

**ENTITY NAME:** Du Val Capital Partners Limited and Du Val BTR GP Limited

(together, the **Offerors**)

**DATE:** 20 October 2022

**REASON FOR WARNING:**

1. Following the FMA's review of the use of the wholesale investor exclusion, particularly relating to property-related offers, the FMA has issued a formal warning to the Offerors.
2. Information provided by the Offerors raised concerns that they may have failed to give disclosures to investors as required by Part 3 of the Financial Markets Conduct Act 2013 (**FMC Act**), because they relied on the wholesale investor exclusion in circumstances where they were not entitled to.
3. This is because:
  - a. some eligible investor certificates were incomplete (and therefore defective) as they did not meet the requirement under clause 41(1)(b) of Schedule 1 of the FMC Act, for the following reasons:
    - i. No grounds for the certification were stated in the eligible investor certificate.
    - ii. The grounds stated did not refer to any previous experience in acquiring or disposing of financial products and so are not capable of supporting the certification and should be disregarded.
  - b. some of eligible investor certificates were incomplete (and therefore defective) as they did not meet the requirement under clause 41(1)(c) of Schedule 1 of the FMC Act that a financial adviser, a qualified statutory accountant, or a lawyer signs a written confirmation of the certification in accordance with clause 43 of Schedule 1 of the FMC Act.
4. The FMA has concluded that the Offerors should receive a formal warning concerning this conduct, and that it is in the interest of fair and transparent financial markets that this warning should be published.