found on the IRD website.

## CRS exemption

The Common Reporting Standard (CRS) is a regime developed to combat tax evasion worldwide and was adopted in New Zealand in 2017. It requires information on foreign tax residents and their accounts to be reported to the IRD. Retirement or pension accounts, including KiwiSaver, are exempt from complying with the CRS. We will, however, still collect your CRS information in case the Scheme's exemption status changes in the future. More information on the CRS can be found on the IRD website.

## 06 Additional information on risk

The below risks are additional to those referred to in the PDS.

### Other specific risks

The following risks are not reflected in the risk indicator.

#### Force majeure

Disruption to daily functions of the Scheme through such events as natural disaster, extended power loss, or the destruction of premises/equipment. This may result in the temporary inability to process transactions or withdrawals.

#### Technology risk

Failure of key technology systems or a data breach through unpermitted access to technology systems. This may result in a breach of personal information and/or a temporary inability to process transactions or withdrawals.

#### Insolvency risk

If the Scheme becomes insolvent, you may not recover all of your interest in the Scheme.

#### Post membership cashflow risk

If you terminate your membership in the Scheme (either via a transfer out or a maturity) and investment related cashflows attributable to you are received, you may lose any benefit of these cashflows. This includes, but is not limited to, the receipt of foreign tax credits, dividends, rebates or other unexpected cashflows.

## 07 Who else is involved?

The parties and roles presented in the table below are not intended as an exhaustive list.

Name	Role
Adviser firm	<ul style="list-style-type: none"> <li>• Provide advice to prospective Members, including investment recommendations</li> <li>• Document advice and calculate a personal risk indicator</li> <li>• Provide prospective Members with all available disclosure materials</li> <li>• Enter into an adviser agreement with each prospective Member</li> <li>• Obtain written instruction for changes in Investment Direction</li> <li>• Buying and selling investments in your Personal Plan, as necessary</li> <li>• Conduct regular reviews with Members (at least annually)</li> <li>• Review investment recommendations</li> <li>• Supply information to Consilium upon request</li> </ul>
<b>Manager</b> Consilium	<ul style="list-style-type: none"> <li>• Compliance with Managed Investment Scheme Manager's licensee obligations</li> <li>• Oversight of Advisers using the Scheme</li> <li>• Processing of withdrawals</li> <li>• Creation and maintenance of all disclosure materials</li> <li>• Creation and maintenance of all sales/marketing resources</li> <li>• Regular reporting to Members</li> <li>• Scheme financial reporting</li> <li>• AML/CFT due diligence and reporting</li> </ul>
<b>Custodian</b> FNZ Custodians Limited	<ul style="list-style-type: none"> <li>• Holds Member funds in its name as a bare trustee for the benefit of the Scheme Members</li> </ul>
<b>Scheme administrator and registrar</b> FNZ Limited	<ul style="list-style-type: none"> <li>• Fee calculation and deduction</li> <li>• Scheme administrator and registrar</li> <li>• Processing payments to/from IRD</li> <li>• Custodial administration services</li> <li>• Tax calculation and deduction</li> </ul>
<b>Supervisor</b> Trustees Executors Limited	<ul style="list-style-type: none"> <li>• Responsible for ensuring that Consilium NZ Limited and FNZ Custodians Limited are performing their respective duties and acting in the best interests of the Scheme's Members</li> <li>• Processing requests for certain withdrawals, such as financial hardship</li> </ul>

## 08 Material contracts

### Adviser Agreement

Members are required to receive personalised financial advice from an Adviser accredited to access the Scheme before applying for membership in the Scheme. Consilium will conduct a due diligence process on an Adviser business and when satisfied, enter into an Adviser Agreement (and a Consilium Wrap Agreement) with each Adviser firm. Under this agreement, Advisers will provide investment portfolio and financial advisory services to prospective and active Members, in relation to the Scheme. They will also provide information to Consilium. Consilium will regularly review each Adviser firm's compliance with the Adviser Agreement.

### Supervisory Agreement

Consilium has entered into a Supervisory Agreement with the Supervisor, Trustees Executors Limited. This details the parties' respective functions, powers and duties in respect of the Scheme. The agreement also prescribes the regular reports Consilium will make to the Supervisor.

### Administration and Registry Services

Consilium has entered into an Administration and Registry arrangement with FNZ Limited as part of a broader services agreement. This arrangement covers the services that FNZ Limited will provide to Consilium as Scheme registrar and administrator.

