

## Primary Disclosure Statement Authorised Financial Adviser

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<b>Name and registration number of Authorised Financial Adviser</b>	Suli (Lory) Luo FSP78481
<b>Address</b>	First NZ Capital Securities Limited Level 39, ANZ Centre, 23-29 Albert Street, Auckland 1010
<b>Telephone Number</b>	09 302 5500
<b>Email</b>	Lory.luo@fnzc.co.nz
<b>Disclosure Statement prepared</b>	1 February 2019

### It is important that you read this document

This information will help you to choose a financial adviser that best suits your needs. It will also provide some useful information about the financial adviser that you choose.

In addition to the information that I must disclose to you in this statement, I must also disclose other information to you in a separate disclosure statement (or statements), including information about the types of services that I provide, the fees that I charge, and any actual or potential conflicts of interest. If I have not provided that information to you at the same time as I give you this statement, I must provide it to you as soon as I can.

### What sort of adviser am I?

I am an Authorised Financial Adviser. This means I have been authorised by the Financial Markets Authority (the government agency that monitors financial advisers) to provide the financial adviser services described below.

### How can I help you?

I have been authorised to provide you with financial adviser services in the following categories:

- Category 1 products including: an FMCA financial product, a Discretionary Investment Management Service (DIMS) and an investment-linked contract of insurance; and
- Category 2 products including: a bank term deposit, a bonus bond, a call building society share, a call credit union share, a call debt security, a share in a co-operative company, a unit in a cash or term portfolio investment entity, a consumer credit contract (within the meaning of the Credit Contracts and Consumer Finance Act 2003), a contract of insurance (other than an investment-linked contract of insurance), and a life insurance policy (if issued before 1 January 2009).

When I do this, I will be able to give you advice about:

- Financial products provided by only 1 organisation
- Financial products provided by a small number of organisations (2 to 5 organisations).
- Financial products provided by a broad range of organisations (more than 5 organisations).

**How do I get paid for the services that I provide to you?**

	<b>Payment Type</b>	<b>Description</b>
<input type="checkbox"/>	Fees only	My services are only paid for by the fees you pay. I do not receive payments from other people or organisations that might influence my advice.
<input checked="" type="checkbox"/>	Fees	My services are paid for by the fees that you pay as well as in other ways.
<input checked="" type="checkbox"/>	Commissions	There are situations in which my employer will be paid by other organisations. How much that payment will be depends on the decisions that you make.
<input checked="" type="checkbox"/>	Extra payments from my employer	I may receive extra payments from my employer depending upon the decisions that you make.
<input type="checkbox"/>	Non-financial benefits from other organisations	Other organisations may give me/my employer/my employer and me non-financial benefits depending on the decisions that you make.

I am required to tell you the specific fees, commissions, extra payments, and other benefits that I have received or will, or may, receive in relation to the services that I provide to you. I must tell you these things before I give you advice or, if that is not practicable, as soon as practicable after I give you that advice.

**What are my obligations?**

As an Authorised Financial Adviser, I must comply with the Code of Professional Conduct for Authorised Financial Advisers. I also have other obligations under the Financial Advisers Act 2008 (including regulations made under that Act) and under the general law.

**What should you do if something goes wrong?**

If you have a problem, concern, or complaint about any part of my service, please tell me or my employer (First NZ Capital Securities Limited, Attention: Compliance Officer), so that we can try to fix the problem.

If we cannot agree on how to fix the issue you can contact Financial Services Complaints Limited. This service will cost you nothing, and will help us resolve any disagreements. You can contact Financial Services Complaints Limited at:

**Address:** PO Box 5967  
 Lambton Quay  
 Wellington 6145  
 4th Floor  
 101 Lambton Quay  
 Wellington

**Telephone number:** (freephone) 0800 347257 or (Wellington) (04) 472FSCL (472 3725)

**Email address:** [info@fscl.org.nz](mailto:info@fscl.org.nz)

**If you need to know more, where can you get more information?**

If you have a question about anything in this disclosure statement or you would like to know anything more about me, please ask me.

If you have a question about financial advisers generally, you can contact the Financial Markets Authority.

### How am I regulated by the Government?

You can check that I am a registered financial services provider and an Authorised Financial Adviser at <http://www.fspr.govt.nz>.

The Financial Markets Authority authorises and regulates financial advisers. Contact the Financial Markets Authority for more information, including financial tips and warnings.

You can report information or complain about my conduct to the Financial Markets Authority, but in the event of a disagreement, you may choose to first use the dispute resolution procedures described above (under **What should you do if something goes wrong?**).

### Declaration

I, Suli (Lory) Luo, declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed

## Secondary Disclosure Statement Authorised Financial Adviser

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### What is this Disclosure Statement for?

This Disclosure Statement provides information about:

- the types of financial adviser services I provide;
- the fees that you may be charged in relation to the financial adviser services I provide;
- the remuneration and other financial benefits that First NZ Capital Securities Limited (FNZC) or I may receive from third parties in relation to those financial adviser services; and
- other financial interests, relationships or associations that are relevant.

