

Financial Advice Service Disclosure Statement

This disclosure statement was prepared on 15 March 2021.

It is important that you read this document.

This information in this disclosure statement is important. It is intended to help you to find a financial advice provider that meets your needs.

Licensing Information

Financing Futures Ltd (FSP487846) (“Financing Futures”, “we”, “us” and “our”) holds a licence issued by the Financial Markets Authority to provide financial advice.

Nature and Scope of Advice

Our financial advisers are engaged by us to provide financial advice on our behalf.

The financial advice our financial advisers provide is limited to the following types of insurance, lending and investment products. However not all our financial advisers are authorised by us to provide financial advice on all services. Your adviser will provide you with a Disclosure Statement that details what services they are personally authorised to advise on.

If our advisers are not authorised to provide personalised advice they may still provide general advice and/or refer you to a more qualified adviser from within or outside of Financing Futures Ltd with your consent.

Financial Products

Lending: Consumer credit contracts (including mortgages, personal loans and car loans).
Commercial credit contracts (including commercial/business loans, Equipment Finance, Working Capital and Debtor finance).

Insurance: Life Assurance, Disability, Trauma, Income Protection, Mortgage Protection,
(Risk) Private Medical Insurance

Insurance: Fire and General Insurance (domestic and commercial)
(Fire&
General)

Investment: Kiwisaver, Managed Funds for general investment

Product Providers

Our financial advisers only provide financial advice about the insurance and lending products of the following product providers:

Lending: AIA New Zealand Ltd, ANZ Bank New Zealand Ltd, ASB Bank Ltd, Avanti (Consumer) Finance Ltd, Bank of New Zealand Limited, Bluestone Mortgages, Heartland Bank, Liberty Financial Ltd, Nelson Building Society, NZCU Baywide, Oxford Finance, Pepper Mortgages, Resimac NZ Home Loans, SBS Bank, The Co-operative Bank Ltd, Westpac New Zealand Ltd

Insurance: Accuro Health Insurance, AIA New Zealand Ltd, Asteron Life Ltd, Cigna Life (Risk) Insurance New Zealand Ltd, Fidelity Life Assurance Company Ltd, NIB NZ Ltd, Partners Life Ltd

Insurance: 1) Blanket Insurance provided by the Hollard Insurance Company Pty Ltd (Fire & General) (Hollard). Administration of this insurance and claims handling services are Managed by Ando Insurance Group Ltd (Ando) on behalf of Hollard. Hollard is a licensed insurer in New Zealand under Section 19 of the Insurance (Prudential Supervision) Act 2010

2) Stylecover Insurance provided by AON New Zealand who handle administration and claims services on behalf of Vero Insurance New Zealand Ltd. Vero is a licenced insurer in New Zealand under section 19 of the Insurance (Prudential Supervision) Act 2010

Investment: Generate Investment Management Ltd, New Zealand Funds Management Ltd

Relevant Fees

Financing Futures Ltd retains a comprehensive panel of lenders and other product providers who pay commission on successful referral of a transaction. In these circumstances we generally do not charge additional fees.

However, if your loan or insurance does not qualify for commission, we may negotiate a fee with you before we commence work. This will be discussed with you and the amount will be agreed in writing prior to the application proceeding.

If you repay, substantially reduce or refinance your mortgage, or substantially reduce or cancel your insurance within the first two years of settlement the lender/insurer is likely to 'claw back' some or all of our commission. In this circumstance we reserve the right to charge a fee to compensate us for the time spent researching, servicing and processing your application. This fee will be based on our professional charge out rate of \$200 per hour and our general estimate of 10 hours work per application. On this basis our fee will not exceed the lower of the actual claw back amount or \$2000.

No fee will be charged where any replacement finance/insurance is arranged through Financing Futures Ltd and a new commission is received.

If we deem that you are liable for a fee we will invoice you and payment will be due on the 20th of the month following notification of claw back by the lender or following the cancellation of your insurance policies. Details of how to make payment will be included on the invoice.

Conflicts of Interest

Financing Futures Ltd is paid commissions by lenders when a mortgage settles and in some cases a trailing commission for the life of the loan. We may also be paid a service fee for reviews or other services provided to the client.

Financing Futures Ltd is paid commissions by product providers and amounts can vary between providers. Some insurance product providers may subsidise training, technology solutions and compliance costs for Financing Futures.

We ensure that we prioritise your interests by following an advice process that considers your circumstances and goals. We research suitable products and providers to ensure the advice meets your needs.

