

# SBS Wealth Portfolio Service Service Disclosure Statement

As at 15 December 2025



This document gives you important information about this service to help you decide whether you want to invest using this service. SBS Wealth Limited ("SBS Wealth"), has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you decide if this service is appropriate for you.

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## 1. What is this?

This is a discretionary investment management service (DIMS) provided by SBS Wealth Limited ("SBS Wealth"). In this document, references to "SBS Wealth", "we", "us" or "our" are references to SBS Wealth as the provider of the DIMS. Under a DIMS, the provider invests your money on your behalf in financial products both directly and through managed funds, to gain exposure to New Zealand and international shares, cash and cash equivalents and fixed interest investments, and charges fees for the service.

You will hold the financial products through a custodian. The types of investments that we can invest your money in, and the fees, are described in the SBS Wealth Investment Proposal.

You will be relying on the investment decisions that we make. The value of the investments made for you may go up or down.

Within the DIMS we offer two types of portfolios – Model Portfolios and Personalised Portfolios.

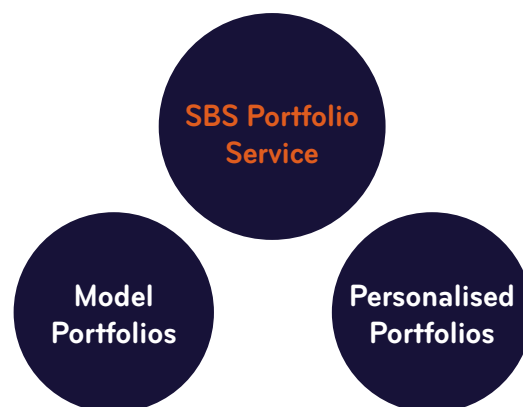
### Model Portfolios

Within the Model Portfolios we offer three investment series for you to invest in. These are the SBS Wealth Portfolio Series, SBS Wealth PIE Portfolio Series, and SBS Wealth Direct Portfolio Series. You can combine portfolios from these investment series in different percentages so long as certain criteria are met.

### Personalised Portfolios

Within the Personalised Portfolios an adviser will select funds and/or holdings from our Approved Product List (APL) and build a portfolio that is customised to your financial goals. This means that your adviser having considered your financial goals, will choose the asset allocation of your Personalised Portfolio. Please note that Personalised Portfolios have some criteria that is outlined in the SBS Wealth Portfolio Service Investment Proposal. The APL may change at any time.

**This DIMS is called the SBS Wealth Portfolio Service ("Portfolio Service").**



## 2. Who provides this service?

### Provider

SBS Wealth was established in September 2001. SBS Wealth is the funds management subsidiary of Southland Building Society.\*

**WHERE:** Level 18  
125 The Terrace  
PO Box 10445  
Wellington

**PHONE:** 0800 727 935

As at the date of this Service Disclosure Statement, the directors of SBS Wealth are Michael Skilling, Anthony Dench, Philip Ellison, and Anthony Halls.

### Who else is involved?

Name		Role
Administrator	FNZ Limited	FNZ Limited provides administration services via Consilium, meaning it administers and reports on the investment portfolios managed on your behalf.
Custodian	FNZ Custodians Limited	FNZ Custodians Limited is the Custodian, meaning your investments are held in the name of FNZ Custodians Limited on your behalf.
Investment Consultant	Morningstar, Inc. (Morningstar)	Morningstar is an investment research company that provides SBS Wealth with investment research and data.

\*Investments in this Portfolio Service do not represent deposits or other liabilities of SBS Wealth or its parent Southland Building Society, (operating as 'SBS Bank') or any other member of the SBS Bank group and are subject to investment risk. The investment risk includes possible delays in repayment and loss of income or contributions invested. Historical returns are no guarantee of future performance.

The principal and returns of the financial products available through this Portfolio Service (including their capital value and performance) are not guaranteed or secured in any way by SBS Wealth or SBS Bank (or any other member of the SBS Bank group), the Government, or any other person.

