

How Macquarie Premium Portfolio Service (MPPS) operates

Questions and Answers

Macquarie Private Wealth

A world of opportunities



Q1. I've heard/read that I don't have 'legal ownership' of my assets in Macquarie PPS?

A. The assets in your portfolio are held by a custodian in trust for you. This means you retain 'beneficial ownership' but not legal title. This arrangement facilitates the administration of your portfolio as the custodian manages all paperwork and reporting, whilst you still remain the beneficial owner of your investments.

Q2. Exactly how does Macquarie PPS work?

The legal structure applying to Macquarie PPS is that of a "bare trust". Macquarie Equities Custodians Limited (MECL) is the operator and ultimately responsible for provision of the service. MECL also acts as a custodian and has outsourced this function to a subcustodian. Investment Custodial Services Limited has been appointed as MECL's sub-custodian. Its prime function is to provide custodial services to a variety of clients including advisers. Aegis Limited provides the administrative services on behalf of MECL.

Importantly, we do not guarantee the value of your portfolio, or any particular rate of return, and it is up to you and your adviser to select the appropriate investment mix for you.

Q3. Can my assets be used for securities lending?

No. Your shares and funds are held by a custodian in trust for you, and we will only transact on your account when you (or someone authorised by you) has instructed us to do so.

Importantly, while we will not use your assets for securities lending, you may have chosen managed investments that utilise this strategy. If you have any queries about the particular managed investments in your portfolio, you should refer to the PDS for each managed investment and discuss your queries with your financial adviser.

Q4. Can Macquarie access my assets held in Macquarie PPS without my authority?

No. Your assets are held separately to the assets of Macquarie Group. They are held in trust for you by a custodian. We provide a reporting and transaction service, but will only transact on your account when you (or a person authorised by you) has instructed us to do so. In essence, your assets are not available for use without your express authority.

Q5. Is the safety of my portfolio linked to Macquarie's share price?

No. The safety of your portfolio rests on the fact that the assets you and your adviser have selected are held in trust for you and are held separately to Macquarie's assets and liabilities.

The Disclosure Statements for Macquarie Equities New Zealand Limited (MENZ) and your adviser are available free of charge by contacting MENZ on 0800 742 737.

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