

## Disclosure Statement

### Polson Higgs Wealth Management Ltd & 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.

<b>Contact Details</b>	<p><b>Polson Higgs Wealth Management Ltd</b></p> <table border="0"> <tr> <td data-bbox="373 656 901 929"> <p><b>Dunedin Office</b> Moray House 139 Moray Place PO Box 5346 Dunedin 9058 New Zealand</p> <p>phone: +64 3 477 9923 fax: +64 3 477 9795 <a href="http://www.ph.co.nz">www.ph.co.nz</a></p> </td> <td data-bbox="917 656 1375 929"> <p><b>Christchurch Office</b> Level 8, HSBC Tower 62 Worcester Boulevard PO Box 4449 Christchurch 8140 New Zealand</p> <p>phone: +64 3 366 5282 fax: +64 3 366 4254 <a href="http://www.ph.co.nz">www.ph.co.nz</a></p> </td> </tr> </table>	<p><b>Dunedin Office</b> Moray House 139 Moray Place PO Box 5346 Dunedin 9058 New Zealand</p> <p>phone: +64 3 477 9923 fax: +64 3 477 9795 <a href="http://www.ph.co.nz">www.ph.co.nz</a></p>	<p><b>Christchurch Office</b> Level 8, HSBC Tower 62 Worcester Boulevard PO Box 4449 Christchurch 8140 New Zealand</p> <p>phone: +64 3 366 5282 fax: +64 3 366 4254 <a href="http://www.ph.co.nz">www.ph.co.nz</a></p>
<p><b>Dunedin Office</b> Moray House 139 Moray Place PO Box 5346 Dunedin 9058 New Zealand</p> <p>phone: +64 3 477 9923 fax: +64 3 477 9795 <a href="http://www.ph.co.nz">www.ph.co.nz</a></p>	<p><b>Christchurch Office</b> Level 8, HSBC Tower 62 Worcester Boulevard PO Box 4449 Christchurch 8140 New Zealand</p> <p>phone: +64 3 366 5282 fax: +64 3 366 4254 <a href="http://www.ph.co.nz">www.ph.co.nz</a></p>		
<b>How We Operate</b>	<p>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:-</p> <ol style="list-style-type: none"> <li>1. Establish the client-adviser relationship;</li> <li>2. Gather client data and determine needs, goals and expectations;</li> <li>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;</li> <li>4. Develop and present our written advice;</li> <li>5. Oversee the implementation of the plan; and</li> <li>6. Monitor and review the plan on an on-going basis.</li> </ol>		
<b>Range of Advice Provided</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• Full service wealth management including all or some of the following:</li> <li>• Pre-retirement needs analysis including <i>Monte Carlo</i> modelling of spending and investment income needs over a lifetime.</li> <li>• Cash/Debt Management</li> <li>• Aspects of estate planning</li> <li>• Fixed interest and cash investing including: listed bonds, debentures, cash accounts, term deposits, cash and fixed interest investment funds both local and international.</li> <li>• Share investing covering: New Zealand, Australia, international and emerging markets.</li> <li>• Investing for retirement such as: KiwiSaver, superannuation and other forms of retirement oriented investment funds and savings plans.</li> <li>• Risk management/insurance for both businesses and families</li> </ul> <p>Where we don't have the expertise we will refer clients to appropriate alternatives.</p> <p>Polson Higgs Wealth Management operates under the auspices of an Investment Committee including a representative from Plan B (see under Relationships below) and a representative from our parent, Polson Higgs Business Advisers. Every investment we recommend has been classified for use by the Investment Committee. Our Investment Committee has eliminated much of the investment product available in the market place from our implementation range based upon investment philosophy and research.</p>		

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 'structured' investment management style that we have adopted. Likewise we only consider investments with strong characteristics relating to:

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 directly to the institutions designated on the relevant Investment Statements or to the relevant Custodians.

Any funds withdrawn from our Custodians 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 is a fee-only business where, apart from some very small historical payments, our only remuneration comes directly from clients themselves. Our remuneration varies according to the precise nature of our engagement and the stage of the client relationship:

- Advice: a quoted fee for a program of advice, or, a fee based upon time and attendance billed on a monthly basis.
- Investment implementation: A fixed fee or a fee calculated as a percentage of investments for placing funds in the markets.
- On-going portfolio management and service: a fee charged by us to our clients calculated as a percentage of funds under advice or as a fixed fee.

The basis of our charges and the details of specific charges are provided to you at the time of entering into an engagement and after we become aware of the nature and scope of our relationship with you.

For comprehensive ongoing advice and portfolio monitoring, administration services, regular reporting and annual reviews, fees are quoted in writing and approved by you in advance in your Implementation Plan. These fees are calculated as a percentage of funds under management on a sliding scale that ranges from 1.2% per annum to 0.3% per annum (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.

In some cases clients incur transaction costs including share broker brokerage and or buy/sell spreads but benefit from the rates negotiated by us which are passed onto clients without any mark-up or margin. Any transaction cost incurred is disclosed as part of the written advice supplied to all clients. Transaction costs are kept to a minimum.

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 clients.