### 3. How the SBS Wealth Portfolio Service works

#### Features of this service

- Aims to provide effective asset management through understanding your investment goals and aspirations;
- Your financial adviser (adviser) will spend time with you to understand what is important to you, and then design a specific set of investment recommendations aimed at achieving your goals;
- An advice process that requires meeting(s) with your adviser before your Investment Authority is confirmed and your DIMS account is established;
- Offers Model Portfolios where the portfolios are constructed (both Asset Allocation and underlying Funds) by the SBS Wealth Investment Team, with independent research and data from Morningstar. This service offers three investment series;
- Offers Personalised Portfolios where your adviser works with you to construct a customised asset allocated portfolio, selecting investments from an Approved Product List. The Approved Product List is a compilation of products that meets the set criteria of the SBS Wealth Investment Team, which takes into account investment research, and data from Morningstar; and
- We have the authority to make investment decisions, based on an agreed investment strategy, as to what financial products to acquire or dispose of on your behalf.

#### Withdrawals

You can request withdrawals from your DIMS account to your nominated bank account at any time. Simply notify your adviser and we will give you a withdrawal form to fill out. Withdrawals will generally be paid within 10 business days under normal operating and market conditions. You can also set up regular withdrawals of \$400 or more from a portfolio, providing you maintain the minimum balance required for your chosen investment series (see “Minimum Investment”). Regular withdrawals can occur monthly or quarterly, and these are paid on the 15th of the month (or following business day should that day fall on a weekend or statutory holiday).

#### Deposits

You can make deposits into your DIMS account from your nominated bank account at any time. Simply notify your adviser and we will give you an Additional Deposit Form to fill out. You can also make regular deposits of any amount either weekly, fortnightly or monthly via a direct debit. Ask your adviser for more information.

#### Portfolio rebalancing

Rebalancing means adjusting portfolio holdings, either by buying or selling certain investments, to help you maintain your target asset allocation. A portfolio rebalance is triggered when the balance in the cash account either moves below 1% of the total portfolio value due to withdrawals or payments, or above 9% due to deposits or cash distributions received. Portfolio(s) are assessed annually (each July) to determine whether individual asset performances during the previous 12 months have been significant enough to warrant a rebalance. If a rebalance is required this will occur in August.

#### Minimum investment

When you first sign up for the Portfolio Service, a minimum initial investment of \$300,000 is required.

Some of the investments in the portfolios have a minimum trade size. If your initial deposit does not meet these minimums, your investment may be delayed until such time that it can be aggregated with other investors' trades. We may waive the minimum initial investment size at our discretion.

#### Investment portfolio structure

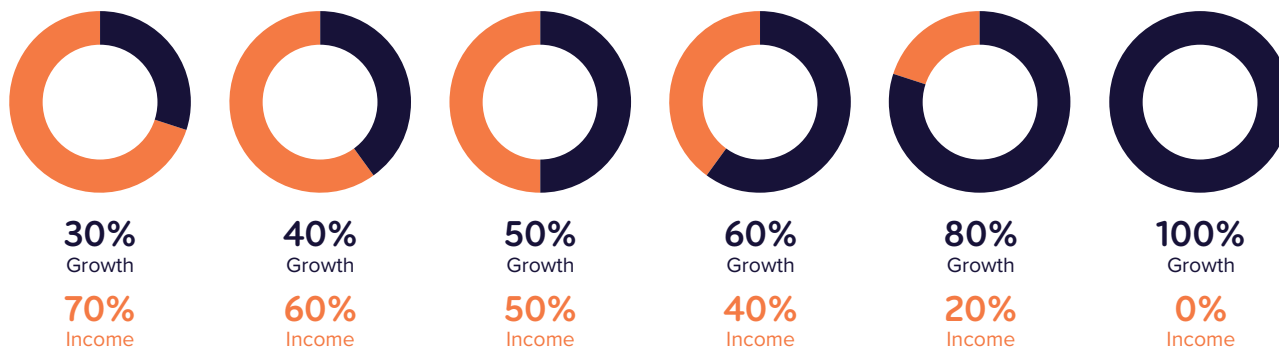
Each series in the Model Portfolios offers a range of portfolios. Your adviser will help determine which type of portfolio or combination of portfolios is the most suitable for you and your goals. If more appropriate your adviser may build you a personalised portfolio.