Our advisers also undergo regular training on how to manage any conflicts of interest and record any conflicts in a register that we review and manage.

Financing Futures is subject to a periodic audit and compliance reviews to ensure we meet our obligations while doing right by our clients.

Relevant Commission Payments or Incentives

Financing Futures Ltd may receive commission payments from the relevant product provider on whose products our financial advisers give financial advice as follows:

For Mortgage products: Financing Futures Ltd may receive commissions at settlement from the relevant lender if you choose to take out a mortgage following our advice. The commissions are generally between 0.55% and .85% of the initial mortgage balance or amount funded. Financing Futures Ltd may also receive an ongoing commission of between 0.15% and 0.30% of the mortgage balance owing each month. Some lenders may pay a review fee of up to \$150 for advice in relation to refixing fixed rate mortgages.

For Personal Loans: Financing Futures Ltd may receive commissions at settlement for between 2% and 4% of loan amount.

For Consumer Car Loans: Financing Futures Ltd may receive commissions at settlement based on a retail margin and the amount differs depending on a number of factors including loan size, term of loan and the credit rating of the borrower. We may also receive a share of establishment/documentation fees charged by the lender for services such as producing loan documents, signing documents, collecting supporting documentation etc.

For Equipment and Commercial Lending: Financing Futures Ltd may receive commission similar to mortgage or car loan commissions if we are dealing with our usual lender panel. However some clients cannot be served by traditional lenders and in these cases we have access to niche lenders who may remunerate us through a share of lender fees or a brokerage

fee in rare occasions. Any fee that we charge will be disclosed and agreed up front before any liability becomes due.

For Risk Insurance Products: Financing Futures Ltd receives up front commissions from the relevant insurance providers if you choose to take up my advice and establish a new policy. The commissions are generally between 100% and 220% of the first year's policy premiums.

Financing Futures Ltd will also receive servicing commission to pay for reviews and other services you may require after the policy has been implemented. Servicing commission usually commences after the first anniversary and represents 5% to 20% per annum of the policy premiums going forward.

For Fire & General Insurance Products: Financing Futures Ltd receives a commission that is generally based on 5%-20% of the net premium and payable in line with the payment arrangements for the premium eg for monthly premium we are paid monthly, for annual premium we are paid annually.

We do not receive any bonus or sales based bonus payments from any providers.

For Kiwisaver and Investment Products: For Kiwisaver accounts Financing Futures Ltd receives a referral fee between Nil and \$240 for successful referral. We may also receive an ongoing trail commission of between 0 and .4% pa on funds under management.

For Investment Products we may receive a referral commission up to 1% of initial investment and trail commission up to .4% pa of funds under management.

Complaints Handling and Dispute Resolution

If you have a problem, concern, or complaint about any part of our financial advice service, please tell our internal complaints team so that they can try to resolve the problem. You can reach the internal complaints team by contacting Financing Futures Ltd by telephone on 03 5479333, by email to tony@financingfutures.co.nz or in writing to Financing Futures Ltd, PO Box 2406, Stoke, Nelson 7041.

We will consider your complaint following our internal complaints process and let you know how we may resolve it. We may need to ask you for more information. We will acknowledge your problem, concern or complaint within 48 hours of your initial email, letter or phone call being received. We aim to resolve complaints within 5 but no more than 21 working days from receiving them and will let you know if we need more time to consider your complaint.

If we cannot agree on how to resolve the issue you can contact Financial Services Complaints Limited (FSCL). This service will cost you nothing and will help us resolve any disagreements.

You can contact FSCL at:

Address details: PO Box 5967, Lambton Quay, Wellington 6145
Phone number: Call Free 0800 347 257, or 04 472 FSCL (04 472 3725)
Email address: info@fscl.org.nz

Duties information

Financing Futures Ltd and anyone who gives financial advice on our behalf has duties under the Financial Markets Conduct Act 2013 relating to the way that we give advice. We are required to:

- give priority to your interests by taking all reasonable steps to make sure our advice isn't materially influenced by our own interests;
- exercise care, diligence, and skill in providing you with advice;
- meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that we have the expertise needed to provide you with advice);
- meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure we treat you as we should and give you suitable advice).

This is only a summary of the duties that we have. More information is available by contacting us, or by visiting the Financial Markets Authority website at <https://www.fma.govt.nz>.

Financing Futures Limited (FSP487846) is the Financial Advice Provider.

You can contact us at:

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Phone number: 03 547 9333

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