

Portfolio Superannuation Scheme

On 23 November 2023, pursuant to Regulation 14 of the Financial Markets Authority (Levies) Regulations 2012 (the **Regulations**), the FMA granted a waiver of part of the FMA levy to Portfolio Superannuation Scheme (the **Scheme**).

The Scheme is comprised of the Personal Plans, with Saturn Invest New Zealand Limited (**Saturn**) acting as the manager of the Scheme.

Under class 9 of Schedule 2 to the Regulations, persons that lodge a product disclosure statement (**PDS**) for a managed fund are required to pay a levy calculated on a per fund basis (**class 9 levy**). Persons who lodge a PDS that is not for a managed fund are required to pay a levy of a fixed amount. The high number of investment options (each of which is categorised as a 'fund') offered by the Scheme would result in very high levies being paid by Saturn in respect of the Scheme when compared with other fund managers for managed funds that are not self-select schemes. The FMA has waived the part of the FMA levy calculated on a 'per fund' basis and instead requires Saturn in respect of the Scheme to pay the FMA levy calculated on the same basis as a PDS lodged for a non-managed fund, namely being \$5,405 per each self-select scheme.

The waiver applies to the class 9 levy that would be payable by Saturn upon the lodging of a PDS by Saturn for the Scheme and will continue up until a date five years from the date of the granting of this waiver.

We believe it is appropriate to waive part of the FMA levy because:

- The FMA may waive a levy payable under the Regulations, in whole or in part, if the FMA is satisfied that the exceptional circumstances or characteristics of the person, when compared with the circumstances or characteristics of other persons in the class of specified persons for which the levy is payable, would make it inequitable for the person to pay the levy.
- Saturn, in respect of the Scheme, will be required to pay a levy as a person that lodges a PDS for a scheme that is not a managed fund. We believe the unique structure of the Scheme means there are exceptional circumstances that apply compared with the circumstances of other persons lodging PDSs for managed funds that are not self-select schemes. This makes it inequitable for Saturn to pay a levy based on a per fund basis for the Scheme.
- We believe that the proportion of the partial waiver is not greater than is reasonably necessary considering the exceptional circumstances in this case, as it puts Saturn, in respect of the Scheme, in a similar position to other issuers of financial products operating in New Zealand.