

2015 practically disappeared after our last newsletter and 2016 is displaying the same excited pace! With May proving no different, this edition risked being delivered into the next month...

In this issue of our six monthly newsletter we will be:

- Measuring MMC's activity and growth with a snapshot of numbers;
- Summarising any business development initiatives in progress;
- Providing a 'heads up' on changes to the New Zealand regulatory and legislative environment; and
- Sharing various other 'goings-on' from both sides of the MMC office walls.

MMC

After a year of consolidation of systems, controls and processes, 2016 sees MMC back to focusing on marketing our services to new clients and delivering new service offerings to continue with strong business growth.

As at 30 April 2016 MMC have 25 clients with funds under administration of over \$25.5 billion. We are calculating 210 unit prices each day and have 36 staff members.

Having been granted KiwiSaver IRD approval late last year, we have undergone further testing and are excited to announce that we have signed up two new clients to provide KiwiSaver registry to, starting third quarter of this year. We have also been working on a web portal specifically designed for investors' use to support our KiwiSaver offering and our existing registry services.

Business Development

Since November last year we have concentrated on completing the transition of registry clients to NeXus, allowing further access to data and reporting via the web portal, preparing for and running tax year end reporting, preparing and delivering financial statements and improving transaction processes.

- The transition of registry clients to NeXus has been completed for all but one client currently in the final stages of testing.
- Access to fund accounting and unit pricing data and reporting via our secure web portal has been extended to the majority of clients.
- The tax year end reporting, including a Statement of Holdings, PIE Tax Statement, PIE Tax Statement Guide and Change of PIR form, was run for over 4,500 investors.
- 134 sets of draft financial statements have been delivered to clients for audit.
- SWIFT messaging for non OMGEO matched transactions was implemented for HSBC and NAB.

Through to this November our activity will focus on fulfilling KiwiSaver registry, making available a web portal for investors and continuing to improve transaction processes.

- Go live and transition plans for KiwiSaver registry will be finalised and fulfilled for two new clients.
- An investor web portal will be available for clients to allow access for their investors by the end of this year.
- Processing of wrap transactions via Calastone's platform will be released for Aegis and FNZ.

- SWIFT messaging for BNP Paribas and JPMorgan will be implemented to complete the Custodians.

Regulatory & Legislative Environment

DISCLOSURE OF FEES

Following various drafts, updates and information sheets, the FMA finally issued a guidance note on 'Fee disclosure by managed funds' last week.

The guidance note covers how fees should be disclosed in PDSs and fund updates. This includes the classification and disclosure of performance-based fees, management and administration charges, underlying fund charges and how to use third-party information.

SERVICES AND SERVICE LEVEL AGREEMENTS

Taking into account the FMCA regulatory and operational changes, MMC have been drafting new agreements for all clients.

Depending on the age of the existing agreement, the main changes for most clients are as follows:

- An initial term for the agreement with automatic renewal of further terms.
- The inclusion of various new clauses including AML/CFT processing, licensing, retaining information, MMC warranties, reporting breaches, error reporting and compensation, limitation of liability, PIE tax, business continuity plan and intellectual property rights.
- The removal of the rate card from the schedules, being replaced by a separate signed letter.
- The inclusion of a list of policies, either MMC's or the client's.

To date, we have signed six new agreements, another two are awaiting signatures, nine are in the process of review and we have still got a handful to draft. If you are one of the pending signees or current reviewees, we will be back in touch shortly to chase you up! For those yet to receive draft agreements, our thanks for your patience. We hope to have everything completed by the end of next quarter.

Web Portals

With access to our secure web portal being extended over the last six months, we have started to receive a little bit of feedback from clients which is great! As a result, we have identified some existing screens that we are looking to simplify or provide the data in a report format instead. We will also continue to add further reports as usage and requirements increase.

If you would like access via the web portal, or just require some initial training to find your way around, please let us know.

In addition to this client web portal, we are currently developing a new investor portal for KiwiSaver and existing registry services that is fully responsive for use on any device (i.e. tablets and smart phones). By the end of this year it will be available to clients to allow access for their investors. Delivered to investors via a link on the client's website, it is being developed with MMC branding but there is flexibility around "skinning" the portal with the client's own logo, colours and fonts. For those clients with their own web portal, the investor information can also be delivered via API. We are hoping to trial the prototype with a couple of clients in the next month or so.

Client Survey

MMC have engaged insight agency, TRA, to assist with a client survey. Our objective is to understand client perceptions of our offering to help drive relationship improvement and development.

Firstly, we want to ascertain existing client perceptions of MMC – specifically in relation to value provided, services offered and role within the client's firm. We would also like to gauge client appetite for extending the current MMC relationship. Lastly, it would be helpful to investigate a range of communications or value added initiatives.

With the survey being conducted by face to face interviews, our plan is to email a number of clients mid-August for their involvement. This will be followed up by TRA to arrange an appropriate time for an interview during September. The findings will be included in a report to be sent to all clients late October.

Introducing...

Laura Onslow has recently joined us as an Executive Assistant and Office Manager for MMC.

With eight years' experience assisting senior directors and executives in the UK healthcare sector, Laura has spent the last four and a half years working at board level for a large teaching trust and trauma center on the South Coast of England.



Laura's responsibilities at MMC include:

- Providing full EA support and diary management to Rob and Tom;
- Coordinating board meetings and taking minutes;
- Supporting the senior management team;
- Running the front of house for MMC – managing boardroom bookings, greeting visitors and offering refreshments;
- Upholding the office environment and well-being of the staff – maintaining inventories and dealing with suppliers and contractors;
- Streamlining office practices and processes, including internal communications; and
- Organising client and staff events.

We love Laura's enthusiasm and approach to her newly created role, "doing a job I really enjoy, a good EA should know what is needed before the staff even realise it themselves – things just happen!".

Contact Us

If you would like to discuss or obtain further information about anything featured in this newsletter, please feel free to contact us on:

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"Do what you do best and outsource the rest"

Tom Peters (management guru)