

# QuayStreet Portfolio Service - Client Agreement

## 1. Introduction

The QuayStreet Portfolio Service (**Service**) is provided by Smartshares Limited (**we, us or Smart**) to investors (**you**) with investments (**Investments**) in any of the funds in the QuayStreet Funds and/or QuayStreet KiwiSaver Scheme specified in the Schedule to these Terms & Conditions (**Funds**). Your Investments are your **Portfolio**.

The Service provides a simple and efficient way for you to manage your Portfolio and gives you:

- Online access to view all of your Investments, holdings and transactions, in one place.
- Easy tracking of your Portfolio through regular and comprehensive reports and statements.
- Ability to add to or withdraw from your Investments.
- Reduced paperwork.
- Taxation reporting - each Fund is a portfolio investment entity (**PIE**) and the Service will provide you with an investor certificate setting out your income, tax credits and any allocated rebates as well as any PIE tax paid on your behalf under the Service.

Smart will only act on your instructions to transfer, buy and sell your Investments in your Portfolio.

The Services include "client money and property services" for the purposes of the Financial Markets Conduct Act 2013 (**FMCA**). Any Investments in the QuayStreet Funds scheme (**QuayStreet Fund Investments**) that you hold through the Service are registered in the name of a custodian, however you always remain the beneficial owner of your Investments. Smart has arranged for NZX Wealth Technologies Limited (**NZXWT**) to provide custodial services through its nominee, NZX WT Nominees Limited (NZBN 9429045977848) (**Custodian**).

The Service is provided by Smart through NZXWT's custodial investment management platform (**Platform**) and associated website (**Website**). Smart, NZXWT and the Custodian are all wholly owned subsidiaries of NZX Limited. In addition to providing the Service, Smart is also the manager of each Fund.

Holding your Investments in custody allows us to handle all transactions on your behalf through the Service, provide views and reports on your Investments, along with a consolidated view of your Portfolio reports. This includes processing distributions from the QuayStreet Funds along with any associated tax.

You will continue to be the legal owner of your Investment in the QuayStreet KiwiSaver scheme and that Investment will not be held in custody by the Custodian. However, the Service will enable us to record and report on your Investments in the QuayStreet KiwiSaver scheme alongside your Investments in the QuayStreet Funds scheme.

These Terms & Conditions apply to you and other investors in the Funds who use the Service and Website. By using the Service, including the Website, you are deemed to agree, without qualification, to these Terms & Conditions.

If you do not agree to be bound by these Terms & Conditions, you must stop using the Service, including accessing and using the Website.

## 2. Fees and Expenses

Smart will not charge you a fee for the Service or for holding your Portfolio and your Investments in the Service.

As licensed manager of each Fund, Smart is entitled to receive the management fees and other remuneration disclosed in the product disclosure statement for each Fund.

### 3. Administrator and Custodian

You appoint us to act as the administrator of your Portfolio and authorise the Custodian to hold your QuayStreet Fund Investments on your behalf.

The Custodian will:

- hold your QuayStreet Fund Investments on your behalf as bare trustee. These Investments may be held in a pooled account (which means that the legal title to Investments held on your behalf and on behalf of other users of the Service is held by the Custodian in a single name)
- hold all Investments comprising client money received by it on your account on trust for you and deposited in a trust account.
- transfer, buy and sell Investments on your behalf in accordance with instructions (Instructions) from you or a person you have notified to us as being authorised to give us Instructions on your behalf (**Authorised Person**)
- deposit to your Cash Management Account all money received from the settlement of any transactions undertaken on your behalf
- maintain accounting and custody records that enable your investments to be readily identified as your property
- pay from your cash account with us for the Service (**Cash Management Account**) all amounts due to brokers, dealers, trust managers or other persons for the settlement of any transactions undertaken on your behalf, including any fees that you have agreed to pay to any financial adviser you have appointed to help manage your portfolio (**Adviser**)
- carry out any foreign exchange transactions necessary to carry out your Instructions, with any bank or broker that we select on terms that we select in each case consistent with, and to the extent necessary, to carry out your Instructions
- redeem interests in your Investments to allow for the payment of tax at your tax rate (**PIR**) for attributed portfolio investment entity (**PIE**) income allocated to you or other applicable tax on your investment income, should we deem that necessary or desirable in order to comply with New Zealand law
- select the method of withdrawal when you instruct us to sell some or all of your Investments
- operate your Cash Management Account in accordance with these Terms & Conditions
- provide your Adviser with access to the Platform to enable your Adviser to view your Portfolio and produce reports, Portfolio valuations and transaction statements for you
- following the end of each tax year, provide you with a tax statement in respect of your Investments
- appoint (and revoke the appointment of) sub-custodians to perform any of the duties or functions (and to have the powers and protections) of the Custodian
- provide you with six-monthly reports about your Portfolio.
- deal, on terms that we select, with any banks, brokers, trustees, issuers and other persons as required to meet our obligations under these Terms & Conditions