### Custody Agreement

The Supervisor has contracted FNZ Custodians Limited to act as Custodian for the Scheme, holding the Scheme's funds in its name as a bare trustee for the benefit of Scheme Members. This agreement covers the way in which FNZ Custodians Limited will hold funds including the use of any sub-custodian, reporting and record keeping requirements, and general custodial services such as trading, taxation and fee deduction.

### Inland Revenue Department Scheme Provider Agreement

Consilium and the IRD have entered into a KiwiSaver Scheme Provider Agreement for the Scheme. This agreement covers the sharing of information between Consilium and the IRD in respect to Member payments, Member details and other items. Also in this agreement is the licence for using the KiwiSaver trademark and the operational support requirements.

## 09 Conflicts of interest

A conflict of interest arises where Consilium or any of its directors or senior managers has a financial interest or any other interest or relationship that would, or could reasonably be expected to, materially influence the investment decisions we make in respect of the Scheme. Directors and senior managers have duties as dictated by the FMCA not to make use of information to gain an advantage for themselves or to disadvantage Scheme Members.

We have internal policies and procedures in place to identify, assess and manage potential conflicts of interest and/or related party transactions. We must also notify the Supervisor before we enter into any related party transactions, and must carry out such transactions in accordance with the FMCA.

The inclusion of funds managed by Consilium in the investment options for the Scheme is a conflict. The conflict arises due to Consilium benefiting from any investment made in such a fund from the management fee it charges within that fund.

Consilium is ultimately owned by FirstCape Group Limited (FirstCape). FirstCape is ultimately owned by National Australia Bank Limited, Jarden Wealth and Asset Management Holdings Limited, funds managed by Pacific Equity Partners and First Cape Trustee Limited. Harbour Asset Management Limited (Harbour), whose funds are included in the investment options, is also ultimately owned by FirstCape and Harbour benefits from any investment made in such a fund from the fees and other charges it receives as manager of that fund.

These conflicts are managed by ensuring that each Member receives personalised financial advice from an appropriately qualified and registered financial adviser operating within a licensed financial advice provider, who can advise the Member as to the appropriateness of the fund in question (other than eligible investors, who are exempt from this requirement). The funds managed by Consilium and Harbour are publicly registered on Disclose and subject to all of the usual protections that are in place for funds offered to the public.

In addition, some Advisers may enter into a separate agreement with Consilium to assist with the administration and monitoring of Personal Plans. This arrangement will usually involve a fee being paid to Consilium. This fee is negotiated on an arm's length basis and paid by the Adviser. This is an additional service provided by Consilium which advisers are not compelled to use.

FirstCape may, from time to time, acquire shareholder or other financial interests in adviser businesses that may access the Scheme. Where this applies, the adviser business is under a regulatory obligation to notify its clients of the conflict of interest that exists.

Other than the above, Consilium has no other conflicts of interest in managing the Scheme, but lists the following for information purposes:

- FirstCape employees, directors and senior managers may apply for membership of the Scheme and will have the same rights as other Members. In some cases FirstCape employees, directors and senior managers may not require an Adviser.

## Appendix 1 – Side-Pocketing Policy

### Interpretation

All capitalised terms in this Side-Pocketing Policy have the same meanings as are defined for them in the Trust Deed for the Scheme.

### Background

#### Trust Deed requirements

Clause 5.8 of the Trust Deed requires that the Manager and the Supervisor shall determine an equitable policy for administering each Side-Pocketed Personal Plan held within the Scheme, having regard to the nature of the Side-Pocketed Investment and the circumstances that caused it to be Side-Pocketed. Further requirements for such a Side-Pocketing Policy are specified under clause 5.8.

The below is the Side-Pocketing Policy as determined between the Manager and the Supervisor.

#### Statutory requirements

Section 56(4) of the KiwiSaver Act 2006 ("KiwiSaver Act") states that a scheme provider is required, upon receipt of a transfer notification from the provider of a Member's new KiwiSaver scheme, to redeem and transfer that Member's accumulation to the new scheme within 10 working days or any longer period agreed between the providers of the old and new schemes.

