



To: Hon Chris Hipkins

## National Interest Assessment Report: Fisher Funds Management Limited

### Purpose

This report seeks your decision about whether the proposed investment is contrary to the national interest of New Zealand under the Overseas Investment Act 2005 (the **Act**).

Date	19/10/2022
Briefing number	BRF NN-NNN
Case number	202200350
Investor	Fisher Funds Management Limited
Pathway the assessment has arisen under	<input checked="" type="checkbox"/> Mandatory assessment via consent pathway <input type="checkbox"/> Discretionary call-in via consent pathway

### Assessment

This report has been prepared by Toitū Te Whenua, Land Information New Zealand (**LINZ**), with advice from the Standing Committee for Overseas Investment. We do not consider the proposed investment is contrary to New Zealand's national interest. We recommend that you seek further advice from officials if you disagree.

	Signature	Date
Paul Wrigley Manager, Monitoring and Intelligence		3/11/2022

### Action Required

1. Review the national interest assessment report.
2. Determine if the proposed investment is contrary to the national interest of New Zealand.
3. Complete the **Decision** section on page 3.
4. Return the decision to LINZ by 08/11/2022 (noting that this due date is based on the applicant's commercial deadline of 11/11/2022, the statutory deadline being 16 November 2022).

### OIO Contacts

Name	Position	Contact	First contact
Paul Wrigley	Manager, Monitoring and Intelligence	[ s 9(2)(a) ]	<input checked="" type="checkbox"/>

## Executive Summary

1. Fisher Funds Management Limited (**Applicant**) is a majority New Zealand owned specialist investment manager with NZD14.6 billion of funds under management on behalf of 250,000 New Zealand clients. It manages multiple investment funds and is the fourth largest KiwiSaver provider and the fifth largest investment manager in New Zealand, employing approximately 150 people.
2. Kiwi Wealth Management Limited (**Target**) is one of the holding companies for the Kiwi Wealth Group, a wealth and investment organisation. The Target manages the Kiwi Wealth KiwiSaver scheme, Managed Funds, Super Scheme and Private Portfolio Services. It also provides investment advice through its advisory arm, Kiwi Invest, and is currently one of six default KiwiSaver providers.
3. The Applicant seeks consent under the Act to acquire 100% of the share capital in the Target for NZD310 million<sup>1</sup> (the **Substantive Application**), under the terms and conditions set out in the share sale agreement between the Applicant and Kiwi Group Holdings Limited dated 11 August 2022 (the **Share Sale Agreement**).
4. The Applicant is a non-New Zealand Government Investor (**NNZGI**) for the purposes of the Act and therefore subject to a mandatory national interest assessment. This is because relevant government investors [ s 9(2)(b)(ii) ] will, on aggregate, have a more than 25% ownership interest in sensitive business assets in New Zealand.
5. We consider that the Applicant's ultimate ownership have genuine commercial motivations for undertaking this transaction. In addition, no national security or market share risks were identified in the process of this assessment [ s 6(a) ]  
[ s 6(a) ]  
that the transaction is likely to have a **positive impact** on New Zealand. Accordingly, we recommend the following action be taken:

Recommended Decision	Conditions/Notes	Rationale
Not contrary to New Zealand's national interest	None	[ s 6(a) ] [ s 6(a) ] [ s 6(a) ]

6. Once you have made your decision, please complete the decision section on the next page and return the document to LINZ.
7. Our more detailed assessment is provided from page 4.
8. If you agree that no additional conditions are required to manage national interest risks, the proposed investment would be managed under the standard conditions set out in the Proposed Consent Decision included in Attachment 2.

<sup>1</sup> subject to adjustments

## Decision

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I have reviewed Fisher Fund Management Limited (202200350)'s transaction of national interest and have decided:

- a. that the transaction is **not contrary** to New Zealand's national interest and refer the transaction back to LINZ (as the delegated decision-maker for the Substantive Application) with no further comments.

☒ YES ☐ NO

OR

- b. that the transaction is **not contrary** to New Zealand's national interest, but I consider that there are risks that need to be mitigated. I ask the decision-maker under the Act to **consider imposing conditions** to mitigate the risk of harm to New Zealand's national interest.

YES ☒ NO ☐

OR

- c. that the transaction **may be contrary** to New Zealand's national interest and I request advice from officials before I can make a decision.

YES ☐ NO ☒



Hon Chris Hipkins

Date: 9/11/2022

Released under the Official Information Act 1982

## Path to National Interest Assessment

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1. The assessment of this transaction arose from the Substantive Application for consent to acquire 100% of the shares in the Target under the Act. The decision is delegated to LINZ as it relates to significant business assets with total consideration for the acquisition exceeding \$100 million.
2. LINZ determined that the investment contemplated by the Substantive Application (**Proposed Transaction**) is a transaction of national interest under section 20A of the Act because the Applicant is ultimately owned by several NNZGIs [ s 9(2)(b)(ii) ] aggregate, have a more than 25% ownership interest in the significant business assets.
3. On 13 October 2022 LINZ, as the delegated decision-maker, decided that the investor test is met for the Substantive Application. This is the only test required to be satisfied for this pathway under the Act. (**Attachment 1**).
4. In line with the statutory timeframe for this pathway a decision is required by you before 16 November 2022.
5. The next step is for you to consider whether the application is contrary to New Zealand's national interest. If you consider that the investment is not contrary to New Zealand's national interest, it will be managed under the overseas investment regime according to the standard conditions contained in the proposed Consent Decision (**Attachment 2**).
6. LINZ prepared this report with advice from the Standing Committee for Overseas Investment, a cross-government agency group of advisors. LINZ received written submissions from the following Standing Committee members:
  - (a) Financial Markets Authority (**FMA**);
  - (b) Ministry of Foreign Affairs and Trade (**MFAT**);
  - (c) Ministry of Business, Innovation and Employment (**MBIE**); and
  - (d) Department of the Prime Minister and Cabinet (**DPMC**).
7. LINZ received one third party submission on the Proposed Transaction from a member of the public. LINZ does not consider that the submission impacts the approval of the Substantive Application which requires the satisfaction of the investor test only.
8. The submitter raised two areas of concern; the Applicant's level of performance fees and whether the Proposed Transaction would lead to job losses amongst the Target's employees.
9. The Applicant responded to the submission, stating that it will participate in the FMA Value for Money assessment in 2023 and that the Applicant's KiwiSaver schemes have been recognised as "outstanding value for money" by Canstar for the third year in a row. In relation to potential job losses, the Applicant stated that the integration of the businesses will lead to the duplication of functions, however a significant number of employees will be retained, together with a material presence in Wellington.

## Context for the Investment

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### The investment

1. The Applicant is a specialist wealth and investment manager with a diverse range of clients (including community trusts, charities, not-for-profits, councils, family offices, insurance companies, iwi, platforms, corporate pension schemes and individuals). It manages multiple investment funds as well as three investment companies; Kingfish

Limited, Barramundi Limited and Marlin Global Limited, and has the largest New Zealand based investment team in the country.

10. The Applicant submits that it identified the Target as a strategic acquisition. The scale of the combined business will enable the Applicant to invest further and help deliver value to existing and prospective clients of both businesses, with the intention of creating New Zealand's leading retail funds management business.
11. The Applicant has been one of the most acquisitive in the domestic wealth investment market and the Proposed Transaction will make them the second or third largest KiwiSaver provider in the market.<sup>2</sup>
12. The Applicant has been operating in New Zealand since 1998 and has one of New Zealand's largest and most experienced locally-based investment teams. Based on the Applicant's significant experience and expertise within the wealth management sector, we consider it is well placed to safely operate the Target and to maintain the reputation associated with the Kiwi Wealth Group and has a strong connection to New Zealand through the Toi Foundation's majority ownership.
13. Settlement of the Share Sale Agreement is conditional on Overseas Investment Office consent and the issue of an 'operational readiness notice' under the terms of a separate transitional services agreement between Kiwibank Limited and the Target.

#### *Target and vendor background*

14. The Target is a company incorporated in New Zealand and is one of the holding companies for the Kiwi Wealth Group. The Kiwi Wealth Group is a wealth and investment organisation that focuses on creating better financial futures for New Zealanders.
15. The Kiwi Wealth Group was founded as Gareth Morgan Investments, which was acquired<sup>3</sup> by Kiwi Group Holdings Limited in 2012<sup>4</sup>. The Kiwi Wealth Group offers several investment products to its customers, including KiwiSaver Scheme, Managed Funds, Super Scheme and Private Portfolio Service. It also provides investment and financial advice through its advisory arm, Kiwi Invest. One of the Kiwi Wealth Group members, Kiwi Wealth Limited, is currently one of six default KiwiSaver providers in New Zealand.
16. The Vendor is Kiwi Group Holdings Limited which is owned as follows:
  - New Zealand Post Limited<sup>5</sup> (53%)
  - NZSF Tui Investments Limited<sup>6</sup> (25%)
  - Accident Compensation Corporation<sup>7</sup> (22%)
17. The Vendor selected the Applicant as the preferred bidder following a competitive sale process, during which the Vendor engaged with multiple interested parties.

#### *Target not a strategically important business*

18. The Applicant has submitted that the Target's business is not a strategically important business as defined in section 6(1) of the Act.

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<sup>2</sup> The Applicant has previously acquired several funds including: First NZ Capital KiwiSaver Scheme, Hu jich KiwiSaver Scheme, Credit Union KiwiSaver Scheme, Law Retirement KiwiSaver Scheme, Tower Investments and AON KiwiSaver Scheme.

<sup>3</sup> The acquisition of Gareth Morgan Investments by Kiwi Group Holdings Limited did not require LINZ consent because Kiwi Group Holdings is 100% New Zealand owned, see paragraph 16 for the list of shareholdings.

<sup>4</sup> The Target owns Kiwi Wealth Investments Limited Partnership which owns Kiwi Investment Management Limited, Kiwi Wealth Limited and Portfolio Custodial Nominees Limited.

<sup>5</sup> Incorporated in New Zealand on 24 February 1987, company number 315766.

<sup>6</sup> Incorporated in New Zealand on 5 October 2016, company number 6126607.

<sup>7</sup> Accident Compensation Corporation is a Crown Entity.

19. The Proposed Transaction involves the Applicant taking over the handling of a large volume of sensitive financial information in respect of the Target's 260,000 customers. The Applicant is subject to legislation and licensing provisions regarding the protection of this data and is an experienced operator within a highly regulated environment. This application, therefore, does not appear to meet any of the criteria where we should recommend to you that a transaction is a transaction of national interest as noted in your letter of 24 November 2021<sup>8</sup>

#### *Applicant background and ownership*

20. The Applicant is a limited liability company<sup>9</sup> which was incorporated in New Zealand on 9 April 1998. The Applicant is owned as follows:
- (a) 56.01% by Toi Foundation Investments Limited<sup>10</sup> (**TFIL**);
  - (b) 10% by Toi Foundation Holdings Limited<sup>11</sup> (**TFHL**); and
  - (c) 33.99% by TA FF HoldCo Limited<sup>12</sup> (**TA Fisher Investco**).
21. On completion of the Proposed Transaction, Toi Foundation will consolidate its shareholding in the Applicant. Specifically, TFHL's 10% shareholding in the Applicant will be transferred to TFIL. Therefore, on completion of the Proposed Transaction, TFIL will hold a 66.01% shareholding in the Applicant.
22. The Applicant has incorporated two parent companies: FFML Holdco Limited<sup>13</sup> and FFML Topco Limited<sup>14</sup>. These intermediary entities have been incorporated solely for the purposes of raising debt from and providing security to the debt finance providers which will fund the Proposed Transaction<sup>15</sup>.

#### *Majority ownership – Toi Foundation*

23. TFIL is a special purpose intermediary company that was incorporated to invest in the financial services sector. TFIL is wholly owned by TFHL.
24. TFHL is wholly owned by Toi Foundation<sup>16</sup>. TFHL is a special purpose intermediary company that was incorporated to hold assets in accordance with the objects and purposes declared by the trustees of Toi Foundation.
25. Toi Foundation is a charitable trust established in 1988. It is the ultimate owner of TFIL and TFHL. Toi Foundation was set up for the benefit of the Taranaki community. It derives its income from assets and investments (including in the Applicant) and applies this income to support not-for-profit organisations for purposes beneficial to the community.

#### *TA Fisher Investco ownership*

26. TA Fisher Investco (the minority shareholder in the Applicant) is owned by a series of parent companies, incorporated in Luxembourg (collectively referred to as the **Luxembourg Intermediaries**). The Luxembourg Intermediaries are:

<sup>8</sup> Directive letter dated 24 November 2021, paragraph 112-f inclusive.

<sup>9</sup> Company number 903800.

<sup>10</sup> Company number 5655589, incorporated on 27 March 2015.

<sup>11</sup> Company number 5615203, incorporated on 26 February 2015.

<sup>12</sup> TA FF HoldCo Limited received retrospective consent from the OIO for its acquisition of a 34% shareholding (and an up to 51% shareholding) in the Applicant in August 2018 (case 201720056).

<sup>13</sup> Company number 8500633, incorporated 25 October 2022.

<sup>14</sup> Company number 8499236, incorporated 20 October 2022.

<sup>15</sup> The Applicant is wholly owned by FFML Holdco Limited and FFML Holdco Limited will be wholly owned by FFML Topco Limited.

<sup>16</sup> Toi Foundation was formerly called the TSB Community Trust, trust board number 9429042449430, created under an (amended) deed dated 30 May 1988, it changed its name to Toi Foundation on 28 April 2021.

[ s 9(2)(b)(ii) ]

Released under the Official Information Act 1982

[ s 9(2)(b)(ii) ]

Released under the Official Information Act 1982



### *Control*

38. The Applicant makes decisions by simple majority of its board of directors (the **Board**). Certain “fundamental matters” require the unanimous approval of the Board. This includes the decision to approve the Proposed Transaction and any future approval of its divestment.
39. The Applicant’s Board and CEO will be responsible for day-to-day management of the Kiwi Wealth Group businesses. They will also control significant capital and operating expenditure (in accordance with a Financial Delegations & Authorities Policy and relevant expenditure thresholds).
40. TA Fisher Investco can appoint 2 directors to the Applicant’s Board, with Toi Foundation appointing the remaining 5 directors. The TA Fisher Investco appointees only have a minority interest in decision making in relation to the Applicant.
41. The investors in the TA Funds are purely passive investors which have invested in the TA Funds on arm’s length commercial terms and likely have no ability to control or influence the TA Funds or its investments (which are managed by TA Associates), including the Applicant or the Kiwi Wealth Group following completion of the transaction.

### **Market and/or industry context**

42. The Target is one of many businesses in New Zealand which provides investment and wealth administration services. MBIE advises that, in relation to the KiwiSaver provider business, the market concentration and competition has been improving since the scheme began in 2007. For example, Morningstar Research’s Kiwisaver Survey (which covers a significant proportion but not all of the KiwiSaver market) recorded 23 KiwiSaver providers operating as of June 2022, compared to 15 in 2009. This increase has been driven by the entry of small and often niche providers that have obtained some market share previously held by large banks<sup>19</sup>.
43. Further information in relation to the impact of the Proposed Transaction on the KiwiSaver market is discussed below under the “market share’ section of the report.

### **National Interest Assessment**

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44. This section sets out our assessment of whether the Proposed Transaction would likely be contrary to New Zealand’s national interest as set out in section 20C(1) of the Act.

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<sup>19</sup> The Inland Revenue Department currently records 31 total KiwiSaver providers on its website [ird.govt.nz](http://ird.govt.nz) (although that number is now 30 following the Applicant’s acquisition of the AON KiwiSaver Scheme).

45. New Zealand requires productive overseas investment. Foreign direct investment is presently particularly important for New Zealand businesses which are currently capital constrained due to the economic downturn caused by the COVID-19 pandemic. Advantages of productive foreign investment include better access to markets, technology, and capital, and, as a result, a more productive economy.
46. The national interest, and what would be contrary to it, is not defined in the Act. Instead, the Act grants the responsible Minister broad discretion to decide whether the Proposed Transaction could be contrary to the national interest on a case-by-case basis.
47. In undertaking the national interest assessment, we have been informed by the following:<sup>20</sup>
- the *Foreign Investment Policy and National Interest Guidance*<sup>21</sup> (the **Guidance Note**) which sets out factors generally considered when determining whether an investment is contrary to New Zealand's national interest; and
  - consultation and input from relevant partner agencies.<sup>22</sup>
48. We consider three of the factors set out in the Guidance Note to be relevant to the Proposed Transaction: national security, market structure and economic impact. We discuss each below.
49. We note that the draft conditions of the consent include a requirement that the consent holder must not act or omit to act with a purpose or intention of adversely affecting national security or public order.

### *National Security*

50. The national security risk is considered **low**<sup>23</sup>.
51. LINZ is not aware of any information to indicate the investor or relevant individuals with control pose a threat or risk to national security or have any non-genuine intent with respect to this investment. [ s 6(a) ]
52. [ s 6(a) ]
53. [ s 6(a) ]

<sup>20</sup> As set out in the Supplementary Ministerial Directive letter dated 24 November 2021.

<sup>21</sup> Guidance Note, June 2021.

<sup>22</sup> Such as those agencies listed in section 126 of the Act.

<sup>23</sup> OIO risk assessments have four possible risk ratings: low, medium, high or extreme. See the matrix at Attachment 4.

<sup>24</sup> [ s 6(a) ]

54. The Applicant's majority shareholder is a well-known New Zealand charitable trust, Toi Foundation, which was established for the benefit of the residents of the Taranaki region. Its 66.01% shareholding and ability to appoint the majority of the Board of directors means the Toi Foundation has a significant degree of oversight of the Applicant and its business activities.
55. [ s 6(a) ] The purchase is consistent with the Applicant's long-held existing portfolio and commercial interests, significantly reducing the likelihood that the investment is motivated by a NNZGI's strategic or non-genuine reasons.

#### *Market share*

56. While the Proposed Transaction will impact the makeup of both the general KiwiSaver market and the default KiwiSaver provider market, we consider it is unlikely to reach the threshold for having a negative impact on New Zealand's national interest.
57. Based on Morningstar KiwiSaver survey respondent data from June 2022<sup>25</sup>, the market share currently held by default KiwiSaver providers is at its lowest level since the scheme began at 32.5%, down from 79.5% in 2009.
58. If the Proposed Transaction proceeds, the Applicant (which is not currently a default KiwiSaver provider<sup>26</sup>) could hold approximately 16% share of the KiwiSaver provider market. This could raise the Applicant's share of the market slightly above that of the second largest provider, ASB Bank Limited. Based on the Morningstar KiwiSaver market share data, the Applicant's market rank is likely to move from 4<sup>th</sup> out of 23 providers, in June 2022, to 2<sup>nd</sup> out of 21 providers in the survey.
59. While the Proposed Transaction would increase KiwiSaver provider concentration and default KiwiSaver provider concentration, competition in the market is unlikely to materially change given the large number (over 20) of other providers that would still be operating.
60. We note that becoming one of the top 3 KiwiSaver providers means the Applicant's board and senior management are likely to recognise there will be closer scrutiny and an even greater expectation around their professional conduct and behavior.

#### *Economic impact*

61. There is inherent economic risk involved where a large fund manager and KiwiSaver provider that is wholly New Zealand owned, is purchased and taken over by another market participant with partial foreign ownership interests. The Applicant will assume the responsibility for continuing to protect and grow the superannuation funds and investments of thousands of New Zealand customers and, if the Applicant's performance in this regard is poor, this potentially has a destabilising effect on the economic lives of many New Zealanders.
62. In addition, the Applicant will hold a large volume of sensitive financial information on behalf of its existing customers as well as the Target's customers. Any change of scheme providers and administration systems will create some operational risk, including risks associated with disclosure of sensitive data, during the transition. To date, LINZ is not aware of any historic data breaches by the Applicant or the Target which likely indicates robust internal practices in relation to managing personal data and other sensitive information.

<sup>25</sup> All figures quoted in the market share section of the report are from KiwiSaver Reports (morningstar.com.au), June 2022.

<sup>26</sup> The Applicant was a default KiwiSaver provider until 2021 but was not reappointed.

63. The Applicant is funding the Proposed Transaction using holding companies to enter into the third party debt financing and security arrangements, with debt repayments to be funded from dividends paid from the operating company to the holding company.

[ s 9(2)(b)(ii) ]

This structure creates an expectation of dividends being paid to the parent companies to repay debt. The change of ownership may lead to an increased risk of dividend demand from parent companies, conflicting with investor interests and the needs of the operating company.

#### *Available risk controls*

64. [ s 9(2)(b)(ii) ]

65. Supervisors of fund managers (and KiwiSaver providers) are licensed and monitored by the FMA. If the FMA believes any issues arising during the acquisition process represent a significant new risk or an increase to an existing risk, it can be regarded as a material change in circumstances, potentially requiring licensing conditions, including suspension or termination of the licence itself.

66. [ s 9(2)(b)(ii) ]

67. In relation to the operational and sensitive data risk associated with the change in ownership of the Target, the Applicant already operates in the wealth management sector (and has done since 1998) and is already aware of its obligations in relation to data protection. The Applicant is licensed<sup>29</sup> to provide the same type of services as the Target, including the provision of KiwiSaver products. The Applicant also has its own policies and procedures in place in relation to the protection of personal information and actively monitors its compliance with the Privacy Act 2020 and reports any breaches as necessary to the Privacy Commissioner.

68. In terms of the Applicant becoming a KiwiSaver default provider, there is an Instrument of Appointment in place, the terms of which are set jointly by the Minister of Finance and the Minister of Commerce and Consumer Affairs, and which can only be varied with Ministerial approval. In the event of substantial problems, the FMA may determine a provider's conduct merits a recommendation to Ministers that new default member allocations be suspended or that the provider is terminated as a default provider.

69. In the case of any change in control of a KiwiSaver default provider, joint Ministers have the ability, subject to certain criteria and due process, to exercise discretionary powers to suspend new default member allocations or terminate the provider's default appointment. In addition, the FMA conducts six monthly reviews of how each provider is performing relative to their Instrument of Appointment and the FMA's expectations.

70. In general, the Applicant will be operating in a highly regulated and monitored environment and subject to an array of obligations under legislation and licensing provisions.

[ s 9(2)(b)(ii) ]

The Applicant and the Kiwi Wealth Group both require and hold a licence to act as a manager of a registered managed investment scheme, as a provider of a discretionary investment management scheme and to act as a provider of financial advice.

[ s 6(a) ]

## Overall risk assessment

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71. [ s 6(a) ] This is a commercial transaction conducted at arm's length between the Applicant and the Vendor and the Applicant has genuine commercial motivations for engaging in the transaction.
72. The majority shareholder of the Applicant is a New Zealand registered charitable trust, established for the benefit of the Taranaki community.
73. [ s 6(a) ]  
[ s 6(a) ]  
[ s 6(a) ]
74. In addition to this, the transaction is likely to have a neutral impact on competition within the default KiwiSaver provider market.
75. [ s 6(a) ]  
[ s 6(a) ]  
[ s 6(a) ]

## Recommendation and Next Steps

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76. Please consider whether additional conditions are required to address any national interest risks posed by the Proposed Transaction. If you do not consider that additional conditions are required, the Proposed Transaction will be managed under the standard conditions set out in the Proposed Consent Decision (**Attachment 2**).
77. There is a range of actions available. Given the low risk of the transaction, we recommend the following action be taken:

Decision	Conditions/Notes	Rationale
Not contrary to New Zealand's national interest	None	[ s 6(a) ] [REDACTED] [REDACTED] [REDACTED]

## Attachments

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1. Letter from consent decision-maker(s).
2. Ownership Structure on completion
3. Proposed Consent Decision.
4. [ s 6(a) ] [REDACTED]

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## Attachment 1: Letter from Davinnia Tan to Minister of Finance



### Wellington Office

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155 The Terrace  
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Our Ref 202200350

13 October 2022

Hon Grant Robertson  
Minister of Finance

PARLIAMENT BUILDINGS

Cc: Rebecca McAtamney, Head of Regulatory Practice and Delivery (Overseas Investment)  
Toitū Te Whenua, Land Information New Zealand (LINZ), [rmcatamney@linz.govt.nz](mailto:rmcatamney@linz.govt.nz)

Dear Minister

### National interest assessment under the Overseas Investment Act 2005

I seek your decision on whether the following investment is contrary to New Zealand's national interests.

Fisher Funds Management Limited seeks consent under the Overseas Investment Act 2005 (the **Act**) to acquire 100% of the shares in Kiwi Wealth Management Limited.

This investment requires consent because it is an acquisition, by an overseas person, of more than 25% ownership or control interest in significant business assets where the value of those assets exceeds \$100 million (section 13(1)(a) of the Act). The investment requires a national interest assessment because one of the overseas persons is a non-New Zealand government investor (section 20A(1)(b) of the Act).

