

## FAP Disclosure Statement

### Generate Financial Advice Provider (FAP) Group ('Generate') Licence

Generate Investment Holdings Limited (GIHL) (FSP402807) holds a licence issued by the Financial Markets Authority to provide a financial advice service. Generate Investment Management Limited (GIML) (FSP271005) is authorised under GIHL's licence to provide a financial advice service. GIML and GIHL make up the Generate FAP Group. We are investment specialists and GIML is the issuer and manager of the Generate KiwiSaver Scheme and the Generate Unit Trust Scheme (Managed Funds). The contact details of both companies are set out below.

### Generate FAP Group

This FAP Disclosure Statement is important because it provides information about the financial advice services that Generate and our Generate Advisers (Nominated Representatives) can offer you.

This Disclosure Statement relates to and is provided by each of GIHL and GIML and was prepared on 8 March 2023.

You can contact Generate by phone 0800 855 322 or by email at [info@generatewealth.co.nz](mailto:info@generatewealth.co.nz).

### Generate Nominated Representatives

Our Nominated Representatives provide advice on behalf of GIHL. Generate has responsibility for the services provided by all our Nominated Representatives. They are either employees or contractors who are Nominated Representatives of the Generate FAP Group. Generate Nominated Representatives do not need to be individually licensed.

Generate's FAP Licence permits Generate to engage Nominated Representatives that may have their own company, known as an "Interposed Person". Our licence provides where the Nominated Representative has an 'Interposed Person', the Interposed person is not itself permitted to provide financial advice services to retail clients. Our Nominated Representative are only permitted to provide financial advice on behalf of Generate Investment Holdings Limited.

### Online tools

We may also provide advice through online advice tools. Generate's advice online app and self-service tool will make a fund recommendation from the Generate range of funds, based on your responses to a risk profile questionnaire. They will also project how much you may have in retirement based on the information you provide. These tools do not take into account your individual financial circumstances or goals, or any other accounts or investments you may have. The online tools do not make recommendations on products offered by other product providers.

### Nature and Scope of our advice

We provide financial advice on Generate products (the Generate KiwiSaver Scheme and Generate Unit Trust Scheme (together, the **Generate Schemes**)) only. Depending on the service you select, we can provide you with:

- information on the features, risks and benefits of the Generate KiwiSaver Schemes and Generate Managed Funds;
- financial advice with respect to the Generate KiwiSaver Scheme and the Generate Managed Funds;
- Generate investment planning services; and
- financial advice on switching funds within the Generate KiwiSaver Scheme or Generate Managed Funds.

We will not provide recommendations or opinions on financial products issued by other financial providers. We will not give specific advice on other areas which can affect your overall financial well-being such as insurance planning, estate planning, cash and debt management, budgeting, asset protection, taxation, and legal advice.

We may provide advice prior to you joining the Schemes. You can also use our online tools at any time to review your fund selection and receive a projection of how much your investment might be worth.

We may also, where separately agreed by you with the Generate Nominated Representative, provide ongoing advice by regularly reviewing and discussing with you your fund selection and contribution levels, to check whether you are on track to achieve your goals.

Depending on the type of financial advice provided, there may be further qualifications or limitations. These will be clearly explained to you before any financial advice is provided.

### **Fees, commissions or other incentives**

You will not be charged a separate fee for receiving financial advice before you join the Schemes, and there is no obligation to join the Generate KiwiSaver Scheme or Generate Managed Funds after receiving advice. It is 100% your choice.

If you become an investor in the Generate KiwiSaver Scheme or the Generate Managed Funds:

- you will pay fees in connection with your investment. These fees are set out in the relevant Product Disclosure Statement, which is available at [www.generatewealth.co.nz](http://www.generatewealth.co.nz); and
- we will pay commission or salary (but not both) to our Nominated Representatives for introducing you to us and for any initial advice provided to you. The commission is up to \$300 on joining the Scheme (depending on the size of your contributions within the first 12 months), and an ongoing amount, no greater than 0.20% per annum of your account balance. We pay these costs from the revenue we receive from the fees you pay to us.

