



(FSP259485) (NZBN: 9429032741377)

Level 8, General Capital House, 115 Queen Street, Auckland, 1010
PO Box 1314 Shortland Street, Auckland 1140
Tel: 09-304 0145 Fax: 09-358 3858
Web: www.equity.co.nz

EQUITY INVESTMENT ADVISERS LIMITED DISCLOSURE STATEMENT

EQUITY INVESTMENT ADVISERS LIMITED is a (FSP259485) (NZBN: 9429032741377) Financial Advice Provider (FAP) licensed and regulated by the Financial Markets Authority to provide financial advice, specifically investments advice.

FAP Licensing Information

Client money or property service

Additional Information

Non-custodial service - retail service,

Start Date

05-Nov-2021

Client money or property service

Additional Information

Non-custodial service - wholesale service

Start Date

05-Nov-2021

Financial advice service (including financial advisers)

Additional Information

Financial advice provider - licensee - full licence

Class of Market Service/License Categories

Class 2

Authorisation Status

Licensed

Date of Authorisation

16-Mar-2023

Licensing Authority

Financial Markets Authority (FMA)

Level 2, 1 Grey Street, Wellington 6011, New Zealand

<http://www.fma.govt.nz>

Standard Conditions

You may find the relevant Standard Conditions by role at fma.govt.nz

Authorised Bodies

There are no Authorised Bodies operating under this licence.

Financial Advisers

2 Results

Standard Conditions

You may find the relevant Standard Conditions by role at fma.govt.nz

Financial Advisers

2 Results

Financial Adviser 1

[Antonio Boaventura Freitas ORNELAS \(FSP1006904\)](#)

FSP1006904

Financial Adviser 2

[Kuang-Li TSENG \(FSP767252\)](#)

FSP767252

Engagement Start Date

27-Feb-2024

16-Mar-2021

FAs will be covered under my DRS membership.

Yes

Offeror under an FMC offer

Start Date

15-Mar-2021

Trading financial products

Additional Information

Trading on licensed markets

Start Date

05-Nov-2021

Dispute Resolution Scheme

Insurance & Financial Services Ombudsman Scheme Inc. (IFSO)

Level 2, Solnet House, 70 The Terrace, Wellington 6143

<https://www.ifso.nz/>

DRS Membership Number

2001179

DRS Effective Date

17-Jul-2013

Tony Ornelas (Antonio Boaventura Freitas ORNELAS) (FSP1006904), as well as Ricky Tseng (Kuang-Li TSENG) (FSP767252) are authorised under our FAP licence to provide financial advice. There may be times when specific client need/s require very specialised advice, which we may not offer, in such situations we have authorised certain entities to provide financial advice under our licence. Please contact us to obtain a full list of these companies. Please note we do not use nominated representatives.

Nature and scope of the advice

Kindly note our services are focused on investment advice and cover listed-, unlisted-, alternate-, and KiwiSaver and Investment Funds advice.

Note: *We do not manage KiwiSaver or other investment funds i.e., we do not provide fund management services. Nor do we offer other financial services, such as insurance advice or mortgage advice, nor specialised tax advice or legal advice. We can recommend reputable specialists in these areas that are independent of us. Their advice is not in any way influenced by Equity, and we have no vested interest in these advice providers, nor do we receive any referral fees from them. This is in line with our policy that **third party advisers** are to be totally independent of us and we are not to receive any gifts or referral fees or brokerage from such parties.*

Equity only offers investment advice to clients based in NZ. Our advice covers the following areas for onshore and offshore investments only:

1. Direct listed investments (shares, bonds, capital notes, hybrid securities and property trusts and other listed property funds) for NZ and Australian investments and selected USA, Canada and UK investments
2. Listed and unlisted investment funds in NZ, Australia and some selected investments in the USA, CANADA and the UK.
3. KiwiSaver funds
4. Unlisted investments:
 - precious metals – physical- gold, silver, and platinum
 - property syndicates
 - unlisted forestry investments
 - unlisted agricultural investments
5. We also offer retirement and long-term advice investment advice services
6. We offer listed securities trading services to our clients via the Broker Direct trading platform

Kindly note we do NOT provide investment advice in the following areas:

- cryptocurrencies
- we do not deal in lifestyle type investments like fine art, antique furniture and classical cars and
- unlisted property.

Fees or expenses

For our services we charge as follows:

For initial communication or meeting in person or online (Zoom) we do not charge a fee for a maximum period of up to 1.5 hours.

