GoCIO FAQs

1. Why has Generate launched GoCIO, and what does the service cover?

Recent research[1] points to growing demand for managed account solutions.

73% of financial advisers in Australia now use managed accounts as their core portfolio solution for clients. The 16th SPDR ETFs/Investment Trends Managed Accounts Report found that financial advisers using managed accounts within their client portfolios save an average of 23.9 hours per week[2].

GoCIO is Generate's outsourced Chief Investment Officer service to NZ advisers. It provides high-quality investment portfolios to improve client outcomes and saves advisers significant time that can be better spent on advice and relationships.

Many advice firms don't currently offer discretionary portfolios to clients. Doing so requires a DIMS license, ongoing regulatory obligations, an investment committee, a documented strategy for every portfolio, audit-ready reporting and ongoing manager monitoring - infrastructure most firms don't have in place.

GoCIO was launched to provide that infrastructure ready-made: model portfolios and bespoke portfolios, backed by a documented investment strategy and overseen by an Investment Committee, delivered alongside custody, implementation and rebalancing, reporting, investment governance, and ongoing manager research and monitoring.

Generate's customers have been asking for managed funds and private wealth services, including discretionary portfolio management, as have our financial advisers. Our vision is to be the first choice for advisers and members, hence we have launched this service.

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[1] https://www.ssga.com/au/en_gb/intermediary/insights/the-future-of-managed-accounts

[2] https://www.ifa.com.au/democratisation-of-wealth-nearly-3-in-5-advisers-utilising-managed-accounts/

2. Will model portfolios invest only in Generate funds, or will they include external managers?

GoCIO's model portfolios draw on both Generate and external managers, selected through a documented and detailed research process and overseen by the Investment Committee. The fund mix will vary depending on investor risk tolerance, time frame and goals.

As Generate has an exceptional long-term performance track record, it's highly likely its funds will duly earn a place in many GoCIO portfolios.

3. Who is the custodian?

Client assets are held by Adminis NZ Limited, an **independent third-party custodian** that looks after $32bn for 140,000 investors. GoCIO makes investment decisions under its DIMS authority but never holds client assets. Advised clients receive custodial reporting and portfolio access directly through Adminis.

4. When a FAP outsources to GoCIO's DIMS, where does liability lie?

Advice and suitability sit with the FAP: the adviser assesses the client's circumstances, objectives and risk tolerance, and recommends the appropriate portfolio.

Once the client signs the agreement and accepts the Investment Proposal, investment decisions sit with GoCIO under its own DIMS licence, separate from the FAP's licence.

Each party remains responsible for meeting its own legal and regulatory obligations.

5. What's the full fee stack an end client pays?

GoCIO's Portfolio Management Fee including custody is capped at 42 basis points, tiering down for larger balances. This includes access to Adminis' portal for advisers, administration staff, and clients. Adviser support, including portfolio reviews, training, and business development support, is included in the DIMS fee, not charged as an extra.

The fund management fees within the portfolio depend on the mandate. The advisers' fee is negotiated between adviser and client.

Building and running a DIMS in-house typically adds around a day's work per week for an adviser, although recent studies out of Australia have quoted that figure at closer to 24 hours[3], and means carrying liability for both the advice and the investment decisions, unlike GoCIO, where investment decision-making sits with a separately licensed provider.

6. How much input do advisers retain over asset allocation or manager selection?

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[3] https://www.ssga.com/au/en_gb/intermediary/insights/the-future-of-managed-accounts

By nature, a DIMS gives GoCIO full discretion over day-to-day investment decisions within a client's chosen strategy. However, advisers do have input, and feedback is welcomed as part of the ongoing development of the sevice.

For bespoke portfolios, GoCIO works closely with the adviser and the client to build the strategy from the outset.

7. Who makes the investment decisions at GoCIO, and what's their experience?

Investment decisions are led by Jeremy Ward, Head of GoCIO, supported by Davy Ma, GoCIO Investment Analyst.

Jeremy brings more than two decades of institutional funds management experience from senior investment roles in London and New Zealand. His expertise spans asset allocation, portfolio construction, manager selection and investment governance across equities, fixed income, private markets and alternatives. He has served on investment committees and led the design and oversight of diversified multi-asset portfolios through multiple market cycles.

Davy is a quantitative analyst adding strong capability in asset allocation research, quantitative analysis, manager due diligence, performance and risk analytics and portfolio implementation. Together, Jeremy and Davy combine experienced investment judgement with rigorous research, ongoing risk monitoring and disciplined execution.

GoCIO's Investment Committee has extensive experience and capability, and provides oversight and strategic guidance to our investment team. The Investment Committee of five is made up of three independent members and two executives. The independent chair is Nick Bowden, and the other independents are Alana Barron and Derek Janssen. Henry Tongue and Jeremy Ward make up the executive members.