They are designed to meet different client needs, risk profiles, and objectives. When you invest, your adviser will help you ensure that your money is invested in the portfolio that best meets your investment goals.

Model Portfolios are named on the basis of the split between growth assets (like equities and listed property) and income assets (like bonds and cash). Growth assets are generally considered more volatile and produce more capital growth, whereas income assets are considered more stable and generally produce more income. For example, a 30/70 portfolio has a mix (30% growth and 70% income) that is focused on assets that produce income as opposed to capital growth, whereas a 80/20 portfolio has a mix (80% growth and 20% income) that is focused on capital growth as opposed to income.

The 60/40 portfolio has a more balanced mix of both growth and income assets.

## The range of risk profile portfolios on offer are:



Our goal is to ensure that the DIMS account we construct and maintain is suitable for you. When your adviser recommends a portfolio for you, your adviser will take into account all you have told them about your financial situation, financial needs (including your required income stream), financial goals, tolerance for risk, and other requirements.

Your adviser will create a portfolio for you based upon the information you provide to them. Your adviser will periodically review your situation with you to ensure your portfolio remains a good fit for your financial goals. To ensure your current position still fits with your financial goals, it's essential to share any changes or important details you might have forgotten to mention.

The SBS Wealth Investment Committee approves which investments, and allocations, to include in the model portfolios and the APL, and thus your portfolio(s). It may take into account research provided by Morningstar.

We provide regular reporting so you can keep track of what is happening within your portfolio.

The portfolios that your money will be invested in (including the investment strategy to be applied to your portfolio) are described in the SBS Wealth Investment Proposal.

## How your investments are held

Investments are made on your behalf and held by FNZ Custodians Limited (or its nominee) as the Custodian.

We do not directly handle client funds, but rather, act on your behalf to instruct the Custodian to acquire, hold, and redeem investments on your behalf, on the terms described in this document.

In doing so, we take any actions we consider necessary or desirable to maintain the investment strategy you have selected. These actions include (but are not limited to):

- Selling or purchasing individual investments; and
- Making changes to the underlying investments within asset classes.

Any payments to or from the Custodian are made to or from your nominated bank account only.

The terms on which the Custodian performs its role is set out in an agreement between FNZ Limited and us. That agreement also contains the terms on which we can terminate the current custody agreement.

If we terminate the current custody agreement, we would appoint a new custodian that we consider would meet its legal obligations.

## Your cash account (account)

All cash transactions relating to your portfolio are effected through your account. Regular payments may be made out of your account, on a monthly or quarterly basis. You can select the amount and frequency of the regular withdrawal (subject to the requirements on page 4).

## Funds will be credited to your account when:

- You make a deposit;
- The investments held in your portfolio pay cash distributions (such as dividends or interest);
- Interest is credited on the balance of your account; and
- Investments held in your portfolio are redeemed or, sold, and any manager rebates are received.

## Funds will be debited from your account when:

- You make a withdrawal;
- Fees, taxes and expenses are debited; and
- Investments are purchased.

**Upon termination of your investment with us, your portfolio will be redeemed or sold and the proceeds returned to you in cash.**

If necessary, investments will be realised from your portfolio in order to fund obligations payable from your account, such as fees.

## How to grant and terminate the investment authority

To invest, you must complete the application form for this Portfolio Service. By completing and signing the application form, you grant us the authority to make all decisions in relation to the investment of your DIMS account. The specific details of the authority you grant us are set out in the Investment Proposal and Investment Authority for this Portfolio Service. To terminate the Investment Authority, you must complete a Closure Form and send it to us at [advice@sbswealth.co.nz](mailto:advice@sbswealth.co.nz). We will terminate your Investment Authority as soon as reasonably practicable after receiving the Closure Form. Please contact us if you require a copy of the Closure Form.