- **Initial first full-service fee**

For an assessment of client situation, goals and needs, current products and services analysed, and new products and services analysed for proposal/recommendations, and for the advice preparation statement, we charge a **base fee of \$150 per hour or part hour of interviews and (whether in person, or on zoom or telephonic or email or text and other communication time where applicable) with a minimum charge of 3 hours for advice rendered.**

We charge up to a maximum of 30 hours at \$150 per hour or part hour depending on how complex your situation is. In the event more time is required, we do every additional hour/s at \$150 per hour up to a maximum of 15 additional hours depending on how complex the client's situation is. We also charge **brokerage** of:

- **0.5% to 1.5%** of the value of direct investments invested based on our recommendations. (for term deposits **0.5% brokerage**, for ordinary shares, preference shares, bonds, capital notes from **0.65% to 1.5% of value invested**).
- For **alternate investments like precious metals and unlisted investment property**, we charge **1% to 3%** of the value of investments made.
- **For investments advice for funds under management**, based on our recommendations we charge brokerage /commission as follows: (**1% of value invested %-for defensive-, conservative-, balanced- and growth funds and 1.5% for aggressive funds**).
- **For follow up assessment / recommendation fees** – we suggest at least twice a year and we charge a maximum of \$300 per client for a maximum 3 - hour assessment and recommendations per session, plus **1% brokerage of the value of changes to portfolio recommended and accepted**.
- **EQUITY INVESTMENT ADVISERS LIMITED will charge a fee for the financial advice that is provided to you.** *The final fee charged will depend on the nature and scope of the financial advice and service that we provide, and time involved, and the volumes/value involved and any brokerage or commission we receive from product or service providers as previously discussed above.* It will not be more than the above rates but could be less, depending on volume and values invested.
- **The exact fees we will charge will be confirmed at the time the advice is provided.**
- **We charge the relevant above-mentioned fees irrespective of whether you act or do not act on our advice. If you do not act on our advice within six months, then you will pay the full hourly rates for the hours for of work rendered up to the maximum mentioned above, but no brokerage will apply.** If you act on our advice within six months the brokerage / commission will also apply.
- **All our fees are payable BY THE DATE STIPULATED ON THE CONTRACT NOTE OR INVOICE.** There are no exceptions to this rule as we also need to meet also our contra obligations with third parties for services they may provide you, through us.
- **We charge these fees irrespective of whether you act or do not act on our advice.** If you do not act on our advice, then you will pay the full hourly rates for the hours for of work rendered up to the maximum mentioned above but no brokerage will apply.
- **The exact fees we will charge or our services, will be confirmed at the time the advice is provided or as per our disclosure statements (for the company and its advisers).**
- **In addition, clients will also be charged fees/brokerage by service providers like wrap services, custodial services and investment fund services such as KiwiSaver funds and other investments funds for their respective services and or products.**

Transaction Fees and Brokerage Charges

Equity Investment Advisers Ltd Brokerage Charges for listed securities sale or purchase orders

- **New Zealand (NZD)**
 - 1.5% On First \$10,000.
 - 1.0% Excess above \$10,000 up to \$100,000.
 - 0.8% Over \$100,000.
 - \$75 Minimum Brokerage Charge
 - \$80 **One-off Trade Minimum**
 - \$5.50 **Trade Fee for All Transactions**

- **Australian (AUD)**
1.5% On First \$10,000.
1.0% Excess above \$10,000 up to \$100,000.
0.8% Over \$100,000.
\$80 Minimum Brokerage Charge
\$100 One-off Trade Minimum
UK Listed Trusts (£)
2.5% Of Sum Transacted
£100 Minimum Brokerage Charge
\$40 (NZD) Certificate Courier Fee, if required
- **United States (USD)**
2.5% Of Sum Transacted
\$100 Minimum Brokerage Charge
\$40 (NZD) Certificate Courier Fee, if required
- **Other Secondary Market Transactions (NZD)**
1.5% Of Sum Transacted
\$15 Fixed Trade Fee
- **Non-Tradeable Fixed Interest**
No brokerage payable by investors if the issuer entity of the fixed interest securities pays Equity brokerage. However, if Equity is not paid brokerage by the issuer entity of the fixed interest securities, then Equity will charge clients 0.5% brokerage on the value of the securities obtained for the client.
- **Right to adjust fees, brokerage- and commission rates**
Equity Investment Advisers Limited reserves the right to adjust its fees, brokerage and commission rates as and when it deems this necessary, without notice to clients. However, any advice fees previously quoted will be met provided the quotation date is no longer than one month from the date the new fees are being introduced.

