

Financial Markets Conduct (Homeshare) Exemption Notice 2025

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

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Notice

1. Title

This notice is the Financial Markets Conduct (Homeshare) Exemption Notice 2025.

2. Commencement

This notice comes into force on 1 December 2025.

3. Revocation

This notice is revoked on the close of 30 November 2027.

4. Interpretation

(1) In this notice, unless the context otherwise requires:

Act means the Financial Markets Conduct Act 2013

Disclosure Statement means the disclosure statement for the Scheme made available on the Homeshare Platform

Exempt Offer means an Offer in which the acquisition of the underlying Property is to be funded solely through subscription proceeds contributed by Scheme participants, and in respect of which the number of Properties acquired by the Home Trust is limited to one and in respect of that Property:

- (a) the purchase price payable for the Property does not exceed \$1 million (exclusive of applicable fees, charges and taxes);

- (b) the Property is completed, with a valid code compliance certificate (as defined in the Building Act 2004) and issued certificate of title;
- (c) it is a fee simple Property with a standalone dwelling or a single townhouse;
- (d) title to the Property is transferred to the Home Trust free of any security interest, mortgage or encumbrance with a power of sale;
- (e) the Property is insured under standard landlord residential property insurance policies which include coverage for loss of rent, damage caused by natural disasters, and tenant-related damage, in each case subject to applicable policy limits and conditions; and
- (f) the Property complies with minimum requirements of the Residential Tenancies Act 1986 for tenanted properties

Fixed Price Range refers to the price range of Units for Secondary Market transactions, determined by the Manager with reference to the Market Value of the Property, with the lower limit set at up to 25% below the lower end of the Market Value per Unit and the upper limit at up to 25% above the upper end of the Market Value per Unit

Home Trust Conditions means the additional terms and conditions applicable to a Home Trust which, together with the Master Trust Deed, govern the Home Trust as a unit trust

Home Trust means the unit trust within the Scheme to be the subject of an Offer on the Homeshare Platform

Homeshare Platform means the online platform offered by the Manager to facilitate participation in the Scheme

Investment Portfolio means, at any time, all of the Home Trusts selected by a Scheme participant for investment within the Scheme at that time

Investor Dashboard means one or more dedicated webpage(s) on the Homeshare Platform accessible by a Scheme participant that provides information about the participant's funds and Investment Portfolio

Manager means Homeshare Scheme Management Limited

Master Trust Deed means the master trust deed declared by the Manager to establish the Scheme

Market Value means the market value of a Property as determined by an automated valuation prepared by Corelogic NZ Ltd from time to time

Offer means the offer of Units in a Home Trust on the Homeshare Platform

Offer Page means the dedicated webpage on the Homeshare Platform that contains key information relating to that Offer

Platform Documents means the agreements, documents, and arrangements that apply between the Scheme participants and the Manager in relation to the use of the Homeshare Platform

Proceeds means money:

- (a) received in connection with holding of the Units and with acquiring and disposing of the Units on the Secondary Market, and
- (b) received from, or on account of, an investor by the Trustee (and not on the Trustee's own account) in connection with the operation of the Platform and/or Scheme,

and, for the avoidance of doubt, excludes Scheme Property

Property means the residential property associated with an Offer that is proposed to be acquired by a Home Trust

Regulations means the Financial Markets Conduct Regulations 2014

Scheme means the managed investment scheme named Homeshare Scheme, which is managed by the Manager and comprised of the Home Trusts

Secondary Market means the marketplace operated by the Manager on the Homeshare Platform that allows Scheme participants to buy and sell Units

Trustee means Homeshare Trustee Limited

Unit means a unit in a Home Trust.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5. When this notice ceases to apply

- (1) The exemptions in clause 6 do not apply to an Exempt Offer if the Manager has completed ten successful Exempt Offers prior to that offer.
- (2) The exemptions in clause 6 do not apply to an Exempt Offer if:
- (a) the amount that any retail investor in that Exempt Offer must pay on acceptance of the offer for Units in that Exempt Offer is more than \$50,000; or
 - (b) the total amount that any retail investor in that Exempt Offer must pay on acceptance of the offer for Units in that Exempt Offer plus the amounts that they have previously paid for Units in all other Exempt Offers in the Scheme that they hold at the time of the offer is more than \$100,000.
- (3) In this clause, a reference to amounts paid by a retail investor for Units:
- (a) includes amounts that any associated persons of that investor paid for Units; but
 - (b) does not include any fees or other charges.

