



Investing
made
easy

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About Apex Group

Apex Group Ltd acquired MMC Ltd in April 2022. MMC has subsequently been rebranded to Apex Group NZ. Apex Group is a leading provider of financial services globally. In New Zealand, we service over 100 investment managers, product providers and investment professionals with over NZ\$ 100 bn AuA. Our in-depth local market knowledge and experience have serviced the New Zealand investment market since 2005. Our clients benefit from a full-service model built on leading technologies and global best market practices combined with local expertise and New Zealand proprietary developed systems.

What is Apex Wealth Management?



Introduction

Commonly referred to as a custodial wrap account or investment platform, Apex Wealth Administration is an electronic investment administration service that is available through selected investment professionals.

Designed and operated specifically for the New Zealand market, Apex Wealth Administration holds, administers, and reports on a wide range of local and offshore investments. This enables investment professionals to manage investment portfolios more effectively for you.

We provide you with a consolidated view of your investments and the convenience of having investments administered in one place. By having your investments managed via Apex Wealth Administration you do not have to worry about the significant ongoing paperwork and administration that is associated with investing.

Investment Custodial Services Limited

Investor assets are held in a bare trust in the name of Investment Custodial Services Limited (“ICSL”) which is a custodian owned by MMC Limited, acquired by Apex Group Ltd. in April 2022. Assets are also recorded at share registries, unit registries or New Zealand bank accounts in the name of ICSL.

Using Apex Wealth Administration vs Investing Directly

Benefits

Compared to investing directly, there are several key benefits of using Apex Wealth Administration – all designed to save you time and money.

Investing Via Apex Wealth Administration	Investing Directly
Access to investments	
Access to a wide range of local and offshore listed investments and managed funds, some of which are only available through an investment platform.	Generally, no access to wholesale managed funds.
Usually no minimum investment amount required for managed funds.	Often, a minimum investment amount is required which can be significant for some funds.
Pricing	
Fees for managed funds are generally at wholesale prices.	Retail pricing applies, which can be considerably more expensive than wholesale pricing.
Minimum brokerage fees for listed investments may be overcome through aggregation with a number of investors buying or selling the same listed assets.	Subject to minimum brokerage fees for small purchases or sales.
Brokerage generally at lower rates.	Higher brokerage rates usually apply.
Administration	
No investment application forms.	Applications required for each managed fund investment.
Purchases and sales arranged by Apex Wealth Administration on electronic instruction from your investment professional.	Arrange for purchases and sales yourself with each fund manager or via a broker for listed investments.
Administration paperwork received and handled by us.	Investment paperwork handled by you.
We reconcile your investments for you.	You keep track of the investments you own.
Cash distributions are applied to your Apex Wealth Administration cash account and available immediately for reinvestment.	Cash distributions paid to your nominated bank account - you will need to arrange the reinvestment of these distributions.
You only need to advise us of changes to portfolio details such as tax rates, postal addresses and bank accounts.	You need to advise all fund managers, brokers and registries individually of changes in your portfolio details.
Reporting	
Daily investment updates on current prices.	Update the value of your investments yourself.
Portfolio valuation and performance reporting for any investment period.	Calculate your own portfolio valuation and performance.
Complete cash and asset transactions history.	Maintain your own record of portfolio activity.
Progress reports on investment activity.	Monitor your own investment activity.
Comprehensive tax reporting for your portfolio including details of gross taxable income, tax deducted, deductible expenses, Portfolio Investment Entity (PIE) tax and foreign investment tax calculations.	Maintain your own records for preparing your tax return or have your accountant do this for you.

Using Apex Wealth Administration vs Investing Directly

How Do I access the Apex Wealth Administration Services?

Our Wealth Administration Services are only available through selected investment professionals. The first step is for you to enter into an agreement for services with an investment professional using the Apex Wealth Administration service. Depending on the arrangement between the investment professional and Apex Wealth Administration you may then be required to enter into a separate agreement with our custodian, ICSL.

Your chosen investment professional can then provide you with access to a selection of online portfolio reports around the clock. Reports are also available online to persons nominated by you such as professional trustees, accountants and solicitors.

How Does Apex Wealth Administration Work?

Investment professionals access the Apex Wealth Administration service through a secure site called the Adviser Portal. This website enables advisers to electronically create and manage portfolio records, initiate investment transactions and generate portfolio reports.

