

Disclosure Statement - Mortgages Insurance and KiwiSaver

It is important that you read this document. Here is some key information you need to know to help you understand what type of advice we are able to give you, so that you can make an informed and confident choice when engaging us.

LICENSING INFORMATION – Our credentials and contact details.

FAP: Nexus Financial Advisory Limited – FMA Full Licence FSP Number: FSP1001587

Trading As: Nexus Mortgages, Nexus Lending, Nexus Insurance

Company: Nexus Financial Advisory Limited

Address: 478 Centennial Drive, Taupo, Taupo, 3351 New Zealand Mobile: +64 21 758 007

Email: nicole@nfa.co.nz

Financial Adviser: Patricia Fulcher - Registration number FSP1000021

Financial Adviser: Nicole Drought - Registration number FSP604449

Financial Adviser: Natalie Stephens - Registration number FSP1007767

NATURE AND SCOPE OF THE ADVICE – The services we provide

MORTGAGES

NEXUS provides advice to clients about their mortgages. We will help you choose a loan that is suitable for your purpose from a panel of lenders (see below). Once I have chosen a lender and loan terms that are suitable for you, I will help you to obtain an approval where possible.

We source loans from banks and non-banks. These include but are not limited to:



INSURANCES

NEXUS provides advice to our clients about Life and Health insurance. Our 'Financial Advisers' provide financial advice in relation to Life and Health Insurance. The advice we provide can only be based on the information that you provide to us, and our advice and information will be limited to the insurances that you have requested.

We provide financial advice for the following insurance companies.



KIWISAVER

At Nexus, we offer personalised KiwiSaver advice to help you make informed decisions. We currently work with NZ Funds and Generate as our KiwiSaver providers and will guide you in selecting a fund that best suits your individual goals, circumstances, and risk profile, ensuring your KiwiSaver works for you.

We provide investment advice for the following KiwiSaver Providers.



PRODUCTS WE PROVIDE

MORTGAGES – The types of loans we arrange

We help our clients with all their lending and mortgage needs. The types of financial advice products I can give advice and submit applications on your behalf for are:

First Home Buyers	Owner/Occupier Loans	Refinancing
Investment Property Loans	Second mortgages	Construction/Renovation Loans
Business and Commercial Loans	Vehicle and Asset Finance	Debt Consolidation Loans

We are unable to offer legal or tax advice and recommend you consult your solicitor or accountant for this. Any advice we give in relation to KiwiSaver withdrawal for a first home purchase is limited to information on what can be withdrawn and the process for this and does not extend to whether this is in your best interests. Please consult an investment adviser for advice on retirement savings.

INSURANCE- The types of policies we arrange

We provide advice on the following products:

- Life Insurance
- Trauma Insurance
- Income/Mortgage Protection Insurance
- Private Medical Insurance

CONFLICTS OF INTEREST AND INCENTIVES – How we put you first

For mortgages, NEXUS receives commissions from the banks or insurers with whom we arrange mortgages or insurance. If you decide to take out the mortgage, the bank will pay a commission to your financial adviser. The amount of the commission is based on the amount of the mortgage. If you decide to take out insurance, the amount of the commission is based on the policy type and insurance company.

To ensure that NEXUS financial advisers prioritise clients' interests above their own, they follow an advice process that ensures recommendations are made on the basis of each client's goals and circumstances. All NEXUS financial advisers undergo ongoing annual training about how to manage conflicts of interest. NEXUS also reviews its compliance program on an annual basis.

FEES AND COMMISSIONS - How we are paid

INSURANCE

We do not charge you for our advice and service because NEXUS receives a payment from the insurance company when we arrange and place your policies with them. Once your insurance policy is issued, NEXUS receives commission from the insurer. The commission amount is based on the premium for the first year of your policy and depends on the insurance provider and the policy you choose. NEXUS will continue to be paid an annual servicing commission for as long as you hold the policy with the insurer.

NEXUS may receive commissions of between 50% and 230% of the first year's premiums on your insurance policy – the amount depends on which insurance company and which insurance policy you choose. Nexus may also receive a commission payment of between 1% and 30% of the premium for each year the insurance policy remains in force. Our financial advisors receive a portion of these commissions.

Insurance CLAWBACK

Should you cancel your insurance within 24 months of your insurance being taken out, the insurer will clawback any commission paid to us. In the event that you do this without giving us the opportunity to assist you with a review, we will charge you a fee based on time taken to get the insurance approved and implemented. The hourly rate for this will be \$250+GST per hour. The maximum charge for clawbacks will be \$3,000+GST

MORTGAGES

This is how Nexus, and the Nexus financial advisor gets paid. It details how you pay for our services. It is never true that mortgage advisor services are free, they are always paid in some way. There are several standard ways we are paid.

1. Commission is a percentage of the loan amount, from the lender when the loan settles. This comes out of the profit the bank makes on your loan. This is typically how main banks pay mortgage advisors.
2. An advisor(broker) fee that is a percentage of the loan amount, that is added on top of the loan amount and added to the loan. This is an extra amount added to your loan. This is often how non-bank lenders pay mortgage advisors.
3. A trail commission, that is a percentage of the loan amount, paid out for the life of the loan and calculated on the balance of the loan as it reduces. Some banks and non-bank lenders use this.
4. A combination of 1, 2 and 3 can occur also.
5. A refix fee is paid to us when we help you refix your loan.