Members bios are available at https://gocio.co.nz/team. The Committee meets at least quarterly, and more often when markets or mandates require.

8. What type of FAP is this aimed at, and are there minimum thresholds?

GoCIO aims to serve three groups of advice firms: those without any DIMS offering, those running their own DIMS in-house, and those currently with another outsourced DIMS provider.

There's no minimum FAP size to onboard. A firm can join with no existing DIMS clients and build its book with GoCIO from there. On individual portfolio balances, GoCIO works case by case with advisers to find what's appropriate, rather than applying a single fixed minimum.

9. What's the transition process for a FAP to move client portfolios onto GoCIO?

We have worked hard to make the transition processes as painless as possible.

For a firm without an existing DIMS book, onboarding is straightforward and efficient, focussing on adviser training and platform setup. GoCIO trains the whole FAP, not just the adviser, so the team understands what DIMS is and how to spot clients for whom it's appropriate.

For a firm bringing across an existing book, GoCIO works with the adviser and their current provider to find the least disruptive path for clients.

In-specie transfer is available, but isn't automatic: GoCIO's analysts assess the incumbent portfolios and recommend whether an in-specie transfer or a sell-down is better, balancing disruption against considerations like tax outcomes.

10. Why should an adviser choose GoCIO versus another provider or building their own DIMS licence?

At its core, GoCIO is about building great portfolios and giving advisers time back: to focus on their clients, on the advice itself, and on delivering the best possible service. We are here to support advisers.

Against an in-house DIMS, GoCIO provides as established governance, research, custody and reporting framework that a firm does not need to build itself. Adviser support, including portfolio reviews and business development support, is included in the DIMS fee rather than charged separately. And unlike running a DIMS in-house, investment decision-making sits with a separately licensed provider, so the adviser isn't carrying liability for both the advice and the investment decisions.

Firms already using another DIMS provider are welcome to explore GoCIO too. We have differentiated portfolios, attractive tiered pricing compared to the rest of the market and we're happy to answer any questions.

11. What ongoing reporting, monitoring and audit does GoCIO provide, and who oversees the model portfolios?

Clients receive quarterly reports covering the investments held, a portfolio valuation, and fees charged for the period. An annual report covers investment strategy, performance and returns, and there's a tax report at year end. Additionally, bespoke reports are available on demand through the custodian's online portal, at no charge.

GoCIO is built to sit in the background and let the adviser lead. Client reports carry the adviser's own cover sheet, with the option to add their own commentary. GoCIO runs the reports end to end, so there's no added administration burden on the adviser.

Advisers themselves also receive monthly market/portfolio commentary, detailed fund research reports, and opinion pieces on markets and investment styles, including white papers, to build their own knowledge and inform how they educate clients.

On conflicts, GoCIO applies a formal conflicts management framework to identify, disclose and manage potential conflicts of interest. Generate funds must meet the same selection criteria, due diligence requirements and ongoing monitoring standards applied to external managers. Related-party transactions are assessed to ensure they are conducted on arm's-length terms and are in investors' best interests.

This oversight is strengthened by an Investment Committee that includes experienced independent investment professionals. They challenge the internal team's recommendations, test assumptions and help ensure portfolio decisions are well governed, well supported and aligned with each client's objectives. This adds an extra layer of accountability.

Complaints go first to the adviser, then GoCIO, with Financial Services Complaints Limited (FSCL), a free, independent dispute resolution scheme, as the external escalation path.

12. Do advisers receive payment or incentive from GoCIO for placing clients into the service?

Advisers set and elect their own advice fee as part of the client relationship, which can be at a tiered or flat rate. GoCIO facilitates the payment of that fee to the adviser. It's not a payment from GoCIO to the adviser for using the service, it's the client's own advice fee collected and passed through as part of the DIMS administration. It's a straightforward way for advisers to build a recurring, diversified income stream directly linked to the value of their advice.

13. What's the long-term vision for GoCIO?

The ambition is to give advice firms of any size a genuine path to institutional-grade DIMS portfolios, growing in a way that lifts the wider advice industry.

GoCIO is a business partner for advisers rather than just a product provider.

Simon Leach, Head of Distribution, brings extensive experience building and scaling investment businesses in New Zealand and works directly with partner firms to ensure the service is implemented effectively. Alongside Simon, Matt Laing, Business Development Manager, brings experience built through decades of serving the NZ wholesale investment industry.

GoCIO clients deal directly with the people responsible for managing the investment service, rather than through layers of account management. GoCIO has been working with a foundation group of FAPs already, refining the service towards what advisers find most valuable.