#### Liquidity Event and Side-Pocketing

An Investment held within the Scheme and eligible for the Investment Options Supplement must have a standard

redemption timeframe of no longer than eight working days at maximum. The intention of this finite redemption timeframe specification is to ensure that redemption of the Investment will comply with section 56(4) of the KiwiSaver Act when subject to a transfer notification received from another KiwiSaver provider.

Should a Liquidity Event occur, an Investment's redemption procedure may become impaired and thereby no longer able to comply with the standard redemption timeframe of eight working days or less. In this circumstance, redemption of the Investment may also no longer be able to comply with the ten working days requirement of section 56(4) of the KiwiSaver Act.

Under clauses 5.2, 5.6 and 5.7 of the Trust Deed, an Investment subject to a Liquidity Event shall be Side-Pocketed into a Side-Pocketed Personal Plan and thereby become segregated from the Member's Primary Personal Plan. An Investment that has been Side-Pocketed ceases to remain subject to the requirement for compliance with section 56(4) of the KiwiSaver Act at least for the duration of its Side-Pocketing within the Side-Pocketed Personal Plan.

The equitable administration of Side-Pocketed Personal Plans is the aim and purpose of this Side-Pocketing Policy.

## Side-Pocketing Policy

The Deed sets out five requirements for the Side-Pocketing Policy under clause 5.8 subclauses a through e:

- Prohibition on disposal of Side-Pocketed Investment without Investment Direction
  - It is prohibited for a Member to make any withdrawal or transfer from a Side-Pocketed Personal Plan except where that Member has provided a valid Investment Direction to the Manager to dispose of or otherwise terminate the Member's interest in a Side-Pocketed Investment as an asset of the Scheme.
  - An Investment Direction in respect of a Side-Pocketed Personal Plan shall be deemed to have been provided by a Member to the Manager in either of the following two instances:
    - The Member (being eligible to do so) has applied for a Benefit in accordance with clause 12.7 of the Trust Deed in respect of the Member's entire interest in the Scheme; or
    - The Member's membership of the Scheme has been terminated in accordance with clause 4.4 of the Trust Deed.
  - A Side-Pocketed Investment shall be disposed of or otherwise terminated under a Member's Investment Direction for whatever value the Manager is able to obtain on such equitable basis as the Manager and the Supervisor agree is most appropriate in the circumstances.
- Proceeds, income and receipts (clause 5.8 b of the Trust Deed)
  - Any net proceeds of the disposition of, and any income or other receipts arising from, the holding of a Side-Pocketed Investment are required to be transferred to the Primary Personal Plan of the Member concerned.
- Recovery of fees, expenses and taxes (clause 5.8 c of the Trust Deed)
  - The Manager and the Supervisor shall agree on equitable arrangements for the payment or recovery of any fees or expenses or taxes associated with holding or realising a Member's Side-Pocketed Investment.
- Equitable arrangements may include payment or recovery from the Member concerned either from the Member's Primary Personal Plan or from the Member direct.
- Exemption of Manager and Supervisor from valuations (clause 5.8 d of the Trust Deed)
  - The Manager and the Supervisor are both exempt, subject to the Governing Requirements, from any obligation to obtain valuations of a Side-Pocketed Investment for so long as it forms part of a Side-Pocketed Personal Plan.
- Other arrangements (clause 5.8 e of the Trust Deed)
  - The Manager and the Supervisor shall agree on any other arrangements that they consider necessary or desirable relating to the administration of, and maintenance of records in respect of, a Side-Pocketed Investment and a Side-Pocketed Personal Plan, provided that such other arrangements are subject to the provisions of the Trust Deed (including clause 5.8).
  - Such other arrangements shall be recorded in writing and appended to this Side-Pocketing Policy.

## Amendments to Side-Pocketing Policy

Subject to clause 5.8 of the Trust Deed, the Side-Pocketing Policy may be amended from time to time by written agreement between the Manager and the Supervisor.

All amendments to the Side-Pocketing Policy must be recorded in writing and appended thereto.

Consent to amend the Side-Pocketing Policy shall not be unreasonably withheld by either the Manager or the Supervisor.

## Deed to prevail

If the provisions of this Side-Pocketing Policy and the Trust Deed conflict in any way, the provisions of the Trust Deed shall prevail.



## Appendix 2 – Proxy voting and trade execution policies

### **Proxy voting policy**

Consilium as Manager will not exercise any proxy voting rights on behalf of investments held in Personal Plans within the Scheme. For the avoidance of doubt, these rights will not be exercisable by Advisers or Members directly.