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

**Relationships**

Polson Higgs Wealth Management Ltd is a wholly owned subsidiary of Polson Higgs Business Advisers and key Polson Higgs Wealth Management 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, of Perth, Western Australia, to provide technology support, business development support, investment information, research and access to Plan B investment portfolios. 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 Limited in Australia.
4. Polson Higgs Wealth Management Ltd is part owner of Polson Higgs Insurance Services Limited, a joint venture with GFive Financial Services Limited. This Disclosure Document does not cover the operations of this subsidiary.

**Conflicts of Interest**

Polson Higgs Wealth Management Ltd has no known conflicts of interest in the provision of full service wealth management advice and investment management services.

Polson Higgs Wealth Management Ltd has no conditions placed on any advice it gives or investment it places other than self-imposed conditions as a result of careful consideration of the research and independent academic evidence by the Polson Higgs Wealth Management Investment Committee.

Polson Higgs Wealth Management Ltd does not receive commissions or any other form of remuneration from any investment counterparty for the placement of new investments. A very small amount of trail commission is received from historical sources.

<p><b>No Criminal Convictions</b></p>	<p>No adviser nor principal officer of Polson Higgs Wealth Management Ltd has been:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• prohibited by an Act or by a court from taking part in the management of a company or business;</li> <li>• the subject of an adverse finding by a court in any proceeding taken against them in their professional capacity; nor</li> <li>• expelled from, or prohibited from being a member of, a professional body.</li> </ul> <p>Polson Higgs Wealth Management Ltd has not been placed in statutory management or receivership.</p>
<p><b>Disputes Resolution</b></p>	<p>If you have a complaint, in the first instance you should speak to your Polson Higgs Wealth Management Ltd financial adviser. If you wish to discuss your complaint with someone more senior you should also ask to speak with the CEO and/or the Chairman of the Board of Directors.</p> <p>You should be aware that an independent complaints procedure is available through the Institute of Financial Advisers (IFA) for all clients dealing with members or persons holding themselves out to be members.</p> <p>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.</p>
<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</b>   <b>CEO &amp; Senior Adviser - Dunedin</b></p>	<p>DDI: +64 3 474 9735                  Email: <a href="mailto:rhodes.donald@ph.co.nz">rhodes.donald@ph.co.nz</a>                  Cell: +64 27 223 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> (AIF) 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 25 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><b>Professional Memberships</b></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>Rhodes is a member of the IFA (Institute of Financial Advisers) and is bound by their code of practice to carry out his role as a trusted adviser to the highest professional and ethical standards.</p>
<p><b>Steve Eves</b>   <b>Business Manager &amp; Senior Adviser-Christchurch</b>   <b>Qualifications and Experience</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>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<sup>cm</sup></i> (AIF) 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> <p>In 2005 Steve joined Polson Higgs Wealth Management Ltd and is now Business Manager and Senior Adviser based in Christchurch.</p> <p>Steve is a Chartered Accountant (CA) of the Institute of Chartered Accountants of New Zealand and a member of the Institute of Financial Advisers. Both bodies have strict codes of conduct and ethical standards for their members.</p>
<p><b>Jared Campbell</b>   <b>Planning &amp; Research Analyst - Dunedin</b>   <b>Qualifications and Experience</b></p>	<p>DDI: +64 3 477 9703              Email: <a href="mailto:jared.campbell@ph.co.nz">jared.campbell@ph.co.nz</a></p> <p>Jared attended Otago University from 1998 – 2002 where he gained a double degree: Bachelor of Commerce majoring in management and a Bachelor of Physical Education majoring in exercise prescription.</p> <p>Jared joined Polson Higgs Wealth Management from a stock broking firm in 2006 and prior to that he worked in various administration roles in a variety of industries in New Zealand, Australia, USA and England. Jared is currently a Planning &amp; Research Analyst in Dunedin working closely with the Senior Advisers.</p> <p>Jared is a provisional member of the Institute of Financial Advisers (IFA) and is bound by their code of practice to carry out his role to the highest professional and ethical standards. Jared is enrolled in Massey University's Graduate Diploma in Business Studies endorsed in Personal Financial Planning.</p>

<b>Shiree Hembrow</b> <b>Planning &amp; Research Analyst</b> <b>- Christchurch</b>	DDI: +64 3 372 0348 Email: <a href="mailto:shiree.hembrow@ph.co.nz">shiree.hembrow@ph.co.nz</a>
<b>Qualifications and Experience</b>	<p>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.</p> <p>From September 2004 to July 2007 Shiree was employed as a Customer Service Manager for a manufacturer and distributor of natural dietary supplements.</p> <p>Shiree joined Polson Higgs Wealth Management Ltd in July 2007 and is currently a Planning &amp; Research Analyst in Christchurch working closely with the Senior Advisers.</p>
<b>Professional Memberships</b>	<p>Shiree is a provisional member of the Institute of Financial Advisers (IFA) and is bound by their code of practice to carry out her role to the highest professional and ethical standards. Shiree is enrolled in Massey University's Graduate Diploma in Business Studies endorsed in Personal Financial Planning.</p>

<b>Declaration</b>	<p>I declare that this document when completed and signed, complies with all the requirements of the Securities Markets Act 1988.</p> <p>For and on Behalf of Polson Higgs Wealth Management Ltd</p> <p>_____ Date: _____</p>
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