As these percentages and fees differ across the lenders and can change at any time, we will disclose to you how we will be remunerated re 1 – 4 above regarding lenders we recommend suiting your situation and position. These payments are made to us on settlement of the loan. The commissions above are typically how we are paid.

Mortgage CLAWBACK

Should you repay or refinance your loan within 28 months of your loan being taken out, the lender will clawback any commission paid to us. In the event that you refinance your loan without giving us the opportunity to assist you with a refinance, we will charge you a fee based on time taken to get the initial loan approved and implemented. The hourly rate for this will be \$250+GST per hour. The maximum charge for clawbacks will be \$3,000+GST

MORTGAGES OTHER CHARGES - Where we might charge

In limited circumstances we may charge a fee and/or expense to clients. This is not usually the case and when we do charge a fee and/or expenses we will make this clear to you as soon as possible at the beginning of the process, unless it is non-disclosure. This section details those circumstances.

All fees stated below are reviewed on a case-by-a-case basis. We will try to offer alternative options/solutions other than charging fees, all we ask is that you keep us informed of any changes in your situation. For all one-off fees you will be invoiced and will be given 7 days to make payment.

1.Complex Lending Situations

This is really a planning fee to get all your situation and data clear before we can approach a lender. If you have more than 2 properties, ownerships in companies and Trusts, your lending becomes more complicated and time consuming to create an application for a lender. If we must plan and prepare information to present to the lender we will charge for this service. The set fee for this is \$1750+GST. If the work involves more than 5 hours work, we will then charge further hours at the hourly rate of \$150+GST per hour.

2.No Commission Payable

When we don't receive a commission from the lender: If you request that I provide financial advice and I do not receive a commission from the lender, I may charge you a one-off fee. Any such fee would be agreed upon and authorised by you in writing before I complete the services, and would be based on an estimate of time spent providing the advice.

3.Decide Not To Proceed

You have engaged in our services, however, you have decided not to proceed with us but you are continuing the home loan process with either another broker or directly with the lender. If we have met with you, collected information, drafted recommendations, negotiated with providers and kept you informed, then we have devoted multiple hours to finding you a solution. We may charge you a one off fee for the time spent on your application. Any such fee would be no more than \$1500 (plus GST, if any) and would be calculated on an hourly rate of \$250 (plus GST, if any).

4.Declined due to Non Disclosure

Should the application get declined by a lender due to any non-disclosure then we may charge you a one-off fee. If we have submitted an application based on the information provided to us by you, and for any reason should you decide to withhold any information which could knowingly or unknowingly result in your application being rejected by the provider then the one-off may be applied. The fee would be no more than \$2500 (plus GST, if any) and would be calculated based on a rate of \$250 (plus GST, if any) per hour of our time spent on the application

KiwiSaver

Some providers pay a one off fee for a new or existing account at no expense to the customer. This can range between \$0-\$300. We're paid between 0.20%-0.50% per annum of the total KiwiSaver balance by the KiwiSaver provider of choice to cover the expense of providing ongoing advice and support. Please note that the fee paid to Nexus Financial Advisory Limited does not increase the overall fee you would pay as a KiwiSaver customer.

For additional services over and above the annual service fee that Nexus Financial Advisory Limited receives, our advisers may negotiate an additional servicing fee of up to 0.25% with clients for ongoing financial services with specific providers.

OTHER REFERRAL COMMISSIONS

As your financial advisor I may receive referral commissions or compensation for recommending certain products, providers or services outside of my scope of service. These commissions do not impact the advice I provide, and I remain committed to acting in your best interests. These may include but are not limited to:

Investment products

- The commissions range between \$0-\$300 upfront
- We also receive an ongoing commission of between 0.125% of the funds under management each year the plan remains in force. The amount depends on which provider you choose.

Fire and General policies:

We receive a trail commission of between 0.1% of in force policies paid monthly.

DUTIES INFORMATION – How we look after you.

NEXUS 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 is not materially influenced by our own interests. Exercise care, diligence, and skill in providing you with advice.
- 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 nicole@nfa.co.nz or by visiting the Financial Markets Authority website at <https://www.fma.govt.nz>.

COMPLAINTS HANDLING AND DISPUTE RESOLUTION

If you are not satisfied with our financial advice service, you can make a complaint by emailing nicole@nfa.co.nz or call +64 21 758 007. You can also write to us at 478 Centennial Drive, Taupo, Taupo, 3351, New Zealand.

When we receive a complaint, we will consider it following our internal complaints process.

- We will consider your complaint and let you know how we intend to resolve it.
We may need to contact you to get further information about your complaint.
We aim to resolve complaints within 10 working days of receiving them.
- If we can't contact you within that time, we will let you know we need more time to consider your complaint.
- We may want to meet with you to better understand your issues.
- We will provide an answer to you within 7 working days of receiving your complaint.
- We will contact you by phone or email to let you know whether we can resolve your complaint and how we propose to do so. If we cannot agree on a resolution, you can refer your complaint to our external dispute resolution service.
- If we cannot resolve your complaint using our internal complaints resolution process, or if you are not satisfied with the way we have attempted to resolve your complaint, you can contact an external Government approved dispute resolution scheme provider. In our case it is Financial Services Complaints Limited (FSCL).

FSCL provides a free, independent dispute resolution service that may help investigate or resolve your complaint if we have not been able to resolve your complaint to your satisfaction. You can contact FSCL by emailing complaints@fscl.org.nz, or by calling 0800 347 257 (free phone). You can also write to them at PO Box 5967, Lambton Quay, Wellington 6145.