Conflicts of interest and brokerage / commissions / bonuses / incentives

To minimise conflicts of interest we do not allow advisers nor EQUITY INVESTMENT ADVISERS LIMITED to receive incentives or bonuses from any product or service provider. However, some product providers pay EQUITY INVESTMENT ADVISERS LIMITED a brokerage on their investment products and services. This can range from 0.5% to 1.5% of the value invested. If our advisers recommend products and services for which **EQUITY INVESTMENT ADVISERS LIMITED** gets brokerage, we will disclose this to the client, at the stage when our adviser renders the client the advice. **Our advisers must set the interest of the client above any considerations of brokerage or commission that EQUITY INVESTMENT ADVISERS LIMITED may receive from product and service providers.** Currently, our advisers receive commission ONLY as employees of **EQUITY INVESTMENT ADVISERS LIMITED**, which ranges from 25% to 50% of all fees and brokerage / commission generated from the adviser's clients for advice and services provided in any specific month. **No other bonuses or incentives are provided or allowed.**

Currently we do not receive non-monetary benefits that support our business from product suppliers, such as access to discounted services or profit sharing from our client business placed with them. However, should this occur in the future we will disclose this to clients in our annual follow ups.

Where EQUITY INVESTMENT ADVISERS LIMITED receives material commissions and / or incentives from third party service providers, these will always be disclosed to the client. A material commission or incentive could be brokerage and fees paid by service providers, as well as any contributions or sponsoring of educational professional courses for staff. **Currently we have no sponsorships from product or service providers.**

Any conflicts of interest will be resolved by our internal conflict resolution process, which is open to review by our DRS, if EQUITY INVESTMENT ADVISERS LIMITED does not satisfactorily resolve such a conflict of interest and if the client feels this is warranted.

Any potential conflict of interest will be first managed by our management team on the basis that the client's interest must always come first and only after meeting this key principle fully, then only may EQUITY INVESTMENT ADVISERS LIMITED benefit in any way. Our management team, led by our General Manager will handle any potential conflict of interest with the client that our advisers cannot resolve **after considering the principle that the client's interest comes first.** In the event, this cannot still be resolved, it will be referred to our DRS for a solution **and we will abide by their recommendation.**

Adviser bonuses, incentives, salaries and brokerage

The company has a strict policy that its advisers may NOT accept bonuses or incentives from product or service providers. This is so, to minimise the risk of conflicts of interests, as far as possible. Any adviser accepting such bonuses and incentives will be severely sanctioned and fined up to \$2000 by the company to discourage such practices. All advisers agree to this company rule when they join the company. **We want our advisers to put their client's interest first and foremost and not be influenced by gifts or bonuses or incentives from product or service providers.** The only exception allowed is product or service brokerage charged to clients or received by the company from service providers, as previously mentioned above. **Advisers may get salaries and commission or commission only (ranging from 25% to 50% of all net revenue generated from client advice via fees and brokerage charged to clients, that adviser advice generates).**

Brokerage rates payable by clients for products or services can range from 0.5% to 3% of the value of product or service the clients invest in. Some of these products and services have an initial brokerage and sometimes also an annual ongoing brokerage at the same rates as mentioned (with a range of 0.5% to 3% of value invested at renewal). **Our advisers will provide clients the specific brokerage rates that will apply to the products and services that they recommend to clients and whether there is ongoing brokerage. No other bonuses or incentives are provided or allowed.** On some direct investments such as Syndicated property investments and possibly precious metals EQUITY INVESTMENT ADVISERS LIMITED may receive brokerage or commission from such product suppliers.