The Custodian may deposit its own money into the trust account to the extent reasonably necessary to rectify, or reduce the risk of, a shortfall arising in the Investments held for you in that account and otherwise in accordance with the requirements of Schedule 21C of the Financial Markets Conduct Regulations 2014.

In providing the Service, we will exercise, and we will use reasonable endeavours to ensure that NZXWT and the Custodian exercises, the care, diligence and skill that a prudent person engaged in the business of providing the Service would exercise in the same circumstances.

#### 4. Limitations on Service

You acknowledge that the Service is limited to the administration of your Portfolio and holding of your QuayStreet Fund Investments and does not include, and we take no responsibility in respect of:

- the giving of financial advice
- the choice, review and performance of Investments

The availability of the information on the Website does not constitute a recommendation or endorsement by us or any other person of any investment product or service. Any information provided is not financial advice in relation to buying, holding or selling investments or any investment strategy.

Investments in the Funds that are available through the Service are not guaranteed by us, NZXWT, the Custodian or any other person. We do not research or review the Investments to determine whether they are or remain suitable for you or your particular circumstances. In providing the Service, we only act on instructions from you to buy and sell Investments – we do not decide if those instructions are suitable for you.

#### 5. Other acknowledgements, confirmations and undertakings

You acknowledge, confirm, agree and undertake as follows:

- you are the beneficial owner of the Investments, or you act as trustee or nominee on behalf of the beneficial owner and have authority to act on their behalf in relation to the Investments
- all information provided by you, including in any application form, is complete and accurate
- we have no obligation to forward or take any other action whatsoever in connection with any communications received in respect of any of your Investments
- the Custodian may execute such certificates of ownership, declarations or other certificates as are legally required or convenient
- on request, you will provide all necessary documentation and information to enable us to deposit and otherwise safeguard your Investments
- the information that is required to be provided to you by Regulation 229Q(1) of the Financial Markets Conduct Regulations 2014 (including record of transactions and information on client property currently held by the Custodian on your behalf) will be made available to you through an electronic facility on the Website on a substantially continuous basis and that we have given you access to that facility
- in addition to the provision of information to you through the electronic facility on the Website we may also send you information about your Investments electronically, to your designated email address
- you have read and understood and are bound by the terms and conditions and product disclosure material (including any relevant product disclosure statements) for the relevant Funds to which your Investments relate
- you will provide all necessary documentation and information to us as we may reasonably request for the purposes of our compliance with our obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (**AML/CFT Act**)
- if you are a trustee or nominee:
  - your Portfolio is for legitimate purposes and does not obscure the beneficial ownership of Investments
  - on request, you will provide us with all requested details of the beneficial owners and associated verification information

## 6. Instructions

We can refuse to act on any Instruction if we're not satisfied with the authenticity of the Instruction.

When dealing with any Instruction, we have no obligation to confirm the identity of the person giving any Instruction, including your identity or the identity of any Authorised Person.

We are not liable to you for any losses you may suffer where we act on any Instruction.

Once an Instruction has been given, it can't be revoked (although it may be possible to modify the Instruction).

We can refuse to act on any Instruction if:

- the Instruction:
  - is incomplete, ambiguous or unclear
  - conflicts with any law;
  - is contrary to the governing documents of the Funds; or
- there are insufficient funds in your Cash Management Account to pay for any Investments to be acquired and any costs associated with implementing any Instructions; or
- you have not provided us with the required information to carry out that instruction, or we do not have sufficient information from you to verify you under the AML/CFT Act.