Certain adviser fees can be charged on an individual basis where you have a financial advice fee authorisation in place with Generate. These fees will be deducted from your Generate KiwiSaver and/or Managed Funds and paid to Generate.

From these fees we may pay commission or salary (but not both) to our Nominated Representatives for these ongoing adviser services. The fee and subsequent commission payment may be up to 0.25% per annum of your account balance for KiwiSaver and up to 0.75% per annum of your account balance for Managed Funds.

Our Nominated Representatives may from time to time receive discretionary bonuses and non-monetary benefits such as promotional or Christmas gifts and industry or social invitations.

There are no separate fees for receiving advice through our online tools.

### **Managing Conflicts**

Because we only advise on the Generate Schemes and Generate receives a management fee for managing these Schemes, a conflict of interest exists because we benefit from you joining, remaining with, or contributing more to the Generate Schemes. Our Nominated Representatives also receive remuneration if you join the Generate Schemes or enter into a financial advice fee authorisation with Generate. We take the following steps to manage these and any other potential conflict of interest:

- We clearly explain that we only advise on Generate products and disclose the fees we receive as Manager of the Schemes in the relevant Product Disclosure Statement;
- We provide clear disclosure of payment made to our Nominated Representatives;

- Nominate Representatives are required to abide by Generate's policies and procedures in relation to conflicts of interest; and

- in giving advice, our Nominated Representatives have a duty to give priority to customers' interests and to ensure the advice is not materially influenced by our or their interests.

Generate has robust processes and controls in place to ensure compliance with this duty.

### **How do I make a complaint?**

If you have any issues or concerns about any services you receive from a Nominated Representative or Generate you can call us on 0800 855 322, email us at [info@generatewealth.co.nz](mailto:info@generatewealth.co.nz) or write to us at: PO Box 91609 Victoria Street West, Auckland. Generate has an internal complaints process and undertakes to investigate any complaints promptly and fairly. Generate's customer service team reviews all complaints made and will endeavour to respond as soon as reasonably practicable including recording details in Generate's complaints register and escalating to compliance, as required.

If for any reason we can't resolve the matter, you can contact our Supervisor (Public Trust) by writing to: Relationship Manager, Corporate Trustee Services Public Trust Level 16 SAP Tower, 151 Queen Street Private Bag 5902, Wellington, 6140.

If we or the Supervisor are unable to resolve your complaint, you may call our external and independent dispute resolution scheme Financial Services Complaints Limited on 0800 347 257, email [complaints@fscf.org.nz](mailto:complaints@fscf.org.nz) or post: Level 4 101 Lambton Quay PO Box 5697 Wellington 6145. Financial Services Complaints Limited will help investigate or resolve the complaint free of charge. If you have any concerns, issues or complaints about any part of our service please let us know.

### **We have duties**

Generate and our Nominated Representatives have duties under the Financial Markets Conduct Act to:

- a) meet the standards of competence, knowledge, and skill set out in the Code of Professional Conduct for Financial Advice Services (Code), which is available on the Financial Markets Authority's website ([www.fma.govt.nz](http://www.fma.govt.nz));
- b) give priority to your interests;
- c) exercise care, diligence, and skill;
- d) meet the standards of ethical behaviour, conduct, and client care set out in the Code.

### **We are regulated by the Financial Markets Authority (FMA)**

We are regulated and registered by the FMA. You can view our registration and status at any time at [www.fspr.govt.nz](http://www.fspr.govt.nz). Our registration number is FSP402807.

### **Other Licensed Services**

Generate Investment Management Limited is also licensed by the FMA under the Financial Markets Conduct Act 2013 as a manager of registered schemes. For further information please refer to the Generate KiwiSaver Scheme or the Generate Unit Trust Scheme Disclose Register entry at [business.govt.nz/disclose](http://business.govt.nz/disclose)