

## DISCLOSURE STATEMENT

### POLSON HIGGS WEALTH MANAGEMENT LTD & ITS ADVISERS

In accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 this Disclosure Statement provides you with information and answers to questions about Polson Higgs Wealth Management Ltd.

#### Contact Details

Polson Higgs Wealth Management Ltd

##### Dunedin Office

Moray House  
139 Moray Place  
PO Box 5346  
Dunedin 9058  
New Zealand

phone: +64 3 477 9923

fax: +64 3 477 9795

[www.ph.co.nz](http://www.ph.co.nz)

##### Christchurch Office

Level 8, HSBC Tower  
62 Worcester Boulevard  
PO Box 4449  
Christchurch 8140  
New Zealand

phone: +64 3 366 5282

fax: +64 3 366 4254

[www.ph.co.nz](http://www.ph.co.nz)

#### How We Operate

Our first meeting is generally without charge. Thereafter we give advice for a fee. When we give advice we follow the internationally recognised six-step process:-

1. Establish the client-adviser relationship;
2. Gather client data and determine needs, goals and expectations;
3. Analyse and evaluate the client's financial position, cash and debt management, personal and business insurance, retirement planning, estate and tax, and/or investment needs as required;
4. Develop and present our written advice;
5. Oversee the implementation of the plan; and
6. Monitor and review the plan on an on-going basis.

#### Range of Advice Provided

Polson Higgs Wealth Management Ltd provides a range of advice and services to integrate many aspects of a client's business and personal financial life including:

- Needs analysis including *Monte Carlo* modelling of spending and investment income over a lifetime.
- Fixed interest and cash investments such as listed bonds, debentures, mortgages, cash accounts, term deposits and fixed interest investment funds.
- Share investments covering New Zealand, Australia, international and emerging markets.
- Retirement investments such as KiwiSaver, superannuation and other forms of retirement oriented investment funds and savings plans.
- Cash/Debt Management
- Aspects of estate planning
- Risk Management/insurance

Where we don't have the expertise we will refer clients to appropriate alternatives.

Polson Higgs Wealth Management operates under the auspices of an Investment Committee including a representative from Plan B and a representative from our parent Polson Higgs, Business Advisers. Every investment we recommend has been classified for use by the Investment Committee. Under our Investment Committee rules much of the investment product available in the market place has been eliminated from our implementation range based upon our research.

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We avoid actively managed investments as research has shown that active managers do not add value consistently over the longer term and they present more risk than a passive management style. Likewise we have eliminated investments lacking in any one of the following:

1. Price discovery
2. Liquidity
3. Transparency
4. Reasonable cost

A full explanation of our investment philosophy is available separately.

#### **Handling of Client's Investment Funds**

Polson Higgs Wealth Management Ltd does not receive client's funds into its own account nor does it operate a trust account. Client funds may pass through the Polson Higgs Trust Account by arrangement with Polson Higgs, if required.

All investments by clients are made payable to the institutions designated on the relevant Investment Statements or broker statements.

Any funds withdrawn from our investment service are paid directly to the client's nominated bank account.

#### **Remuneration and Fees**

All Polson Higgs Wealth Management Ltd advisers are employees of Polson Higgs Wealth Management Ltd. Our advisers receive a salary and may qualify for annual bonuses depending upon a range of factors including financial results. Senior staff may also be shareholders of Polson Higgs Wealth Management and/or Plan B Ltd.

Polson Higgs Wealth Management's remuneration varies according to the precise nature of our engagement and may be based on:

- A fee charged by us to you calculated as a percentage of funds under advice, as a fixed fee or as a time-based fee.
- A commission paid by the product suppliers to us related to the business placed with them. These commissions will normally be rebated to you, except by arrangement with you.

The basis of our charges and the details of specific charges will be provided to you at the time of entering into an agreement and after we become more aware of the nature and scope of our engagement with you. These costs may include fees for advice, a fee to cover the placing of investments (an implementation fee of up to 1% of funds invested) and ongoing portfolio monitoring (see below).

For comprehensive ongoing portfolio monitoring, administration services, regular reporting and annual reviews, fees are quoted in writing and approved by you in advance in our Wealth Management Plan. These fees are calculated as a percentage of the funds under management on a sliding scale that ranges from 1.2% p.a. to 0.3% p.a. (inclusive of GST). This fee is deducted from the investors cash account monthly in arrears (pro rata) and paid to Polson Higgs Wealth Management Ltd on an ongoing basis.