6. Exemptions

The Manager in respect of each Exempt Offer is exempt from:

- (a) Part 3 of the Act;
- (b) sections 126(2)(b), 126(2)(d), 127(1)(d)-(f), 156, 159, 162, 164-168, 173(5) and 218 of the Act;
- (c) subpart 5 of Part 6, to the extent that the Proceeds would be subject to the provisions of that subpart;
- (d) subpart 3 of Part 7; and
- (e) regulations 83(1)(a) and 95 of the Regulations.

7. Conditions

- (1) The exemptions in clause 5 are subject to the following conditions:
- (a) The Manager will ensure that any disclosures or information required to be displayed on the Offer Page or Investor Dashboard (as applicable) under this notice are available,

free of charge, and at all reasonable times, on an internet site maintained by, or on behalf of, the Manager.

- (b) The Offer Page must include the following information:
- (i) a prominent link to the Disclosure Statement, or the Disclosure Statement provided as a downloadable attachment;
 - (ii) a prominent link to the Home Trust Conditions, or the Home Trust Conditions provided as a downloadable attachment;
 - (iii) key information of the Property, comprising the Market Value, Land Information Memorandum (LIM) report, title information, and property file from the relevant local authority;
 - (iv) the current and past Market Values of the Property, along with a brief description and any limitations of the valuation methodology applied;
 - (v) a copy of the most recent rental appraisal for the Property obtained by the Manager;
 - (vi) any material risks or information regarding the Property or the Home Trust not included in the Disclosure Statement;
 - (vii) key dates for the Exempt Offer and the issue or transfer of the Units, including the intended dates on which:
 - (A) the offer opens;
 - (B) the offer closes;
 - (C) the Units are issued or transferred; and
 - (viii) a brief summary of prospective financial information relating to the relevant Home Trust's income and expenses and returns to Scheme participants over the first 12 months following the acquisition of the Property. The summary must:
 - (A) include a brief summary of the principal assumptions on which that prospective financial information is based; and
 - (B) refer to where information about those assumptions can be obtained.
- (c) The Home Trust Conditions must contain the following information in respect of each Exempt Offer, stated in a table:
- (i) a description of each Home Trust;
 - (ii) a link to any publicly available information on each Home Trust;
 - (iii) a description of the Property;
 - (iv) the minimum amount that must be raised from the Exempt Offer and a description of how this amount is derived;
 - (v) the minimum and maximum subscription amounts for each Scheme participant;
 - (vi) a description of the type of annual fees, costs and fund charges that will, or could be, charged for each Home Trust;
 - (vii) a statement that Units are not redeemable by investors;
 - (viii) a brief overview of the Secondary Market;

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- (ix) a description about the pricing and valuation methodology for Units on the Secondary Market, including an explanation of the Fixed Price Range, and an illustrative example;
 - (x) the current Market Value of the Property and the frequency at which the Market Value will be determined; and
 - (xi) disclosure of any related party interests in connection with the Exempt Offer, if applicable.
- (d) The Disclosure Statement for the Scheme must contain the following information:
- (i) a section headed “**What is Homeshare?**” which must include:
 - (A) a brief description of the concept of a Home Trust and an Exempt Offer, along with a statement that further information is available on the Homeshare Platform and in the Home Trust Conditions;
 - (B) a brief description of how the Scheme property will be managed;
 - (C) a summary of the investment objectives and strategy relevant to the Scheme generally;
 - (D) a brief description of the current and future aspects of the Scheme that have, or may have, the most impact on its financial performance;
 - (E) a brief description of the nature of the property that the Scheme is invested in and proposes to invest in;
 - (F) a description of the consequences for the Scheme, each Home Trust and for investors, if the Manager’s licence will not continue beyond the revocation date in clause 3, and a description of the Manager’s intended process and approach to winding up the Scheme and Home Trusts;
 - (G) a link to any publicly available information on each Home Trust;
 - (ii) a section headed “**Terms of the offer**” which must include:
 - (A) a summary of the key terms applicable to each Home Trust;
 - (B) a summary of how an investor can make investments in the Scheme and any restrictions or conditions that apply; and
 - (C) a summary as to whether and, if so, how an investor can withdraw (in whole or in part) the investor’s investment and any restrictions or conditions that apply;
 - (iii) a section headed “**How the Scheme works**” which must include:
 - (A) a brief description of the legal structure of the Scheme;
 - (B) a statement that Units are not redeemable;
 - (C) a brief overview of the Secondary Market;
 - (D) a description about the pricing and valuation methodology for Units on the Secondary Market, including an explanation of the Fixed Price Range, and an illustrative example;
 - (iv) a section headed “**The Scheme’s Financial Information**” which must include:
 - (A) a statement that key financial information about each Home Trust is available on the Offer Page and the Investor Dashboard;