### What professional and business experience do I have?

I obtained a Graduate Diploma, Financial Planning and Services (Investment and Insurance) from Massey University in 2009, and a Bachelor of Business from Auckland University of Technology in 2006. I have been employed by FNZC since 2018 and have been working in the financial services industry since 2008. I am an Authorised Financial Adviser and an accredited NZX Adviser.

### What financial adviser services do I provide?

I only provide financial advice on financial products that FNZC has researched, or on which adequate research has been received from a reputable financial service provider. I can provide financial advice which takes account of your personal situation and goals, and I can help you decide whether a financial product is suitable for you. I can also provide advice about investments that are usually suitable for a group or 'class' of people and you can use this information to form your own opinions.

FNZC is licensed to provide a Discretionary Investment Management Service and I can provide advice on this service on its behalf. I do not advise clients on insurance or tax and I recommend that you seek advice on these matters from a specialist provider.

### What fees will you be charged for the financial adviser services I provide to you?

As an employee of FNZC, I do not charge you any fees personally. FNZC will charge fees for the administration of your portfolios, and safekeeping assets held in custody for you. All fees are exclusive of GST, if any.

**Portfolio Reporting/Monitoring Fees**

Where portfolio reporting and/or monitoring is also required as a service, additional fees will be based on a percentage of the value of assets under administration (which may or may not include cash and short term money market deposits). These additional fees will accrue daily and be charged every quarter in arrears. The percentage charge will vary depending on the value of the assets being administered. Portfolio reporting and/or monitoring fees will typically be up to 1% per annum, for example, 1% charged on assets of \$1,000,000 (including cash) will be \$10,000 per annum. Fees will be agreed with you before you require a service and will be applied in accordance with the terms of your FNZC client agreement. You will receive written notification if these fees change at any time.

**What other fees may FNZC charge?**

FNZC will charge you brokerage or commission (and, where applicable, pass on agency, settlement and other fees) on secondary market transactions that we arrange on your behalf. Brokerage on secondary market transactions will typically be up to a maximum of 1.5% of the transaction value and will be detailed on each contract note sent to you. Minimum brokerage fees, being typically "50" as an amount in the relevant trading exchange currency (e.g., NZD50, AUD50, GBP50, USD50) will also apply. Brokerage fees will be charged at the rate agreed with you before the transaction is initiated, and paid at the time the transactions is settled.

**What fees may third parties charge?****Product fees**

Fees will vary by product provider. Any fees payable by you to third party provider will be disclosed to you before you make an investment. This information will be provided in the form of an information memorandum or other similar document issued or provided by the relevant fund manager or product provider.

**Transaction fees**

Transaction fees vary depending on transaction size and the market on which the transaction is undertaken. Where additional charges, such as agency execution fees, settlement fees, exchange and clearing house fees, trade fees, and stamp duty charges apply to transactions, FNZC will recover those charges from you at the time of settlement of the transaction.

**Does FNZC (or I) receive remuneration from third parties in relation to the financial adviser services that I provide?**

In the course of transactions arranged by me, FNZC may receive or earn:

- trading profit where it has acted as principal for its own account as the counterparty to the trade;
- fees and brokerage, including brokerage and trail commission from third parties;
- margin on fixed interest transactions;
- margin on cash management call account and/or term deposit balances;
- margin on exchange rates in respect of transactions involving foreign exchange; and
- in respect of new issues of securities, brokerage and firm allocation fees from issuers of securities.

Fees, brokerage and trail commission paid to FNZC by third parties will vary by product type and provider. The fees, brokerage and trail commissions will be set out in the product offer document.

**Role in issues of securities**

In addition to the remuneration set out above, FNZC may receive fees for acting as organising broker, arranger or manager of an issue of securities and receive underwriting, discretionary incentive or performance fees from the Issuer.

**My Remuneration**

I receive remuneration consisting of a fixed base salary, discretionary attribution bonus and potentially an additional discretionary bonus. The discretionary attribution bonus is based on my individual performance and the fee structure and level of service agreed between FNZC and my respective clients. For the purposes of the fixed base salary and

discretionary attribution bonus, I can receive total remuneration of up to 48% of the revenue I generate. The additional discretionary bonus may be awarded and is derived from a dedicated pool of revenue and accordingly not based on any performance calculation.

I am a shareholder of FNZC and may receive distributions from FNZC.

### What other interests, relationships and associations should you know about?

In the provision of my services, I rely on the research produced by FNZC's research team and Credit Suisse Group with whom FNZC has a strategic alliance.

### Managing conflicts of interest

I am required to comply with comprehensive compliance arrangements implemented by FNZC, including policies and procedures that govern conflicts management and professional conduct. Where arrangements exist to manage conflicts arising from the receipt, or possible receipt, of remuneration by FNZC or me, these will be disclosed to you in a written statement.

### What kind of Professional Indemnity Insurance do I have?

FNZC maintains professional indemnity insurance cover at a level that is appropriate for the nature and risks of its business. Indemnity and Crime insurance are provided by leading international insurers and are renewed annually. The cover extends to all business activities including those I undertake in my capacity as Adviser. As with all insurance, these covers have limitations and are subject to certain exclusions.

### Declaration

I, Suli (Lory) Luo, declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed