



Sugar Wallet Terms of Use

1. Overview

- 1.1 Welcome to Sugar.
- 1.2 The world of investments is full of acronyms and confusing terms. So, we want to be really clear about what we both agree to when you use our Service via the Sugar Wallet App.
- 1.3 That's what these Terms of Use (Terms) cover.
- 1.4 These Terms apply to you as soon as you set up an account to begin using our Service. Even if you have not signed up to an account with Sugar Wallet, these Terms will in part apply when you visit our Website or App.
- 1.5 We intend to innovate, grow, and change. So, these Terms may also need to change in future. We reserve the right to amend these Terms at any time, effective upon the posting of modified Terms on the Website and in the App. Any amendments will apply to your continued use of the Service, App and Website under updated Terms.
- 1.6 To make it easy, we'll tell you when we last updated these Terms at the top of the page. If the changes are significant, we'll communicate these changes to you via email (if you have signed-up to the Service). It is your obligation to have read, understood and agree to the most recent Terms available.
- 1.7 Please read these terms alongside our [Privacy Policy](#). The Privacy Policy tells you what information we might collect about you, and how we might use that information.
- 1.8 You indemnify us against all claims, costs, damage and loss arising from your breach of any of these Terms or any obligation you may have to us.
- 1.9 You should these Terms carefully.



1.10 What you'll find in these Terms:

- Who are we?
- Our Service
- Investing – what you need to do
- Investing – what we do
- Fees – how we make money
- Keeping your money secure
- Keeping your account secure
- Tax
- Intellectual Property
- Kids Accounts
- Verifying your identity and address
- Suspending or closing your account
- Communicating with you
- Contact us
- Making a complaint

2. Who are we?

- 2.1 Where it says 'we', 'us', 'our', 'Sugar' or 'Sugar Wallet' in these Terms, it refers to Sugar Limited (FSP1000077) – a company incorporated in New Zealand, which provides the service to you.
- 2.2 Our company number is 8069156 and our registered office is at Unit 324, 28 College Hill, Freemans Bay, Auckland, 1011.
- 2.3 We also refer to 'Sugar Nominees', a New Zealand based entity responsible for holding client money and investments in trust.
- 2.4 Our 'Website' is sugarwallet.com. Our 'App' is the Sugar Wallet App available for download through Google Play and the App Store.

3. Our Service

- 3.1 Our Service as an investment platform is to offer you the opportunity to invest in units of managed funds via the App. We do so by placing orders to buy or sell units in managed funds at your request.



3.2 Via the App, you can also:

- Link a bank account to make deposits and request buy orders of units
- Withdraw funds – ie request us to sell units of managed funds, and transfer the proceeds to you
- Track the performance (returns and balance) of their investments
- View projections of investment growth over time
- Set-up and amend recurring, automated deposits for investments
- Make one-off deposits for investments
- View their transaction history
- View relevant product information on the managed funds available.

3.3 As a user of the Service, you agree to comply with the requirements to use our Service:

- You must be aged 18 years or older;
- You are living in New Zealand;
- You have a New Zealand bank account;
- You must confirm if you're a tax resident in any other country and provide the relevant tax identification number(s) and withholding tax rate (if applicable);
- You must only use the Service for your own personal investments, not for any business purpose;
- You must tell us straight away if your information changes at any time;
- You must comply with the Law.

3.4 You must create an account to use our Service. When you do so, you:

- warrant that any information you provide is accurate;
- must complete all parts of the application;
- may need to provide further information to us at our request, in particular for compliance purposes.

3.5 We do not have to open your account or provide any reasons for not doing so. However, we will seek to explain the reasons.

3.6 We are not licensed to provide regulated financial advice. Therefore none of the information we provide via our Service can be taken as recommendations or personalised investing, tax, legal or financial. We



do not take account of your particular investment objectives, financial situation or investment needs when providing information to you.