- (B) a statement that prospective financial information relating to each Home Trust's income and expenses is available on the Offer Page;
 - (C) a statement that the principal assumptions underlying the prospective financial information are available on the Offer Page; and
 - (D) a statement that information about returns is available on the Investor Dashboard;
- (v) a section headed "**Risks to returns from the Scheme**" which must include:
 - (A) the risks associated with investing in the Scheme generally; and
 - (B) a statement to the effect that there is risk of a shortfall in a Home Trust, and a brief description of the circumstances where additional contribution may be required from Scheme participants;
- (vi) a section headed "**What are the fees?**" which must include:
 - (A) a statement that information on the fees and charges associated with investing in the Home Trust are available in the Home Trust Conditions and the Offer Page; and
 - (B) a statement that information on fees and charges actually incurred during the most recent year will be available in the Investor Dashboard.
- (e) The Manager must ensure that the Disclosure Statement is made available to investors as a downloadable attachment on a dedicated page of the Homeshare Platform, immediately before the investor uses the platform to apply for, or otherwise acquire, Units.
- (f) The register entry must include:
 - (i) all the information specified by clause 47 of Schedule 5 of the Regulations (to the extent applicable);
 - (ii) a copy of the Master Trust Deed;
 - (iii) a link to, or a copy of, the Disclosure Statement; and
 - (iv) a link to the Homeshare Platform.
- (g) The Investor Dashboard must include the following information:
 - (i) the current balance of funds held by the Trustee on bare trust on behalf of the investor outside the Scheme, and excluding (for clarity) Scheme assets;
 - (ii) a list of the Home Trusts comprising the Scheme participant's Investment Portfolio, together with the Market Values of the Properties held by each Home Trust;
 - (iii) the total contributions and withdrawals since account inception;
 - (iv) details of all transactions by the investor using the Homeshare Platform, and the applicable transaction fees;
 - (v) where the Scheme participant has been a member for more than one complete year, for the 12-month period ending on the last day of the previous quarter (and by the end of the current quarter):
 - (A) the returns (net of fund charges, expenses, and accrued tax) attributed to the Scheme participant for each Home Trust in the Scheme participant's Investment Portfolio;

- (B) the fund charges and expenses attributed to the Scheme participant for each Home Trust in the Scheme participant's Investment Portfolio;
 - (C) the total returns (net of fund charges, expenses, and accrued tax) attributed to the Scheme participant on the Scheme participant's Investment Portfolio; and
 - (D) the total fund charges and expenses attributed to the Scheme participant on the Scheme participant's Investment Portfolio.
- (h) The Manager must ensure that a warning statement in the form set out in the Schedule to this Notice is prominently displayed:
 - (i) on the Offer Page; and
 - (ii) at the front page of the Disclosure Statement.
- (i) The Manager must provide the following information, on request and free of charge, by emailing it to the address provided by the Scheme participant within 20 working days upon receiving the request:
 - (i) Disclosure Statement;
 - (ii) Master Trust Deed;
 - (iii) Home Trust Conditions; and
 - (iv) the information required under paragraph (g).
- (j) The Manager must:
 - (i) obtain an automated valuation from Corelogic NZ Ltd to determine the Market Value of a Property:
 - (A) at least once in every 4-month period since the Home Trust acquired, or obtained an interest in, the Property; and
 - (B) if in the Manager's opinion, there has been a material change in the value of the Property;
 - (ii) on obtaining a new valuation to determine the Market Value, ensure that Offer Page, Investor Dashboard, and any other information providing the most recent Market Value is updated as soon as practicable with the new Market Value.
- (k) The Manager must have appropriate policies and procedures in place to ensure the caps on retail investment referred to in clause 5(2) of this notice are not exceeded during Secondary Market trading.
- (l) The Trustee must ensure that, in respect of each assurance engagement obtained for the purposes of regulation 87(1) of the Regulations, each such assurance engagement complies with the requirements of regulation 88 of the Regulations but applied as if the references in regulation 88 to scheme property, transactions and the service included the Proceeds.