Clients also incur brokerage costs on those transactions conducted via share brokers but benefit from the brokerages negotiated by Polson Higgs Wealth Management Ltd which are passed onto clients without any mark-up or margin. Any brokerage incurred is disclosed as part of the written advice supplied to all clients.

Clients also incur costs and fees within the investments we recommend including the administration and custodial costs incurred in wrap accounts and master trusts. These are disclosed in the product disclosure documents and wherever possible, summarised in our written advice to our clients.

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**Professional Indemnity Insurance**

Polson Higgs Wealth Management Ltd and its advisers are covered under a Professional Indemnity (PI) Insurance policy in excess of the minimum level required by IFA (\$500,000 per adviser). This cover is for the protection of Polson Higgs Wealth Management Ltd and its advisers.

The PI cover is organised through Marsh Ltd, insurance brokers. This insurance is underwritten by QBE Insurance (International) Ltd whose claims paying ability is rated as A+ (superior) by Standard & Poors.

As with all insurance policies there are terms, conditions and exclusions that may apply.

**Relationships and Conflicts of Interest**

Polson Higgs Wealth Management Ltd is a wholly owned subsidiary of Polson Higgs and key staff.

Polson Higgs Wealth Management Ltd has strategic alliances with a number of organisations including –

1. Partnership Financial Services Pty Ltd (PFS), part of the Plan B Group, to provide technology support, business development support, investment information and access to Plan B investment portfolios, including research. Polson Higgs Wealth Management Ltd pays fees to PFS for this support and does not receive remuneration from PFS or any other Plan B Group entity in respect of investment placement.
2. Accounting and legal firms that make referrals to us and with whom we may share remuneration received from clients referred by them. Where this is the case we will declare this in writing for the client at the time.
3. Providers of administration and custodial services referred to as 'wrap accounts' or 'master trust platforms'. Examples of these arrangements include Aegis Ltd in New Zealand and Plan B Trustees Pty Limited in Australia.

**No Criminal Convictions**

No adviser nor principal officer of Polson Higgs Wealth Management Ltd has been:

- convicted of an offence under the Securities Markets Act 1988; the Investment Advisers (Disclosure) Act 1996 or the Securities Act 1978, or for a crime involving dishonesty;
- a director or principal officer of a body corporate that has committed an offence against the Securities Markets Act 1988, the Investment Advisers (Disclosure Act) 1996 or the Securities Act 1978 or for a crime involving dishonesty; adjudged bankrupt;
- prohibited by an Act or by a court from taking part in the management of a company or business;
- the subject of an adverse finding by a court in any proceeding taken against them in their professional capacity; or
- expelled from, or prohibited from being a member of, a professional body.

Polson Higgs Wealth Management Ltd has not been placed in statutory management or receivership.

**Disputes Resolution**

If you have a complaint, in the first instance you should speak to your Polson Higgs Wealth Management Ltd financial adviser.

You should be aware that an independent complaints procedure is available through the IFA for all clients dealing with members or persons holding themselves out to be members.

You may wish to contact the National Office of the IFA on 0800 404 422 at any time during normal business hours for any information or clarification that you may require.