### **Trade execution policy**

Trades will generally be placed by your Adviser in order to establish, maintain or update your Investment Direction.

Advisers will instruct the Custodian to place an order by entering the instruction into the Consilium Wrap system, and the Custodian will place the orders with the relevant broker/issuer.

Consilium will instruct the Custodian in respect of any approved withdrawals, transfers out or maturity closures.

### **Trade execution**

Listed security trades are typically processed by the broker your Adviser selects within 10 minutes and, depending on the liquidity of the investment, typically confirmed the same day.

Unlisted security trades are sent to the issuer once per day and aggregated with other orders from Consilium Wrap. You will receive the entry/exit price on the day they are sent. Depending on the liquidity of the investment, these typically process within five business days.

## Appendix 3 – Consilium Wrap Terms and Conditions

Version 3, effective 1 July 2025

Consilium Wrap is an internet based investment administration facility provided by Consilium enabling people to access custodial services provided by an independent Custodian (currently FNZ Custodians Limited). Consilium Wrap is made available for:

- People who wish to hold their investments through a wrap platform; and
- Financial advisers who provide financial advice and related services to those people.

These Terms and Conditions relate to your access to and use of Consilium Wrap, including through the Website. You accept and agree to be bound by these Terms and Conditions.

Your access to Consilium Wrap and the Website is subject to the following terms:

- The General Terms (Part A of these Terms and Conditions);
- If you are an Account Holder or Investor – the Additional Terms for Account Holders and Investors (Part B of these Terms and Conditions);
- If you are an Adviser – the Additional Terms for Advisers (Part C of these Terms and Conditions);
- Other terms and conditions which we tell you apply. This includes the terms and conditions of a Third Party service provider on which the operation of the Website depends – such terms and conditions will also be made available to you;
- The Custodian's terms of access, available on the Consilium Wrap login page; and
- The Custodian's disclosure statement. Fees will be deducted from investor accounts.

### Part A: General Terms

#### I. The following definitions apply to these Terms and Conditions

**"Accessible Investment"** is any asset available to buy or sell through Consilium Wrap.

**"Account"** is a subset of investments held within a portfolio, distinguished from the total portfolio and other Accounts by a suffix.

**"Account Holder"** is an Investor, or potential Investor, who holds a Consilium Wrap Account.

**"Adviser"** is a financial adviser who is authorised to provide financial advice, and includes their support staff.

**"Business Day"** is any day (other than a Saturday or Sunday) that is not a national public holiday.

**"Consilium", "we" or "us"** means Consilium NZ Limited.

**"Consilium Wrap Profile"** is the online user profile we create in your name, which allows you to access your Portfolio via the Website.

**"Custodian"** is FNZ Custodians Limited.

**"Exchange of Information Requirements"** are the requirements that we must comply with for the purpose of reducing tax evasion by citizens or residents of certain countries. These relate to the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS). They also relate to any New Zealand legislation or agreements entered into by the New Zealand Government for the purpose of complying with FATCA or CRS, and any equivalent or similar requirements imposed for the purpose of reducing tax evasion by citizens or residents of certain countries.

**"Force Majeure"** is any event outside the reasonable control of Consilium. This is any event which could not have been prevented or avoided through the exercise of reasonable due care.

**"Indemnified Person"** includes Consilium, our related bodies corporate, and directors, officers, agents and employees of Consilium and our related bodies corporate.

**"Investor"** is an individual, corporation, trust or any other entity, that owns an Accessible Investment.

**"NZ Financial Services Legislation"** means legislation that governs the actions and conduct of those working in the financial services industry, including the Financial Markets Conduct Act 2013 and its replacements.

**"Portfolio"** is the group of Accounts an Investor holds through their Consilium Wrap Profile.

**"Privacy Policy"** is Consilium's Privacy Policy, as updated from time to time, which is available at [www.consilium.co.nz/privacy-policy](http://www.consilium.co.nz/privacy-policy).

**"Registered User", "you" or "your"** is a user who has successfully been registered to use the Website.

**"Request"** is any direction, instruction or communication given by you (either as an Account Holder, or as an Adviser on behalf of an Account Holder) via the Website.