Schedule

Warning Statement

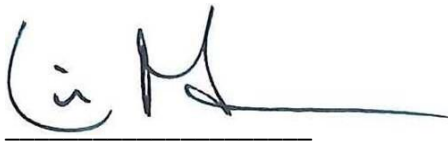
Warning

New Zealand law normally requires people who offer financial products to give investors detailed information before they invest. This information is designed to help investors make an informed decision.

The usual rules do not apply to this offer because Homeshare has been granted exemptions by the Financial Markets Authority (FMA) to operate within its regulatory sandbox. The primary purpose of the sandbox is to foster innovation in New Zealand's financial markets by allowing firms to test new products and services in a controlled environment.

As a result of the exemptions, you may not be given all the information typically provided in standard investment offers. You will also have fewer legal protections for this investment. Ask questions, read all information carefully, and seek independent financial advice before committing yourself.

Dated at Auckland this 26th day of November 2025

A handwritten signature in blue ink, appearing to read 'Liam', followed by a long horizontal line.

Liam Mason

General Counsel

Financial Markets Authority

Statement of Reasons

This notice comes into force on 1 December 2025 and is revoked on the close of 30 November 2027.

Homeshare Scheme Management Limited (**Homeshare**) is a participant in the Financial Markets Authority's (**the FMA's**) pilot regulatory sandbox. The primary purpose of the sandbox is to foster innovation in New Zealand's financial markets by allowing firms to test new products and services in a controlled environment.

This notice exempts Homeshare as manager of the Homeshare Scheme (a managed investment scheme), for a temporary period of two years, from:

- the disclosure requirements in Part 3 of the Financial Markets Conduct Act 2013 (**the Act**);
- the requirements in Part 4 of the Act to have a licensed supervisor and independent custodian, to prepare a statement of investment policy and objectives, and to audit or review the financial product register;
- the requirements in Part 7 of the Act to prepare and lodge audited financial statements and an auditor's report.

Part 2 of the Act (which provides for fair dealing in relation to financial products and financial services) and the rest of Part 4 (which contains governance and custody requirements applicable to managed investment products and managed investment schemes) will continue to apply to Homeshare. Homeshare must continue to keep accounting records under subpart 2 of Part 7 of the Act.

Offers of units in a home trust made in reliance on this notice (**Exempt Offers**) may only be made in respect of insurable, tenant ready properties valued at less than \$1 million. Each retail investor may not invest more than \$100,000 in aggregate across all Exempt Offers, or more than \$50,000 in respect of a single Exempt Offer. The exemptions only apply to the first ten successful Exempt Offers completed. The exemptions are also subject to conditions requiring Homeshare to make tailored disclosures about the Exempt Offers and the scheme to investors, and conditions ensuring all scheme property and client money is subject to the requirements around custody in Part 4 of the Act. Homeshare must also obtain quarterly market valuations of each property on at least a quarterly basis, and disclose the value and date of these valuations to investors.

The FMA, after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemptions because—

- the exemptions will facilitate the launch and development of an innovative platform which provides retail investors with the opportunity to access residential real estate investment by acquiring interests in real estate on a fractionalised investment platform;
- the exemptions will allow Homeshare's product to be tested in the market for a limited period and extent without compliance with the full suite of regulatory obligations usually applicable when a regulated offer of financial products is made. Exempt Offers and the application of the exemptions are subject to restrictions – both on the total amount each retail investor may invest, and the types, value and number of the underlying properties. Conditions will also require Homeshare to meet alternative disclosure requirements designed to protect investors including warning investors that the usual rules and legal protections do not apply and obtaining and disclosing regular market valuations of each property;
- the exemptions will therefore reduce the barriers to innovation, encouraging Homeshare to test its innovative product in the market for a limited period and subject to limits on the number and value of offerings;
- in the limited testing environment created by the conditions to this Notice, the costs of full compliance with the regulated offer regime would outweigh the benefits of compliance

(e.g. where conditions providing for investors to have access to meaningful information about each Exempt Offer and the scheme will ensure investors are informed about the different risks of this offering compared to standard managed investment products).

For these reasons, the FMA is satisfied that the exemptions are desirable to promote the purpose of the Act:

- to encourage innovation and flexibility in the financial markets; and
- to avoid unnecessary compliance costs in relation to the exemptions from Part 3 of the Act.

As the exemptions only apply to Homeshare for a limited period of two years and the number and value of offerings are restricted, the exemptions proposed are no broader than reasonably necessary to address the matters to which they relate.