## Your rights and powers under the service

When you invest through either the Model Portfolios or the Personalised Portfolios, you may access a range of portfolios, each managed for the benefit of a number of clients.

### That means you:

- Are unable to give instructions to exercise rights over the financial securities managed as part of your DIMS account, such as voting rights.
- Are unable to give instructions relating to the financial products in your DIMS account. Instead, we make these decisions for you.
- Do not have any right to be consulted on, or to countermand, the decisions we make in relation to your DIMS account. However, we will keep you informed through regular reporting, and you are always welcome to discuss the management or selection of your DIMS account with your adviser.

## Client Agreement

- The Client Agreement that you sign when investing governs your involvement in the Portfolio Service. The terms of the Client Agreement are contained in this Service Disclosure Statement, the Investment Proposal, and the application form for this service. The law requires that you enter into a client agreement at the same time as or before your Investment Authority is granted.
- When your Client Agreement is terminated, we will redeem or sell the assets in your portfolio(s) and return the cash to your nominated bank account. We currently do not offer in-specie transfers.
- You may terminate your Client Agreement by following the process for terminating your Investment Authority. There is no penalty for doing this.

## Fees

You will be charged fees to use this service, including percentage-based charges and individual action fees. Fees are detailed in Section 3 of the Investment Proposal.

For further information about the SBS Wealth Portfolio Service, please refer to our Investment Proposal. If you require another copy of this, your adviser will be able to provide it to you. Just email [advice@sbswealth.co.nz](mailto:advice@sbswealth.co.nz).

## 4. Risks of using this service

Investing through this service has risks. Under this service, you give up control over investment decisions, and rely on our decisions.

All investments have a degree of risk. The value of your investments may go down as well as up. You may not achieve the returns you expect and may not receive all your investment back.

When investing in any combination of bond, property, and equity investments, you are exposed to varying degrees of risk. For this reason, investment returns over any particular period cannot be guaranteed. For short or even extended periods, portfolio returns can be negative, so it is important that you carefully consider your risk tolerance and investment time frame before investing.

The main risks that you may be exposed to under the Portfolio Service are:

**Investment return risk:** Investment return risk is the risk that returns from the Portfolio's investments will be negative or lower than expected, affecting the value of your investment in the Portfolio Service.

**Market risk:** Investments generally are affected by movements in market demand and supply, economic conditions, market sentiment, political events, natural disasters, pandemics, and consumer demand. This is of significance to the Portfolios offered under this SDS as the assets of those Portfolios are market linked.

**Currency risk:** Currency risk is the risk of exchange rate fluctuations between the New Zealand dollar (the currency in which the Portfolios are valued) and foreign currencies. Currency risk will affect Portfolios where investments are made outside of New Zealand.

To help mitigate the potential impact of currency movements, Funds with non-Australian dollar foreign currency exposure use varying levels of hedging.

**Credit risk:** Credit risk is the risk of a fund or of any investment becoming insolvent, or being placed into receivership, liquidation, or statutory management or being otherwise unable to meet its financial obligations.

**Company risk:** Company risk is the risk faced by an investor who holds financial products of a particular company and therefore has exposure to the fluctuations in that company's performance.

**Liquidity risk:** Liquidity risk is the risk that due to market disruption, we may not be able to easily convert some investments into cash. This may cause the suspension of one or more Funds. Refer to our Liquidity Risk Management Policy for further information. You can obtain a copy of our Liquidity Risk Management Policy by requesting this from your adviser.

**Counterparty risk:** Counterparty risk is the risk that a party to a financial contract (including an investment contract) defaults or is otherwise unable to fulfil their obligations. If this occurs, the full amount of the investment may not be recovered. The underlying fund managers analyse counterparty creditworthiness by undergoing a due diligence process when selecting counterparties to transact with.