## 7. Cash Management Account & Nominated Account

When you join the Service, we'll establish your Cash Management Account. When you deposit money into the Service, it is pooled with other investors' money and held by the custodian in a client trust account. Your Cash Management Account represents your recorded share of that pooled account. We'll credit your Cash Management Account with:

- money you deposit
- income from any distributions from your Investments, including interest or dividend income and other distributions
- interest earned on the balance of your Cash Management Account balance

We take money from (debit) your Cash Management Account when:

- Investments are purchased for you
- fees and expenses are paid for you
- taxes due on any income earned by your Investments
- you make any withdrawals

Your nominated bank account is the bank account you've notified to us in your application form or otherwise. We will deposit any withdrawals you make from your Portfolio into this account. To change your nominated bank account, you need to notify us and supply proof of your new account number.

Only you or your Authorised Person can change your nominated bank account. Your nominated bank account must be in your name.

## **8. Liabilities**

In the provision of the Service, we are not and cannot be liable to you except for direct losses resulting from our dishonesty, negligence or wilful default. In any event, our liability to you in the provision of the Service is limited to the value of your Portfolio at the relevant time.

You must indemnify us for any losses and costs we suffer or incur as a result of you breaching these Terms & Conditions, any actions taken by us in providing the Service, and any PIE tax liability (including any incorrect PIR).

To the fullest extent permitted by law, we exclude all warranties and representations in relation to the Services and Website (including in any content on the Website and the Services in general) and we are and will not be responsible for any errors or misstatements on the Website.

You will take all necessary action to defend and indemnify us against all costs, expenses and damages incurred in connection with any claim brought against us arising from a breach by you of these Terms & Conditions.

## **9. Consumer Guarantees Act & Financial Markets Conduct Act**

The Consumer Guarantees Act 1993 applies to the Service, unless you are using the Service for the purposes of a business.

No term of these Terms & Conditions is intended to have the effect of contracting out of our obligations, or obligations of the Custodian, in the provision of the Service under the Consumer Guarantees Act 1993 or the FMCA, except to the extent that this is permitted by law. Any term of these Terms & Conditions will be treated as amended to the extent necessary to reflect this intention.

## **10. Amendment and assignment**

We can amend these Terms & Conditions by giving 30 days' notice, on the Website.

We can assign our rights and transfer our obligations under these Terms & Conditions (including to any related entity) by giving 30 days' written notice on the Website. If we do this you will be treated as releasing us absolutely from any obligations which we transfer.

## **11. Users outside New Zealand**

The information on the Website is intended exclusively for New Zealand users. The Website may not be appropriate or available for use in other jurisdictions.

If you choose to access the Website from a jurisdiction other than New Zealand, you are responsible for ensuring compliance with any applicable laws of that jurisdiction.

## **12. Under 18?**

If you are under 18, you may only use the Services and Website with the consent of your parent or guardian.

### 13. Privacy policy and personal information

Information collected through the Website, including your personal information, may be provided to third party organisations who provide services to Smart, including in the performance of its functions as licensed manager of the Funds, or to perform entity validation and anti-money laundering and countering terrorism checks. Smart is entitled to hold and retain all information relating to you and, if applicable, your transactions and Investments, for the purpose of Smart carrying out its functions and complying with its regulatory compliance and other legal obligations as the provider of the Service and as licensed manager of the Funds. Smart will take all reasonable steps to ensure your personal information is protected and held securely. Smart will collect, store, use and disclose your personal information in accordance with our Privacy Policy, which can be viewed here <https://quaystreet.com/privacy-statement>.

### 14. Copyright, Trademarks and Limited Reproduction Notices

The design and contents of the Website are the copyright of NZXWT or suppliers to us.

You may print or download extracts from the Website but only for your own non-commercial use.

The Website must not be distributed or copied for any commercial purpose. You are not permitted to incorporate the contents of the Website without our prior written consent. Further, you may not copy, use, remove or alter any trademarks or logos that appear on the Website or on any content on the Website.

### 15. Links to our Website and Framing

We reserve the right to prohibit links to the Website and you agree to remove or cease using any link upon our request. You may not frame any part of the Website content by including advertising or other revenue generating material.

### 16. Registration and accounts

Where you complete a registration in relation to the Website:

- Password security: You will ensure that usernames and passwords required to access the Website are kept secure and confidential. You will notify us immediately of any unauthorised use of your username or password or any other breach of security.
- No transfers: You may not transfer the login or other details you use to access the Website (**Access Information**) to another user or maintain more than one set of Access Information with us without our consent.
- Registration data: You confirm that the data you provided on registration was current, complete and accurate. You must maintain and update the data as required to keep it so.
- Reliance upon password: You agree to indemnify and hold us harmless against any claims, costs, or losses arising out of any acts carried out through the use of your password.
- Access rights: Where you grant other users (**Other Users**) access to your Portfolio, you agree to indemnify and hold us harmless against any claims, costs, or losses arising out of any acts carried out by the Other Users.
- Suspension and termination: We may suspend, terminate and/or limit your access to the Website.