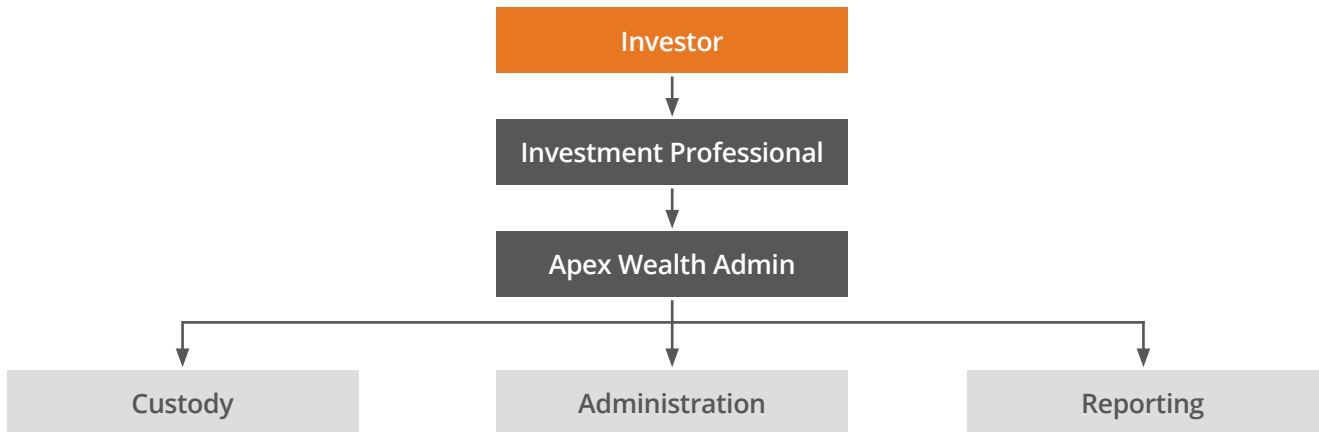
Investor Portal

We offer an Investor Portal that our investment professional clients have the option to use. This provides the end-investor with an online interactive dashboard that displays investment information such as portfolio valuation, returns, asset allocations, available cash and transaction activity. The investment tracking graph provides you with a portfolio valuation with the ability to change the period and interact with the graph to view historic value, contributions and withdrawal data.



Using Apex Wealth Administration vs Investing Directly

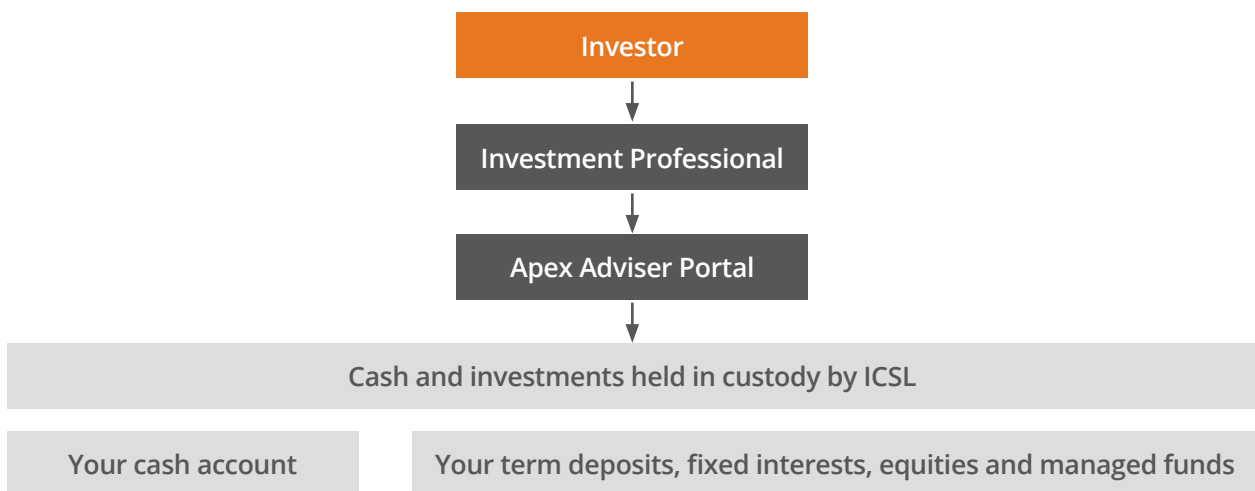
Your investment professional uses Apex Wealth Administration to manage your investments