I have made an assessment that no factors have been established under section 18A of the Act and the investor test is met.

All decisions regarding investments in significant business assets have been delegated to LINZ pursuant to the Ministerial Delegation Letter dated 24 November 2021 (see Table A, Row A). Before I can determine whether to grant or decline the application, you need to decide whether the investment is contrary to New Zealand's national interest (section 20C of the Act). To assist with your consideration of the national interest assessment, I attach the Proposed Consent Decision that outlines the standard conditions that would apply if consent is granted. This includes the automatic condition that each consent holder must not, in relation to sensitive assets in which the relevant investment is made, act or omit to act with a purpose or an intention of adversely affecting national security or public order (section 25C of the Act.)

The Overseas Investment team at LINZ will separately provide you with a report addressing the national interest assessment.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Davinnia Tan', is positioned above the printed name.

Davinnia Tan  
Manager, Applications  
Overseas Investment, LINZ

Released under the Official Information Act 1982



## Attachment 2 – Proposed Consent Decision

### Consent for Overseas Person to Acquire Significant New Zealand Business Assets

Read this consent carefully - you must comply with all the conditions. If you do not, you may be subject to fines or other penalties.

#### Consent

Decision date: **[To be confirmed]**

The following people have been given the following **consent**:

<b>Case</b>	202200350
<b>Consent</b>	The Consent holder may acquire the Assets subject to the Conditions set out below.
<b>Consent holder/s</b>	Fisher Funds Management Limited (New Zealand company number 903800)  We will also refer to each Consent holder and the Consent holders together as <b>you</b> .
<b>Assets</b>	100% of the shares in Kiwi Wealth Management Limited (New Zealand company number 3758632).
<b>Timeframe</b>	You have until 1 November 2023 to acquire the Assets.

## Conditions

Your Consent is subject to the conditions set out below. These apply to all overseas people who are given consent to acquire significant business assets, including you.

You must comply with them all. Be aware that if you do not comply with the conditions, you may be subject to fines or other penalties.

In the Consent and the Conditions, we refer to the Overseas Investment Office as **OIO, us or we**.

**Act** means the Overseas Investment Act 2005.

Details	Required date
<b>Automatic condition: National Interest</b>	
You must not, in relation to the Asset, act or omit to act with a purpose or an intention of adversely affecting national security or public order.	At all times
<b>Standard condition 1: acquire the Assets</b>	
<p>You must acquire the Assets</p> <ol style="list-style-type: none"><li>by the date stated in the Consent. If you do not, your Consent will lapse and you must not acquire the Assets, and</li><li>Using the acquisition, ownership and control structure you described in your application. Note, only you – the named Consent holder – may acquire the Assets, not your subsidiary, trust or other entity.</li></ol>	As stated in the Consent
<b>Standard condition 2: tell us when you acquire the Assets</b>	
<p>You must tell us in writing when you have acquired the Assets.</p> <p>Include details of:</p> <ol style="list-style-type: none"><li>the date you acquired the Assets (<b>settlement</b>),</li><li>consideration paid (plus GST if any),</li><li>the structure by which the acquisition was made and who acquired the Assets, and</li><li>copies of any transfer documents and settlement statements.</li></ol>	As soon as you can, and no later than two months after settlement

**Standard condition 3: remain not unsuitable in New Zealand**

You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Assets in accordance with section 18A(1) of the Act.

The **Individuals Who Control You** are individuals who:

- (a) are members of your governing body
- (b) directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and
- (c) are members of the governing body of the people referred to in paragraph (b) above. To avoid doubt, this includes the members of your governing body.

At all times

**Standard condition 4: tell us about changes that affect you, the people who control you, or people you control**

You must tell us in writing if any of the following events happens to any of the Consent holders:

- 7. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act.
- 8. You cease to be an overseas person or dispose of all or any part of the Asset.
- 9. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you.

Within 20 working days after the change

### **Attachment 3 – Ownership structure on completion**

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(see following page)

Released under the Official Information Act 1982

[ s 9(2)(b)(ii) ]

Released under the Official Information Act 1982

[ s 6(a) ]

Released under the Official Information Act 1982