- 3.7 We may provide information via the App or Website regarding investment, tax, and investment that could be useful for your decision-making process. For example, pricing information, news, data, calculations, and investor information (including product disclosure statements). Some of this information comes from third parties, other information we create.
- 3.8 But you should seek advice from a personal financial adviser if you are not sure if our Service or any particular investment is right for you.
- 3.9 You need to comply with our rules for use of information we provide via the App or Website, which is that:
 - this information is only for your personal use and you won't provide it to anyone else, copy it, or reproduce it;
 - it remains our property or that of our third-party suppliers; and
 - if we give you notice of additional policies, restrictions, or other terms and conditions for the use of the information, you'll comply with these too.
- 3.10 Neither we nor third-party providers take responsibility for, or guarantee the availability, timeliness, reliability, accuracy, or incompleteness of any information that is provided via the App or Website.
- 3.11 We can change or stop providing all or any part of the information to you at any time, without giving you notice.
- 3.12 To the extent permitted by law, the information contained on the Website and App is not an offer to sell or a solicitation to buy any financial product, security or other product or service from us
- 3.13 We intend our services to be available 24 hours a day, seven days a week. But it is possible a scenario occurs where our Service or Website are not available. You should know that your access is on an 'as is, where is, as available' basis. That means there might be times when you can't access either the Service or our Website.



- 3.14 If for any reason we must interrupt the Service or our Website for longer periods than we would anticipate, we will seek to communicate details of such interruption via email, on the App or on the Website ahead of time.
- 3.15 In the case of technical problems, you must make all reasonable efforts to investigate and diagnose problems before contacting us at hello@sugarwallet.com.
- 3.16 We may monitor your access to and use of our Service and Website. Such usage information may be used by us. For example, as inputs to improve the functionality of the Service or to ensure we meet legal and regulatory requirements.
- 3.17 We give no warranty about the Service or Website. Without limiting the foregoing, we do not warrant that the Services will meet your requirements or that it will be suitable for any particular purpose.
- 3.18 We are not liable for:
- loss or damage suffered by you through your use of our App, or your inability to access our Website or App; or
 - loss, fees or costs you incur or suffer when using our Service; or
 - malicious code, viruses, blocked access or if our Website or App does not work.
- 3.19 Sometimes, we might direct you to other websites through links on our website or app. We can't control the content of those websites and won't be responsible for what you might find there. You should check the terms of use for those websites.
- 3.20 Our Service is delivered to you digitally, therefore we operate on a paperless basis.

4. Investing – what you need to do

- 4.1 During sign-up, you will choose a managed fund which you would like to invest in. At the time of writing, Simplicity Growth, Balanced and Conservative Investment Funds are the only three managed funds available.



- 4.2 You will also link your bank account to Sugar Wallet through our open banking partner, Akahu. You must use a New Zealand registered bank account as your nominated bank account.
- 4.3 Log into the App to place a request for us to buy or sell units in your chosen managed fund on your behalf.
- 4.4 To **buy** units – making a deposit on the App - you can either:
 - request a one-off buy order of any amount (up to \$10,000 per day). You do this by selecting the ‘Deposit’ tab in the App and choosing a lump-sum value of the investment you’d like to make. Via Akahu, the same value of funds will be deposited from your linked bank account to Sugar Nominees’ bank account; or
 - Set up a weekly, fortnightly or monthly investment plan to begin from a date in the future. The same value of funds will be deposited from your linked bank account to Sugar Nominees bank account in the interval you have determined. You can amend or cancel this investment plan in the ‘Investment Plan’ tab on the App.
- 4.5 There is no minimum investment amount for either one-off deposits or as part of your investment plan.
- 4.6 You can access information about a fund by visiting each Fund’s page on the Website or the ‘Fund Info’ tab on the App. This includes important documents such as the Product Disclosure Statement (PDS) which will provide information on the risks and fees associated with the financial product.
- 4.7 If you place an order for an investment through us, you agree that you’ve read and understood the Product Disclosure Statement for your chosen managed fund. We’ll ask you to confirm this when you invest.
- 4.8 To **sell** units – withdrawing on the app – you select the ‘Withdraw’ tab on the app and direct us to withdraw \$X of your investment. This value will be returned to your linked bank account once the requisite units have been sold and the proceeds received by Sugar Nominees.
- 4.9 You can withdraw part or all of your investment in your chosen managed fund.



- 4.10 You can direct us to **switch** managed funds. This requires us to put a sell order through for all your units in the original fund, and with the proceeds, place a buy order for units in the new fund.
- 4.11 Your balance on the App informs you of the value of your investment.
- 4.12 The return figure on the App tells you the percentage change in the value of your investment since you purchased it. In other words, it reflects the change in the unit price from when we purchased the units on your behalf and the most recent unit price available to us.
- 4.13 You can see how much you have deposited in the app on the 'Pricing Plan' tab in the App. This figure is net of withdrawals.
- 4.14 We are not responsible for returns, calculations, or performance information. Nor are we responsible for any reliance placed on this information provided via the Service
- 4.15 The returns, calculation and, performance information in the Service may use or include information from third-party sources. Any returns or information displayed may be estimates and calculated based on the most recent unit price.

5. Investing – what we do

- 5.1 We process buy and sell orders in batches every day at 2pm.
- 5.2 An order made on the App at or before 11.30am will be placed on the same day.
- 5.3 An order made on the App after 11.30am will be placed at 2pm on the following business day. The same is true for any orders made on the App on the weekends or public holidays.
- 5.4 For buy orders we will buy the maximum number of units possible given the unit price at the time of the order and the amount you've deposited. For orders made on the App after 11.30am, this unit price will be different to the unit price published on the App at the time of deposit because the value of the fund is likely to move between valuation dates.



- 5.5 For sell orders, we will sell the number of units required to equal the amount you have requested for withdrawal given the unit price at time of order. We may sell a slightly higher number of units or part units to account for any tax payable
- 5.6 If you withdraw all the funds in your account, then this requires us to sell all the units of the fund you hold. If the unit price at the time you requested the withdrawal, is higher (lower) than the unit price at the time of sale, then you may receive less (more) than you requested.
- 5.7 It takes 5-6 business days to buy your units of the managed fund and to update your balance and return accordingly in the App.
- 5.8 It takes 5-6 business days to sell your units of the managed fund and return the proceeds back into your account.
- 5.9 We can't process your one-off deposit or investment plan recurring deposit if you don't have enough funds in your linked bank account. For one-off deposits, the transaction simply will not go through. For investment plan deposits, the system will try to process your deposit once more in each of the following two days. Regardless, the investment plan will remain in place for the next scheduled deposit.
- 5.10 We may not always be able to fulfil buy or sell orders of units in managed funds. For example, you may be suspended or delayed from selling the units in a managed fund under the managed fund's terms, or an Exchange may suspend or restrict trading.
- 5.11 We are not:
- the issuer or manager of the investments available via the Service and do not accept responsibility for the performance of any investments; or
 - providers of discretionary investment management services. We act on your instructions; or
- 5.12 If funds that you have units of make distributions or provide dividends, these will be reinvested in your chosen managed fund.
- 5.13 We can put limits on orders or cancel orders if we feel it necessary to comply to anti-money laundering or other regulations relevant to financial services.



5.14 An investment is subject to investment and other risks which could involve delays in repayment and loss of income or principal invested.

6. Fees – how we make money

6.1 We have two tiers of pricing for the Service.

6.2 Sugar Free: if you have less than \$250 invested via the App, then we charge \$0 per month.

6.3 Sugar Rush: if you have more than \$250 invested via the App, then we begin to charge \$3 per month. This will automatically be taken on the first of every month, from your linked bank account.

6.4 We charge no transaction or withdrawal fees.

6.5 If we are unable to take \$3 from your linked bank account three days in a row, you agree that we can direct Sugar Nominees to pay us using either money not yet used for purchases of units in your chosen managed fund or to sell units in your fund and to pay us with the proceeds.

6.6 Managed fund providers management fees may be built into the value of the managed funds they offer. You are responsible for keeping up to date with these fees and expenses that form part of the investment. You are not typically charged for these separately.

6.7 At the time of writing, the three funds available to invest in via Sugar Wallet are all provided by Simplicity NZ Limited and incorporate a 0.31% per annum management fee.

6.8 You can find details of the current fees and pricing at www.sugarwallet.com/pricing.

6.9 We'll let you know by sending a notification via the App and/or by email, if we're going to:

- introduce additional fees; or
- amend fee levels; or
- change the way in which we deduct fees; or
- change the date when we deduct fees.



7. Keeping your money secure

- 7.1 Your money and investments in your account will be held on trust for you by a custodian on your behalf.
- 7.2 Our chosen custodian is Sugar Nominees. This custodian is a non-trading company that exists to hold our clients' money and investments secure and separate from our own (although we may hold a buffer of our own money in the same account). We can change the approved third-party custodian we use at our discretion.
- 7.3 When you deposit money via the App or otherwise, that money goes to Sugar Nominees' New Zealand-registered bank account. The banks used are independent of us, and we don't accept responsibility for any default or delay in the distribution of money as a result of their failure.
- 7.4 We have chosen to use Adminis Ltd as sub-custodian to ensure that your assets are further separated from our own. Sugar Nominees passes on purchase instructions and your cash to Adminis who conducts the purchases. You will be individually registered on Adminis, but Sugar Nominees holds the investments on your behalf.
- 7.5 Your money will be 'pooled' with other people's money using the Service.
- 7.6 If we become insolvent or otherwise materially default on our obligations, your buy/sell orders could be cancelled. However, Sugar Nominees will never use money, investments, or other property held for you for the benefit of itself, us, or any other person.
- 7.7 If we become insolvent or otherwise materially default on our obligations, your cash and units will be protected from the claims of general creditors, including any bank holding your money.
- 7.8 We will keep records of all money you have deposited and withdrawn from your account.
- 7.9 Your money does not include any fees or other charges you have paid or owe to us, that is our money.



8. Keeping your account secure

- 8.1 Our Website and app are secured with 256-bit encryption.
- 8.2 Multi-factor authentication, automatic logouts and ID verification help prevent unauthorised access to your account.
- 8.3 We will contact you about unusual account activity for protection against fraud.
- 8.4 To aid in keeping your account secure, do not:
- create an account for someone else without their permission, or let others do the same for you; or
 - tell others your password or username; or
 - try to log in to another person's account or try to bypass our security procedures
 - try to 'break' our website or decompile, reproduce, reverse engineer, or modify our website, or misuse our website in any way; and
- 8.5 Do:
- keep your password and username secure and confidential;
 - change your password regularly;
 - keep the device you use to access our services safe, and make sure you change the password for that device regularly try;
 - notify us of any unauthorised use of your passwords or any other breach of security and we will reset your password.
- 8.6 Unfortunately, the transmission of information via the internet is not completely secure. Although we will do our best to protect your personal information, we cannot guarantee the security of your data transmitted via our Service; any transmission is at your own risk.
- 8.7 We will never contact you to ask you to disclose your security credentials. Be cautious about opening links contained in SMS messages or emails and beware of phishing scams.

9. Tax

- 9.1 The managed funds available for investment on the App are 'portfolio investment entities' (PIEs) for tax purposes. PIEs have a top tax rate of



28% rate'). You can find out more on the Inland Revenue website, www.ird.govt.nz.

- 9.2 You acknowledge that we will undertake tax compliance for your PIE Investments through the Service.
- 9.3 Therefore, during sign-up for the Service, you'll need to:
 - provide your IRD number;
 - confirm the countries where you're a tax resident and provide us with your relevant tax identification number(s); and
 - provide us with your 'prescribed investor rate' (your 'PIR') and 'RWT rate' so we can apply the correct tax rates.
- 9.4 If you don't notify us of your PIR we may use the default rate of 28%.
- 9.5 Inland Revenue publishes helpful information on its website, www.ird.govt.nz, including how to figure out your correct PIR is.
- 9.6 If you notify a PIR that is lower than your correct rate, you will need to include your PIE income in your tax return and pay any tax shortfall (including penalties or interest) to Inland Revenue). If the default rate of your notified PIR is higher than your correct rate, you won't get a refund of any overpaid tax.
- 9.7 If you receive a tax rebate of any kind we will direct Sugar Nominees to transfer this to your linked bank account.
- 9.8 If your tax details change, you agree to tell us immediately.
- 9.9 Our custodian is a 'PIE Investor Proxy' (which some people call a 'PIP'). This means that our custodian and sub-custodian will hold your investments, on your behalf, for tax purposes.
- 9.10 We may direct Sugar Nominees to sell the minimum number of units required for the purpose of using the money received from the sale to pay PIE tax for you.
- 9.11 Your investments may earn you income. We make it easy by paying withholding tax on income earned from investments Sugar Nominees holds on your behalf.



9.12 You are ultimately responsible for your own tax obligations.

10. Intellectual Property

10.1 We own (or have the right to use) the content, material, layout, and design of our Website and App and all documents and other materials that we use when we provide you with our Service. That includes our brand name and our logos.

10.2 You can access, download, view, or print information contained on the Website or App for your own purposes (so long as it is for personal reasons).

10.3 But otherwise, unless we give you written permission (or the law says you can) you can't use, copy, modify, adapt, store, distribute, print, display, perform, publish, or redistribute any part of our Website or the App, or other documents and materials that we provide you via the App or otherwise.

10.4 The data you input via the Sugar Wallet app or Website remains your property. You grant us a licence to use, copy, transmit, store, and back-up your information and data for the purposes of enabling you to access and use the Service and for any other purpose related to provision of services to you, including developing new products and services.

10.5 We'll only use your personal information in accordance with our [Privacy Policy](#).

11. Kids Accounts

11.1 We do not currently allow for accounts for people under 18, nor do we enable adults to set up accounts on behalf of their kids.

12. Verifying your identity and address

12.1 We have obligations to check that you are who say you are under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the AML/CFT Act 2009)

12.2 We compare identity and address information you provide during sign-up, against information held by others (eg government agencies) using an electronic service called Cloudcheck.



- 12.3 You can read more about this in our [Privacy Policy](#). If we can't verify you, we will not offer our services to you.
- 12.4 In the process of continued due diligence, or if we decide to engage in enhanced due diligence under the AML/CFT Act 2009, we might:
- delay activating or suspend your account; or
 - hold off selling, redeeming, or withdrawing any of your investments; or
 - not process any withdrawal requests.
- 12.5 We – and our custodian – also have obligations under New Zealand's financial laws and regulations (including the Financial Advisers (Custodians of FMCA Financial Products) Regulations 2014).
- 12.6 This means that we might need to tell our custodian, the Financial Markets Authority, the IRD or other organisations as required by law, information about your transactions and your account activity.

13.Suspending or closing your account

- 13.1 We can suspend or terminate your access to the Service at any time, for any amount of time.
- 13.2 We may do so whenever we think we need to, including if:
- you breach any of these terms; or
 - you fail to pay your fees; or
 - we think the security of your account might be compromised; or
 - the law says we should; or
 - we think that there's a risk of harm.
- 13.3 If we suspend or terminate your account then we can sell, redeem, or withdraw investments made by you using our services. If we do so, we'll pay the net proceeds to your linked bank account (once we've deducted any costs, fees, expenses or other amounts owed to us).
- 13.4 If you breach these terms, and that breach results in someone making a claim against us (or telling us that they intend to), then you agree to cover all costs, expenses, and fees incurred or suffered by us in connection with that claim. But we'll stay in control of that claim.
- 13.5 You can suspend or terminate your account at any time.



- 13.6 You can also ask us to delete certain information we hold as set out in the [Privacy Policy](#).
- 13.7 If you choose to suspend or close your account, or if you ask us to delete your details:
- you won't be able to access our services;
 - we won't refund any fees paid by you;
 - we can sell, redeem, or withdraw investments made by you using our services. If we do so, we'll pay the net proceeds to your linked bank account (once we've deducted any costs, fees, expenses or other amounts owed to us).
 - our rights and your obligations under these terms won't stop when it makes sense for them to continue.
- 13.8 If we're holding any of your money which becomes unclaimed money, we can account for that money in accordance with the Unclaimed Money Act 1971.

14. Communicating with you

- 14.1 We'll use the email address you provide to us to communicate with you. Please keep an eye out for important messages.
- 14.2 We may additionally text you on the phone number you provided if we have not been provided with a working email address by you.
- 14.3 We might also send you emails about stuff we think you'll be interested in, like new services and products we are offering, or information about investing.
- 14.4 We don't want to clog up your inbox. You can unsubscribe from marketing emails from us by selecting the 'unsubscribe' button at the bottom of those emails (but, if you do, let us know if you later change your mind!)

15. Contact us

- 15.1 We're here to help!
- 15.2 If you're stuck, need some help with our services, or want to make a complaint, you can contact us by emailing hello@sugarwallet.com.



16. Making a complaint

16.1 You can contact our chosen external dispute resolution scheme for free to make a complaint.

16.2 From 1 June 2022, the details are:

Financial Services Complaints Limited
PO Box 5967, Wellington, 6140
Call: 0800347257
Email: complaints@fscl.org.nz

16.3 Prior to 1 June 2022, contact:

Fairway Resolution Ltd Level 4, 142 Lambton Quay
PO Box 2772 Wellington 6140
Call: 0508 337 337
Email: enquiries@fdrs.org.nz