Further, EQUITY INVESTMENT ADVISERS LIMITED may receive a stepped volume rebate, from a wrap platform that we may use for our clients for administration - and custodial services. This rebate maybe calculated on the volume of business we place with the Wrap service and products held in custody through the wrap account. *Currently, we receive no such rebates.*

To minimise conflicts of interest we do not allow advisers to receive incentives or bonuses from any product or service provider. However, some product providers pay EQUITY INVESTMENT ADVISERS LIMITED a brokerage on their investment products and services. This can range from 0.5% to 3% of the value invested. If our advisers recommend products and services for which EQUITY INVESTMENT ADVISERS LIMITED gets brokerage, we will disclose this to the client at the stage, when our adviser renders the client the advice. Our advisers as employees of EQUITY INVESTMENT ADVISERS LIMITED,

receive brokerage of between **25% to 50% of all fees and brokerage / commission** generated from the adviser's clients, for advice provided in any specific month. They receive **no other bonuses or incentives. Our advisers must place the interest of the client above any considerations of brokerage or commission that EQUITY INVESTMENT ADVISERS LIMITED may receive from product and service providers.**

To ensure our advisers prioritise our clients' interests: we follow an advice process that ensures our recommendations are made appropriately, based on clients' goals, risk profiles and their prevailing circumstances as provided by them.

- We maintain registers of conflicts of interests. These registers are monitored regularly, and additional training is provided as required.
- We undertake an annual independent Compliance Assurance Review by APLUS Compliance.

Complaints handling and dispute resolution

- When we receive a complaint, we will consider your complaint and let you know how we intend to resolve it. Where possible, we try to resolve your complaint immediately. The adviser involved is notified and the adviser advises the internal compliance officer and the manager about this, and the complaint is logged in the complaint register managed by the compliance officer and the adviser logs the complaint in the client file on the client database. The adviser discusses the complaint with the manager, and they determine the appropriate action and response to be provided to the client to address the complaint. If we are unable to resolve your complaint immediately, we will acknowledge your complaint within 3 business days. We may contact you to get further information about your complaint.
- We aim to resolve complaints within 5 working days of receiving them. We will contact you by phone or email or letter to let you know whether we can resolve your complaint and if so, how we propose to do so.
- If we need more time to investigate your complaint, we will let you know, when you can expect to receive a response to your complaint. We will contact you by phone or email or letter to let you know whether we can resolve your complaint and how we propose to do so.
- If this does not satisfy you, the client then you are requested to contact the adviser's manager Mr. Brent King directly on phone 021 – 632 660.
- In the event that even after discussions between the manager and the client fails to resolve the complaint, then the manager will forward the matter to our Disputes Resolution Scheme (DRS) which is Insurance & Financial Services Ombudsman Scheme Inc. (IFSO). Level 2, Solnet House, 70 The Terrace, Wellington 6143 <https://www.ifso.nz/>
- Our DRS provides a free and independent dispute resolution service that may help to resolve your complaint, if we haven't been able to do so, to your satisfaction.
- Please note that the advice we provide must meet the prescribed standards in the legislation, regulations and Code of Conduct for Financial Advice Services.
- **EQUITY INVESTMENT ADVISERS LIMITED** and our advisers have 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;
- exercise care, diligence, and skill;
- meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services

- meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services.

Our Duties, Values and Obligations

We, and anyone who gives financial advice on our behalf, have legal duties relating to the way that we give advice.

We must:

- give priority to our clients' 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 the advice;
- meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services; and
- meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services.

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 www.fma.govt.nz.

Client obligations to Equity Investment Advisers Limited

To ensure we can do our job and meet our duties and obligations, our clients doing business with us have the following obligations towards us, namely to:

- Give us honest information that we need.
- Advise us if any information we have about you that is incorrect.
- Update us as soon as possible of events that may impact past or current advice we provide and as to how you are impacted.
- Respond to our communications relatively timely.
- Confirm all our information supplied us either by email or text or telephone.
- Advise us asap if we inaccurately miss understood your needs, goals, and scope of advice we are rendering or rendered to you.
- Complain to us asap if you feel we have not complied with our duties or obligations.
- Pay our invoice on time as set out on our invoice or contract note.

Record keeping and personal information

We will keep records about the advice we provide you through the service for at least seven years. These records will include personal information about you. Records relating to you will be made available to you as soon as practicable after you request them. Requests can be made by contacting us.

The personal information we collect as part of the service is used in accordance with our privacy policy which is available on our website along with our terms and conditions.

If you are not satisfied with our service or financial advice, please tell us as soon as possible.

Call: 0800-437-8489 or 09-304-0145

Email: adviser@equity.co.nz

Write to **Equity Investment Advisers Ltd, PO Box 1314 Shortland Street, Auckland 1140**

Contact Details

EQUITY INVESTMENT ADVISERS LIMITED (FSP259485) (NZBN: 9429032741377)

Call: 09-304-0145

Email: adviser@equity.co.nz

Write to **PO Box 1314 Shortland Street, Auckland 1140**

A written copy of this information is available upon request.