## 17. Investment risks

The market value of investment products may vary greatly and past performance is not an indicator of future performance. The price of a particular investment product may vary, up and down, as a result of a number of factors such as market risk, company, sector and country exposure risk, currency exchange risk and economic and political risk impacting on that investment product and the issuer of the investment product. Also, different financial instruments and markets carry different levels of risk.

We therefore strongly recommend you consult your professional advisers before proceeding with any transaction. You should read and understand any offer documents relating to an investment product prior to undertaking transactions via the Website in respect of your Portfolio.

## 18. Prohibited conduct

You must not do any of the following when you use the Website:

- take any action that in our opinion attempts to access the personal or investment information of any other user or their investment portfolio;
- use the Website for any purpose that is unlawful or prohibited by these Terms & Conditions;
- introduce onto the Platform any viruses, spyware, malware, Trojans or disabling code;
- publish advertising material of any kind or market any goods or services directly to other users; or
- attempt to disrupt or interfere with the operation of the Website.

## 19. Incorrect Information

If for any reason you access, or are able to access, any other user's information or their investment portfolio, you will:

- report this to us immediately; and
- not use, copy, disclose or send the information to any other party.

## 20. No Relationship

These Terms & Conditions do not create a partnership, joint venture, agency, advisory or employment relationship of any kind between us and you.

## 21. General

If we do not enforce any part of these Terms & Conditions we will not be construed as having waived that part or our rights to later enforce that or any other part of these Terms & Conditions.

If any part of these Terms & Conditions is deemed to be invalid, unenforceable or in conflict with the law, that part is automatically replaced with a provision which, as far as possible, accomplishes the original purpose of that part.

## 22. Law

These Terms & Conditions are governed by and are to be construed in accordance with the laws of New Zealand and you submit to the non-exclusive jurisdiction of the Courts of New Zealand.

### 23. Contact

If you have any questions or concerns in relation to the Website or these Terms & Conditions, please contact us at [info@quaystreet.com](mailto:info@quaystreet.com).

### 24. Complaints

Smart is registered as a Financial Service Provider in connection with the provision of the Service (FSP Number: FSP26531).

Any complaints in connection with the Service can be made to us at:

Complaints – QuayStreet Portfolio Service  
Smartshares  
PO Box 105262  
Auckland 1143

Telephone: 0800 782 900  
Email: [info@quaystreet.com](mailto:info@quaystreet.com)

If you made a complaint to us, and the complaint cannot be resolved, you may refer it to Financial Services Complaints Ltd (**FSCL**) – a Financial Ombudsman Service. FSCL is our independent external ombudsman and dispute resolution service.

Financial Services Complaints Limited  
PO Box 5967  
Wellington 6140

Telephone: 0800 347 257  
Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

FSCL will not charge you a fee to investigate or resolve a complaint.

## **SCHEDULE**

### **FUNDS**

#### **QuayStreet Funds**

QuayStreet Fixed Interest Fund  
QuayStreet Income Fund  
QuayStreet Conservative Fund  
QuayStreet Balanced Fund  
QuayStreet Socially Responsible Investment Fund  
QuayStreet Growth Fund  
QuayStreet High Growth Fund  
QuayStreet New Zealand Equity Fund  
QuayStreet Australian Equity Fund  
QuayStreet International Equity Fund  
QuayStreet International Equity (NZD Hedged) Fund  
QuayStreet Altum Fund

#### **QuayStreet KiwiSaver Scheme**

QuayStreet Fixed Interest Fund  
QuayStreet Income Fund  
QuayStreet Conservative Fund  
QuayStreet Balanced Fund  
QuayStreet Socially Responsible Investment Fund  
QuayStreet Growth Fund  
QuayStreet High Growth Fund  
QuayStreet New Zealand Equity Fund  
QuayStreet Australian Equity Fund  
QuayStreet International Equity Fund  
QuayStreet International Equity (NZD Hedged) Fund  
QuayStreet Altum Fund