**Operational risk:** The risk of a technological, process, or other failure affecting the Service's operations or the financial markets in general. Any risk of technological failure could impact your returns or ability to withdraw from the Service.

**Regulatory risk:** The risk that a portfolio is affected by future changes to tax, managed investment scheme regulation, or other legislation. These changes could affect the Service's investments by impacting on its operation, returns and benefits available.

**Governance risk:** Governance risk refers to the potential negative impact on investment returns due to inadequate corporate governance and poor management practices within the companies in which that Portfolio is invested. This risk arises from weak governance structures, such as ineffective boards and lack of accountability, as well as inefficient management decisions, including poor risk management and lack of transparency. Additionally, failure to address environmental, social, and governance (ESG) factors can lead to regulatory penalties, legal liabilities, and damage to a company's reputation. Effective governance involves ensuring that company leaders act in the best interests of shareholders and stakeholders, thereby safeguarding and enhancing long-term value.

**Geopolitical risk:** Geopolitical risks encompass a broad range of factors that can significantly impact financial markets and investment returns. These risks include political instability such as government changes, policy uncertainty, and civil unrest; economic policies like trade wars, sanctions, and regulatory changes; and military conflicts, including war and terrorism. These events can cause market volatility, disrupt global supply chains, impact currency values, and alter business operations. Managing these risks involves closely monitoring geopolitical developments, diversifying investments across regions and sectors, and implementing plans to mitigate potential adverse effects on the Service's performance.

**Fund Manager risk:** You are exposed to our investment style, the relevant fund manager of any managed fund investment, and to the risk that decisions made by the fund manager may not turn out positively. As the funds in your Portfolio generally invest across a diversified range of countries and markets, this risk is minimised but cannot be avoided altogether.

**Concentration risk:** An investor may be exposed to concentration risk if they are only invested in a single asset class. At any given point, market conditions that cause one asset class to do well may cause another asset class to do badly. Where an investor's Portfolio only comprises of a single asset class they will not benefit from the effects of diversification where the market conditions that cause one asset class to do well may cause another asset class to do badly. Therefore the value of their investment will be dependent on the performance of that particular asset class.

## Investment strategy risk

**Asset allocation risk:** Over a longer time-frame, the selection of an incorrect risk profile or a change in risk profile in response to current market events by an investor can have significant impacts on potential outcomes in the long run. Each strategy invests in different amounts of lower risk assets (bonds and cash) and higher risk assets (shares and property).

For example:

- A 30/70 portfolio invests in a greater proportion of lower risk assets that have smaller movements in value up and down.
- A 60/40 portfolio invests in a balanced mix of higher and lower risk assets and will have moderate movements in value up and down.
- A 100/0 portfolio invests in higher risk assets that have larger movements in value up and down.
- A personalised portfolio focusing on New Zealand equities which are higher risk assets that have larger movements in value up and down, and geographical concentration.

## Other risks

The summary above is not intended to be comprehensive. Refer to Section 4 of the SBS Wealth Portfolio Investment Proposal, titled “Risks” for more information. There may also be risks that are unknown at the date of this Service Disclosure Statement that may affect investments at a future point in time. If these risks eventuate, your portfolio could be adversely affected.

## 5. SBS Wealth’s conflicts of interest

We are the issuer and manager of the SBS Wealth Investment Funds and these funds may be included in your Portfolio.

We benefit from any investments in these funds through the management fees charged. Please refer to the table below for an overview of these fees.

Portfolio	Associated Management Fee *estimate (P.A. Including GST)
SBS Wealth PIE 30/70	0.31%
SBS Wealth PIE 40/60	0.34%
SBS Wealth PIE 50/50	0.36%
SBS Wealth PIE 60/40	0.39%
SBS Wealth PIE 80/20	0.44%
SBS Wealth PIE 100/0	0.48%

For further information about these fees please refer to Section 3 of the Investment Proposal. We manage conflict by ensuring that the managed funds are subject to the same investment and operational due diligence processes as other investments considered for inclusion in your portfolio(s). Investments will only be made if that fund satisfies the same stringent criteria all other funds are subject to.