Setting up your portfolio to access the Apex Wealth Administration service

1. Registration	2. Deposit	3. Allocation
The investment professional enters key portfolio information into the Adviser Portal such as portfolio name and ownership, address details, bank account and tax rates. Apex Wealth Administration validate this information (if required) and the portfolio is ready to accept cash and assets.	You deposit cash into ICSL's trust account and Apex Wealth Administration match your deposit with details provided by the investment professional through the Adviser Portal. Apex Wealth Administration can also cater for regular deposits to your portfolio.	Your cash is allocated to your portfolio and is then available for investing.

Investments held by ICSL on your behalf

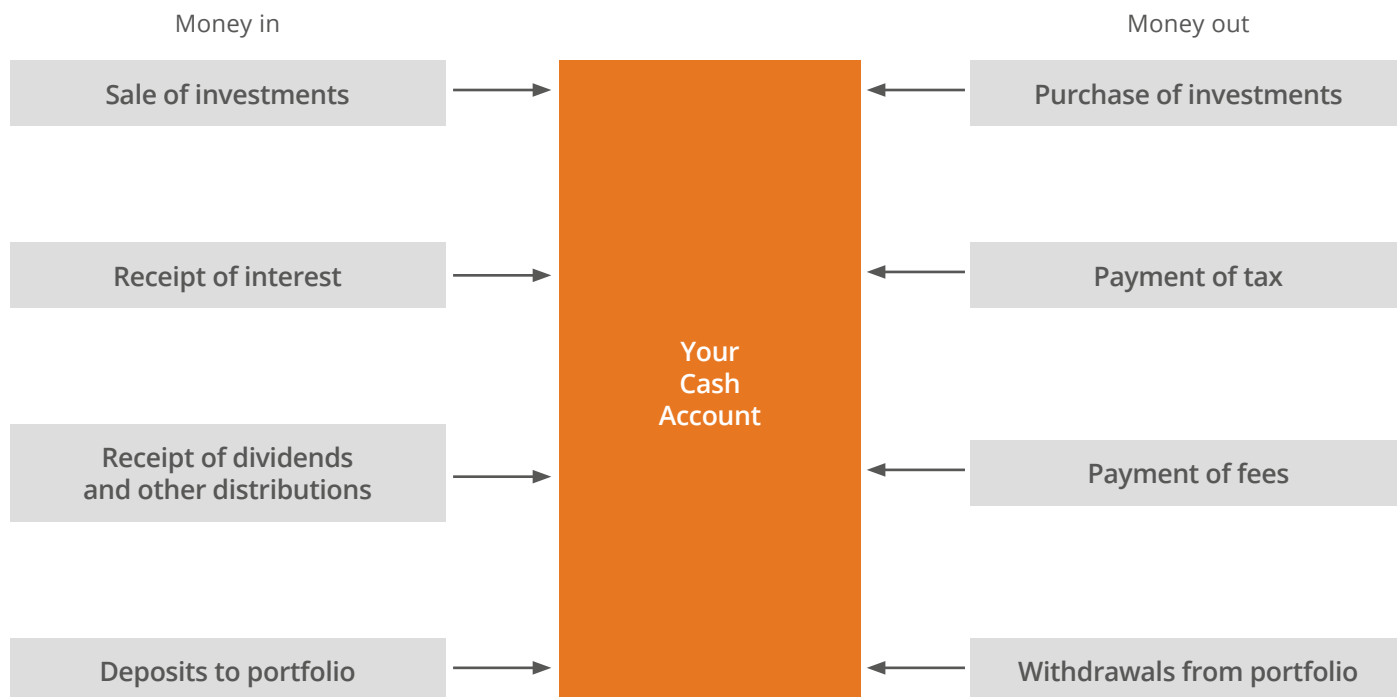


Alternatively, you can transfer existing investments held in your own name (or held on your behalf by another custodian) into your Apex Wealth Administration portfolio without needing to cash them up.

There are some investments that we cannot administer and may require cashing up. We arrange the transfer of records with the appropriate registries on your behalf. Even though investments are in the name of ICSL, you remain the beneficial owner of the investments. For more information about ICSL, refer to "Who Holds My Investments?".