**"Support Staff"** is any staff of the Adviser who have been authorised to use the Website on behalf of the Adviser.

**"Third Party"** is any third party who provides any content or material on the Website.

**"Website"** is the website, available at [adviser.consiliumwrap.co.nz](http://adviser.consiliumwrap.co.nz) or [my.consiliumwrap.co.nz](http://my.consiliumwrap.co.nz).

## 2. Registration

2.1. To register to access the Website, you will need to provide (at a minimum) your full name, email address and create a password. The details required will depend on what type of Registered User you will be.

2.2. If you complete the registration process and your registration is accepted by us, you will become a Registered User. This means you will be entitled to access and use the Website in accordance with the Terms and Conditions.

2.3. We can deny access or refuse registration to any person at any time, at our discretion.

## 3. Changes to these Terms and Conditions

3.1. We may change these Terms and Conditions. If we make any changes to the Terms and Conditions, we will take steps to bring those changes to your attention.

3.2. When you access or use the Website, it also means you accept the Terms and Conditions in place at the time, and the Custodian's terms of access and disclosure statement.

## 4. Website updates

4.1. We may update the Website at any time. This includes changes to the look of the Website, or to the way the Website works. It does not, however, include changes to any fee or charge.

4.2. Sometimes the Website or Website functionality will be interrupted for maintenance, upgrades and emergency repairs. We will take reasonable steps to minimise this disruption.

## 5. Communications

5.1. All communications and notices that relate to the Website will be sent by email to your nominated email address, or made available by a message on the Website.

5.2. We will consider that you have received the communication either:

5.2.1. When it has been emailed to you; or

5.2.2. In case of a Website communication, the next time you access the Website after the date of the communication.

5.3. If you wish to change your nominated email address or method of communication, you must provide this request in writing to us or, if you are an Investor, to your Adviser. If you are an Adviser, we may ask you to provide evidence of an Investor's approval of the change.

## 6. Acknowledgements

6.1. You are solely responsible for your use of the Website and any instruction given through the Website.

6.2. You will not allow any other person to use your login details to access the Website.

6.3. If you represent a company or other legal entity (like a trust), when you access or use the Website you are agreeing to the Terms and Conditions on behalf of yourself and on behalf of the company or other legal entity. You must be sure you are authorised to agree on the company or other legal entity's behalf.

6.4. You are not a direct client of the Custodian and will not have the ability to enforce the agreement between Consilium and the Custodian, except to the extent that, as an Investor, you have enforceable rights against the Custodian under NZ Financial Services Legislation.

6.5. Custodial reporting produced by the Custodian will only include information on Accessible Investments held in the Custodian's custody.

6.6. Neither Consilium nor the Custodian are responsible for verifying, reconciling or reporting on any assets recorded on an Account by an Adviser or Investor, that are not Accessible Investments held in custody.

## 7. Website content

7.1. We endeavour to ensure information on the Website is correct and up to date. We can't guarantee, however, that there are no errors in the information, or that the information is the latest information available.

7.2. Sometimes the Website will contain links to a website owned or operated by a Third Party. We are not responsible for the content of Third Party websites. The links are provided as a courtesy service only.

## 8. Indemnity

8.1. Indemnified Persons will not be liable for any direct or indirect loss, costs, charges or expenses you incur that are connected with the things listed below:

- 8.1.1. Your fraud;
- 8.1.2. Information you provide us that is wrong or inaccurate;
- 8.1.3. You or someone on your behalf using the Website in breach of these Terms and Conditions;
- 8.1.4. Another person using your login details to access and use the Website (whether or not you have authorised them to do that), except where it is our fault that the person has done so;
- 8.1.5. Us acting on any Request that appears to be given by you, including:
  - 8.1.5.1. A Request that is unauthorised or fraudulent; or
  - 8.1.5.2. Where you initiate a Request through the Website then you ask us to stop that Request.
- 8.1.6. If you are an Adviser, any claims made by any of your clients who are Account Holders, except where that liability is directly caused by us breaching these Terms and Conditions, or by any negligent act or omission by us.

8.2. If you have a direct debit established on your Account that fails, it may be reversed and you may incur a penalty. In addition, if the uncleared funds have already been invested, you may incur a loss if those investments then need to be sold down.