At the date of this Service Disclosure Statement there are no other benefits that we, or any associated person, might receive that would or could reasonably be expected to materially influence our choice of financial products to acquire or dispose of.

## 6. Tax

Taxes may affect your returns under this service. Your tax obligations will differ according to the nature of the investments. You are responsible for meeting any tax obligations that arise. You should seek professional advice on your tax obligations.

Resident withholding tax, portfolio investment entity tax or other taxes may be deducted by the Custodian or an issuer from portfolio returns.



## 7. How to complain

Any complaints about the Portfolio Service should be directed to the Chief Executive Officer at:

### SBS Wealth Limited

**EMAIL TO** [customercomplaints@sbswealth.co.nz](mailto:customercomplaints@sbswealth.co.nz)

**WRITING TO** SBS Wealth Limited  
Level 18  
125 The Terrace  
Wellington 6011  
PO Box 10445  
Wellington 6140

**PHONE AT** 0800 727 935

If an issue cannot be resolved with the Manager you can also contact the approved independent dispute resolution scheme for the manager at:

### Banking Ombudsman Scheme

**EMAIL TO** [help@bankomb.org.nz](mailto:help@bankomb.org.nz)

**CALLING** 0800 805 950

**WRITING TO** Freepost 218002  
PO Box 25327  
Wellington 6146

The Banking Ombudsman will not charge a fee to investigate or resolve a complaint.

## 8. Where you can find more information

All key information about this Portfolio Service can be found or referenced in the Service Disclosure Statement, Investment Proposal, the Client Agreement, Entity Application Form, and Individual/Joint Application Form. We are required by law to provide you with quarterly and annual reports, which will be uploaded to your client login, where you may also access previous reports. You may also request a copy of previous reports by contacting us at our address stated in this document. There is no charge for the provision of previous reports or for responding to requests for information about your DIMS account.

### Custodial reporting

As the independent Custodian, FNZ Custodians Limited will regularly provide you with information about any money or property they hold on your behalf. This will include records of the balance of financial products held by the Custodian on your behalf, any transactions effected for you by the Custodian, and the amount of any fees charged by the Custodian in respect of money or property held on your behalf.

This information will be provided to you through bi-annual reports which will be posted to you and available on your client login. You can request this information by contacting your adviser or by emailing or writing to:

**WHO** SBS Wealth Limited

**WHERE** PO Box 10445  
Wellington 6140

**PHONE** 0800 727 935

**EMAIL** [contact@sbswealth.co.nz](mailto:contact@sbswealth.co.nz)

There is no charge for this information.

## 9. How to enter into the client agreement

In order to enter into the Client Agreement, you must complete and sign the appropriate application form for this Portfolio Service which you can obtain from your SBS Wealth financial adviser.

## 10. Contact information

All enquiries can be made by contacting:

**WHO** SBS Wealth Limited

**WHERE** Level 18  
125 The Terrace  
Wellington 6011  
PO Box 10445  
Wellington 6140

**PHONE** 0800 727 935

**EMAIL** [contact@sbswealth.co.nz](mailto:contact@sbswealth.co.nz)

The Custodian can be contacted at:

**WHO** The Managing Director

**WHERE** FNZ Limited  
FNZ House Level 3  
29A Brandon Street Wellington 6011  
PO Box 396  
Wellington 6140

**PHONE:** (04) 803 9400



SBS Wealth Limited is the provider of this offer. SBS Wealth Limited is a wholly owned subsidiary of Southland Building Society, operating as "SBS Bank". This document gives you important information about this investment to help you decide whether you want to invest. SBS Wealth Limited is a Class 2 Financial Advice Provider. SBS Wealth's advisers can also give you financial advice to help you decide if this service is appropriate for you. A copy of our Financial Advice Provider Disclosure Statement is available at [sbswealth.co.nz](https://sbswealth.co.nz)