Using Apex Wealth Administration vs Investing Directly

Transactions flow through your cash account



Your cash account is at the heart of the services provided by Apex Wealth Administration, with all your investment cash transactions flowing through this account. Through the Adviser Portal, investment professionals and their employees initiate transactions agreed with you, such as the addition or withdrawal of cash or the sale or purchase of investments within your portfolio. Depending on the authority given by you to your investment professional, these transactions may require written consent from you before we can process them. Interest, dividends and other distributions from your investments are received and automatically allocated by Apex Wealth Administration to your cash account.

There are also foreign currencies available to you through our Wealth Administrations Service such as Australian dollars, US dollars and British pounds. Apex Wealth Administration automatically create a cash account in these currencies when you purchase assets or receive dividends in these currencies.

The New Zealand and foreign cash accounts pay interest at rates that vary according to the market rates at the time. Interest is allocated monthly to your portfolio's cash account.

The ongoing fees agreed between you and your investment professional are calculated and automatically deducted from your portfolio's cash account, usually monthly. Fees are generally tax deductible against taxable investment income. We update the value of your investments held through the service on a regular basis. For many investments, values are updated daily. This means you can access current values and performance for your investment portfolio.

Managing Your Investments

What Can I Invest In?

We hold, administer and report on a wide range of investments, including cash, fixed interest, equities, managed funds, specialty assets and currencies.

Cash includes your portfolio cash account, which is held through a New Zealand bank and selected bank term deposits.

Fixed interest includes NZ Government and corporate bonds listed on the NZX and unlisted domestic fixed interest securities.

Equities include listed domestic and international ordinary and preference shares, rights issues, options and notes and some unlisted domestic shares.

Listed investments are transacted through the NZX broker nominated by your investment professional.

Managed funds include unlisted New Zealand domiciled unit trusts - including Portfolio Investment Entity (PIE) funds, unlisted foreign domiciled managed funds such as Australian unit trusts and exchange traded funds. Investors in unlisted managed funds held via Apex Wealth Administration generally enjoy a substantial discount on fees to retail managed funds.

Additionally, a number of managed funds available are either not accessible directly to retail investors, or if they are they have substantial minimum investment requirements.

Speciality assets are predominantly managed funds or exchange-traded funds concentrated in a specific investment area.

How Do I Make Changes To My Portfolio Investments?

Your investment professional will discuss your investment requirements with you and may recommend changes from time to time. They will also instruct Apex Wealth Administration to buy and sell investments in your portfolio.

How Do I Withdraw Money From My Portfolio?

Your investment professional can instruct Apex Wealth Administration to withdraw funds from your portfolio, including regular withdrawals. Apex Wealth Administration will pay these to the nominated bank account loaded against your portfolio records. You can choose to have more than one nominated bank account for withdrawals. For security reasons, we will not pay withdrawals to bank accounts that are not loaded against your portfolio.

Who Holds My Investments?

We use a custodian, ICSL, to hold investments on your behalf. This is an efficient way of administering investments as it enables us to aggregate the purchase or sale of an investment on behalf of a large number of investors and transact this in the market as a single instruction. It also enables Apex Wealth Administration to receive consolidated interest and dividend payments, which it then allocates to individual investors' portfolios.

In other words, aggregation enables Apex Wealth Administration to undertake less investment transactions with fund providers and brokers. This aggregation ability is one of the reasons why fees for managed funds purchased through us are often cheaper than if purchased directly. Aggregation can often avoid investors being charged minimum brokerage fees for listed investments that might otherwise be charged for small transactions.

ICSL acts as a bare trustee and has no discretionary powers in relation to your investments. It cannot undertake investment transactions without instructions from you or your authorised representatives. Although ICSL is the registered holder of investments, you retain the beneficial ownership of your investments.

Who Handles My Money?

To add cash into your portfolio, you simply deposit the amount directly into the trust account held by ICSL. We then ensure the cash is added to your portfolio. Any cash withdrawals you require from your portfolio are paid directly into your nominated bank account.

You can transfer existing investments into your portfolio by transferring their ownership to ICSL. This enables us to administer these investments for you, while you retain beneficial ownership of your investments.

Interest and dividend payments from your investments are automatically added to your Apex Wealth Administration cash account and retained in your portfolio. Purchases of investments and proceeds from your investment sales are deducted or added to your cash account.

By having your investments held via Apex Wealth Administration, you do not have to worry about the significant ongoing paperwork and administration that is associated with investing.