8.3. If we incur costs from any of the above occurring, you agree to pay us the amount incurred.

## 9. Personal information

9.1. We require your personal information to provide Consilium Wrap to you. We handle your personal information in accordance with our Privacy Policy. If you do not agree to us handling your personal information in the way we describe in our Privacy Policy we cannot provide Consilium Wrap to you. If you inform us that you do not agree to our Privacy Policy, we will deregister you within a reasonable amount of time. This means you will no longer be a Registered User.

9.2. Any information you provide must be true and correct. You must notify us if any of the information provided by you changes. You can do this by contacting your Adviser (or if you are an Adviser, by contacting us).

9.3. If you are an Investor, you must provide all information we need to comply with the Exchange of Information Requirements.

- 9.3.1. You must self-certify this information by confirming it in writing.
- 9.3.2. You must advise your Adviser if the information changes.
- 9.3.3. If you are a trustee of a discretionary trust, you must inform your Adviser when a beneficiary of that trust receives a distribution from the trust.

9.4. If you are an Adviser, you must update the information provided to you by the Investor, on the Website.

## 10. Requests

10.1. If you are permitted to submit a Request, you must immediately notify us if a Request you have submitted is not displayed on Consilium Wrap.

10.2. We may decline to act on any Requests at any time without giving any notice or reason. If we decline to act on any Request you make, we will let you know within a reasonable time.

10.3. We are entitled to rely on the information provided by you, or any representation made by you. We are entitled to act on any Request which appears complete, without checking with you.

## 11. Fees and taxes

11.1. Fees will be deducted from Investor Accounts. These include:

- 11.1.1. Fees for holding any Accessible Investments available through Consilium Wrap;
- 11.1.2. Fees for buying and selling Accessible Investments (including currency conversion fees and brokerage);
- 11.1.3. Any fees charged by the issuer of the Accessible Investments;
- 11.1.4. Fees for using a product or service available through Consilium Wrap (such as a superannuation product); and
- 11.1.5. Other fees including margins as described in the Custodian's disclosure statement which has been provided to you.

11.2. In addition, the fees Investors agree with their Adviser for the Adviser's services will also be deducted and paid to the Adviser.

11.3. The Custodian will deduct fees and taxes, including those listed in this section. The Investor authorises the Custodian to debit these fees and taxes from the Investor's cash management account.

## 12. Disinvestment policy

12.1. We may set a minimum cash balance for an Account from time to time.

12.2. If you are an Investor, and depending on the nature of your Account, your Adviser may agree with you an amount of cash to be held in your Account to fund fees and taxes, and should maintain your cash balance at or above this level.

12.3. When an Account's cash balance is below 50% of the minimum cash balance, the Account Holder and their Adviser will be notified.

12.4. When an Account's cash balance is below 15% of the minimum cash balance, the Account Holder and their Adviser will receive a notification stating that Consilium Wrap will trigger disinvestment of assets in six business days if the cash balance is not increased to the minimum cash balance.

12.5. If, six business days following a notification made under section 12.4, the Account's cash balance remains below the minimum, Consilium Wrap will trigger disinvestment as follows:

12.5.1. The least volatile Accessible Investment will be selected.

12.5.2. If two or more Accessible Investments have the same volatility, the largest holding will be selected first.

12.5.3. If the largest holding does not cover the required disinvestment amount, the second largest holding will then be sold, followed by the third largest holding and so on.

12.6. Unless we receive a Request to the contrary, Consilium Wrap will never trigger disinvestment from the following Accessible Investment types:

12.6.1. Directly held bonds.

12.6.2. Directly held shares or exchange traded funds (ETFs).

12.6.3. Term deposits.

12.7. The value of the disinvestment will be what is required to bring the Account's balance back to the minimum cash balance.

12.8. Volatility ratings are provided by Morningstar. The rating uses standard deviation to measure the spread of a fund's return around its average over a certain period. Those with a lower percentage are least volatile. Please note:

12.8.1. A three year time period is used by default. If three years' data is not available, a shorter period is used.

12.8.2. If no data is available for a particular fund, the fund is treated as most volatile.

12.8.3. No discretion is applied regarding the assessment of the volatility rating by Consilium or the Custodian.

## 13. Termination

13.1. We can suspend, cancel or terminate access to Consilium Wrap and the Website. This may be done at any time, without prior notice to you. This may be done for the following types of reasons:

13.1.1. You fail to keep your Consilium Wrap Profile access details secure;

13.1.2. Your use of the Website is unreasonable, or breaches these Terms and Conditions; or

13.1.3. You are no longer an Account Holder, or an Adviser.

13.2. We will make our best effort to terminate your Website access within 30 Business Days of receiving written notice from you to that effect.