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<p><b>Polson Higgs Wealth Management Advisers</b></p>	<p>In accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 this Disclosure Statement provides you with information and answers to questions about our advisers as follows:</p>
<p><b>Rhodes Donald CEO/Senior Adviser</b></p>	<p>DDI: +64 3 474 9735 Email: <a href="mailto:rhodes.donald@ph.co.nz">rhodes.donald@ph.co.nz</a> Cell: 027 223 8520</p>
<p><b>Qualifications and Experience</b></p>	<p>Rhodes is a Certified Financial Planner<sup>cm</sup> (CFP<sup>cm</sup>), a member of the Institute of Financial Advisers (IFA) and holds the <i>Accredited Investment Fiduciary</i><sup>cm</sup> designation from fi360 Australasia. Rhodes has diplomas in Finance and Teaching as well as a Bachelor of Commerce. He initially trained as an engineer at Canterbury University and was a Charles Upham Scholar at that time.</p> <p>Rhodes has wide experience in the investment world spanning more than 22 years. Rhodes began with a unit trust development company in 1985 after experience in a family engineering business, industrial relations and teaching. He was Director of Financial Planning and Research at FPG Research, now Morningstar, in the late 1980's where he published investment research and educated budding investment advisers. Rhodes lectured widely throughout New Zealand and wrote for industry magazines during that time.</p> <p>Rhodes operated an investment training and consulting business for FPG Research during the early 1990's. In 1996 Rhodes was a member of the expert panel advising the Retirement Commissioner in writing the booklet distributed to all New Zealand households – "Welcome to Your Retirement".</p> <p>He began working with Polson Higgs as their Director of Financial Planning in November 2001 and is currently a Senior Adviser, CEO and Director of Polson Higgs Wealth Management Limited with six staff spread between Christchurch and Dunedin offices.</p>
<p><b>Professional Memberships</b></p>	<p>Rhodes is a member of the IFA (Institute of Financial Advisers) and is bound by their code of best practice to carry out his role as a trusted adviser to the highest professional and ethical standards.</p>
<p><b>Steve Eves Business Manager/Senior Adviser- Christchurch</b></p>	<p>DDI: +64 3 372 0347 Email: <a href="mailto:steve.eves@ph.co.nz">steve.eves@ph.co.nz</a> Cell: +64 274 985 840</p>
<p><b>Qualifications and Experience</b></p>	<p>Steve is a Chartered Accountant (CA) of the Institute of Chartered Accountants of New Zealand, a member of the Institute of Financial Advisers (IFA) and holds the <i>Accredited Investment Fiduciary</i><sup>cm</sup> designation from fi360 Australasia. Steve has a Bachelor of Commerce and is currently studying towards a Graduate Diploma in Business Studies Endorsed in Personal Financial Planning.</p> <p>After initially specialising in taxation both in the public and private sectors Steve has now been in the finance industry for almost 25 years. He entered via banking quickly rising to the Management/Executive team at Trust Bank Canterbury. From here he joined the accountancy firm of BDO Christchurch as a Financial Planner and within six months was promoted to Manager Financial Planning.</p> <p>In 2000 Steve purchased the financial planning business from the partners of BDO Christchurch and for the next five years ran his own business within the Rutherford Rede group, a nationwide investment advisory practice.</p>

DISCLOSURE STATEMENT

POLSON HIGGS WEALTH MANAGEMENT LTD & ITS ADVISERS

In 2005 Steve joined Polson Higgs Wealth Management Ltd and is now Business Manager and Senior Adviser based in Christchurch.

**Professional Memberships**

Steve is a Chartered Accountant (CA) of the Institute of Chartered Accountants of New Zealand and a member of the Institute to Financial Advisers. Both bodies have strict codes of conduct and ethical standards for their members.

**Jared Campbell  
Technical Adviser -  
Dunedin**

DDI: +64 3 477 9703  
Email: [jared.campbell@ph.co.nz](mailto:jared.campbell@ph.co.nz)

**Qualifications and Experience**

Jared attended Otago University from 1998 – 2002 where he gained a Bachelor of Commerce majoring in Management and a Bachelor of Physical Education majoring in exercise prescription. Since joining Polson Higgs Wealth Management Ltd in 2006 Jared has become a provisional member of the Institute of Financial Advisers (IFA) as well as enrolling in Massey Universities Graduate Diploma in Business Studies Endorsed in Personal Financial Planning.

Jared joined Polson Higgs Wealth Management from a stock broking firm and prior to that he worked in various administration roles in a variety of industries in New Zealand, Australia, USA and England.

**Shiree Hembrow  
Technical Adviser -  
Christchurch**

DDI: +64 3 372 0348  
Email: [shiree.hembrow@ph.co.nz](mailto:shiree.hembrow@ph.co.nz)

**Qualifications and Experience**

Shiree was employed as a Personal Assistant to one of the directors of Rutherford Rede (Chch) Ltd from 1992 to 2004 and during that time built a sound knowledge of the financial planning industry.

From September 2004 to July 2007 Shiree was employed as a Customer Service Manager for a manufacturer and distributor of natural dietary supplements.

Shiree joined Polson Higgs Wealth Management Ltd in July 2007 and is currently enrolled at Massey University in the Graduate Diploma in Business Studies Endorsed in Personal Financial Planning. Shiree has become a provisional member of the Institute of Financial Advisers (IFA).

**Declaration**

I declare that this document when completed and signed, complies with all the requirements of the Securities Markets Act 1988.

For and on Behalf of Polson Higgs Wealth Management Ltd

\_\_\_\_\_ Date: \_\_\_\_\_