It is important to note that none of your investment professional, Apex Wealth Administration or ICSL guarantee the performance of the investments in your portfolio. Investments are subject to investment risk including loss of income and capital invested.

How Is Tax Handled?

For many investments, we will calculate and deduct tax on your behalf and pays this tax to the Inland Revenue, where required. Resident Withholding Tax ("RWT") will generally be deducted from gross interest income you earn for both New Zealand and offshore investments.

Apex Wealth Administration may also be required to deduct RWT from dividends you receive from New Zealand and Australian shares. This will be dependent on the level of imputation credits recorded against the dividend. Apex Wealth Administration will generally deduct RWT at the rate recorded against your portfolio. If you are not a New Zealand tax resident, we may need to deduct Non-Resident Withholding Tax ("NRWT") from interest and dividends you receive from New Zealand investments.

If you invest in Portfolio Investment Entities ("PIEs"), we will calculate and deduct the required PIE tax using the Prescribed Investor Rate (PIR), recorded against your portfolio.

There are some investments such as overseas shares which are taxed under the foreign investment funds rules (generally this will be the fair dividend rate method) where Apex Wealth Administration is not required to deduct tax. For these investments, you will be required to include this income in an annual tax return and pay the appropriate tax directly to the Inland Revenue.

We provide comprehensive tax reports to assist in the preparation of annual tax returns and financial statements for your portfolio. This includes details of fees charged to your portfolio which may be deductible against taxable income, all investment income received by Apex Wealth Administration of interest, dividends and other cash distributions, PIE funds taxable income and taxable income calculated under the foreign investment fund rules. We are ideally placed to undertake the complex calculations required under the foreign investment funds rules because of the up to date pricing and exchange rate information maintained as an integral part of the services we provide.

As the taxation of investment income can be complex, we recommend you seek advice from a tax professional.

Managing Your Investments



What Reporting Do I Receive?

As Apex Wealth Administration holds your portfolio investments, records all transactions that take place within your portfolio and has up to date pricing and exchange rate information, Apex Wealth Administration provide the source of truth when it comes to portfolio reporting. Your investment professional can deliver a comprehensive range of reports to you including:

- Portfolio valuation
- Portfolio income
- Pending transactions
- Portfolio performance (gross and net of tax)
- Cash transactions
- Taxation reporting
- Asset transactions

Your investment professional will agree with you how often they will provide portfolio reports to you. They can also offer you a range of portfolio reports to view online as and when you require. You can choose to have these online reports made available to other people that may be associated with or provide portfolio related services to you, such as trustees, accountants and solicitors.

What Does It Cost To Use Apex Wealth Administration?

Our fees are based on the value of your portfolio held by Apex Wealth Administration. Each day, fees are calculated based on the end of day value of your portfolio, and this amount accrues until it is deducted from your by Apex Wealth Administration cash account. This deduction is usually monthly but may be on another frequency as agreed with your investment professional.

Your investment professional's fees are usually calculated the same way as the Apex Wealth Administration fees and may be presented as a combined fee or shown separately. Your investment professional will agree these fees with you at the time of establishing your portfolio. The fees deducted are shown on cash transaction reports available to you.

If there is insufficient cash in your cash account to pay the fee, it will continue to accrue until sufficient cash is available to pay the fee. In some instances, your investment professional may need to sell some of your investments to make cash available to pay fees.

Your investment professional may undertake ad hoc work for you and either invoice you directly for this work or agree with you to have the amount deducted from your Apex Wealth Administration cash account.



How Do I Terminate My Portfolio With Apex Wealth Administration?

In the first instance, contact your investment professional. Most portfolio investments can be transferred into your own name, though others may need to be sold if they are not available to be held by you directly. The contract you have with your investment professional will also specify termination terms and conditions.

What Are My Rights Under The Privacy Act?

Under the Privacy Act 2020, you have rights of access to and correction of any personal information that Apex Wealth Administration or ICSL hold about you. When appropriate and for the purposes of ongoing administration of your investments, Apex Wealth Administration and ICSL may need to provide your details to parties associated with providing investment services to Apex Wealth Administration.

If you have any concerns about how your personal information is used in connection with Apex Wealth Administrations services, please contact us on 0800 800 638.

Contact Us

If you need more information on investing via Apex Wealth Administration, contact your investment professional. To contact Apex Wealth Administration directly, our details are:

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