## 14. Force Majeure

14.1. If we are delayed in performing or cannot perform an obligation under these Terms and Conditions because of a Force Majeure event:

14.1.1. We can only suspend that obligation for as long as we are affected by the Force Majeure event;

14.1.2. If we do need to delay or not perform an obligation, we will not be responsible for any loss or damage you suffer, or expense you incur as a result; and

14.1.3. The time we have to perform that obligation is extended by the duration of the Force Majeure event.

14.2. If a Force Majeure event lasts for more than 30 consecutive days, we have the right to terminate these Terms and Conditions and your access to the Website, and any associated service and functionality, without incurring any liability to you.

## 15. Intellectual property

15.1. The Website and its downloadable contents are protected by copyright laws. You may print and/or download a copy of any part of the Website for your personal, non-commercial use, but you may not copy any part of the Website for any other purpose without the express written consent of Consilium, and you may not modify any part of the Website for any reason. Inclusion of any part of the Website in another work, whether in printed, electronic or other form, or inclusion of any part of the Website in another Website by linking, framing, in-line linking, or otherwise, is prohibited without obtaining the prior written consent of Consilium.

15.2. Consilium trademarks, service marks, logos and any designs used or displayed on the Website are trademarks and/or service marks owned by Consilium. Any use of copyrighted works, trademarks or service marks, including the reproduction, modification, distribution or republication of same without the prior express written permission of Consilium is strictly prohibited. Other copyrighted works, trademarks, service marks, trade names and company logos utilised on the Website are the property of their respective owners. The appearance of any such Third Party trademarks does not in any way imply any connection, license, approval or other such relationship of any kind with such Third Party.

## **16. Enforceability**

16.1. If any of these Terms and Conditions is considered to be invalid or otherwise unenforceable for any reason, by any competent authority, the enforceability of the remaining provisions will not be impaired.

## **17. Governing law and jurisdiction**

17.1. These Terms and Conditions are governed by the laws of New Zealand. You submit to the exclusive jurisdiction of the courts of New Zealand in respect of all matters arising out of or relating to these Terms and Conditions.

# **Part B: Additional Terms for Account Holders and Investors**

## **18. Registration**

18.1. Registration to the Website gives you access to your Consilium Wrap Profile.

18.2. As an Investor, registration to the Website gives you the ability to access your Portfolio.

18.3. As an Investor, by agreeing to these Terms and Conditions, you are appointing the Custodian to provide custodial services to you, and for the Custodian to hold your Accessible Investments for your benefit, as bare trustee.

18.4. You acknowledge that, should your Account become inactive and we are unable to contact you for more than six years, your Account balance will be deemed to be unclaimed money and paid over to the IRD in accordance with the Unclaimed Money Act 1971 or any subsequent replacement act, or otherwise dealt with in accordance with any other applicable statutory provision.

## **19. Indemnity**

19.1. As an Investor, you indemnify the Custodian, Consilium and their respective employees, agents and contractors against all losses sustained or incurred, to the extent that they relate to the Investor, by the Custodian, Consilium or any of their respective employees, agents and contractors in the performance of their duties or exercise of their authorities except to the extent arising as a result of their own negligence, fraud or wilful default.

19.2. As an Investor, you indemnify the Custodian and its respective employees, agents and contractors in the case of any portfolio investment entity tax liability required to be deducted (at the prescribed investor rate (PIR) nominated by you and conveyed to your Adviser) from any Accessible Investment you hold, even if that liability exceeds the value of the Accessible Investments held, or any incorrect notification or failure to notify or update annually your PIR or tax rates.

19.3. As an Investor, you acknowledge that incorrect information provided in relation to the Exchange of Information Requirements may cause the Custodian or Consilium to suffer loss and you agree to indemnify the Custodian and Consilium from any loss (including amounts payable as fines) caused by relying on such incorrect data.

# **Part C: Additional Terms for Adviser**

## **20. Adviser obligations**

20.1. You must immediately inform us if you cease to act as an Adviser to any client who is an Account Holder. In this event, you must not access, and must ensure that no other person accesses, that client's information for any purpose (other than as authorised by law); and

20.2. You must provide all documents required by us, such as customer due diligence documents or proof of bank account.



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