



creating **financial confidence**

DISCLOSURE STATEMENT

DATE OF PREPARATION OF DISCLOSURE STATEMENT

This disclosure statement was prepared on 14 July 2009

NAME OF ADVISER

AdviceFirst Limited, Level 6, 80 The Terrace, Wellington, phone 0800 438 238 is providing you with this disclosure statement in accordance with the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007.

Although generally advisers will provide investment advice (and will therefore provide their own disclosure statement), in certain circumstances AdviceFirst may provide investment advice itself or advertise its services and therefore has prepared this corporate disclosure statement.

EXPERIENCE

With more than 20 years experience, AdviceFirst is a nationwide financial services advice business bringing together a number of top adviser companies from around New Zealand.

AdviceFirst is a member of the AXA Group.

RELEVANT QUALIFICATIONS

As a company AdviceFirst does not obtain qualifications.

MEMBERSHIP OF A RELEVANT PROFESSIONAL BODY

As a company AdviceFirst is not a member of any professional body.

PROFESSIONAL INDEMNITY INSURANCE

In compliance with the Institute of Financial Advisers Code of Ethics, AdviceFirst has professional indemnity insurance which covers all areas of practice as listed above.

This insurance provides protection for clients for:

- any error or omission;
- defamation;
- employee dishonesty; and
- includes full "prior acts" protection.

The minimum level of cover is in compliance with Institute of Financial Advisers and Insurance Brokers Association of New Zealand Membership By-laws.

The underwriter is AIG.

As with all insurance, this cover has limitations and is subject to certain exclusions and terms and conditions.

DISPUTE RESOLUTION FACILITIES

A dispute resolution facility is available through AdviceFirst, who have an internal complaints procedure which ensures you are treated fairly.

Complaints should be addressed to the General Manager Operations as follows:

General Manager Operations
AdviceFirst Ltd
PO Box 1692
Wellington

If the matter is not resolved this way, you should contact Institute of Financial Advisers National Office by telephoning 0800 404 422 during business hours, or at PO Box 5513, Wellington. IFA has comprehensive complaints and disciplinary processes.

DISCLOSURE OF CERTAIN CRIMINAL CONVICTIONS

During the previous 5 years AdviceFirst and the principal officers of AdviceFirst have not:

- (a) been convicted of an offence under the Securities Markets Act 1988, the Securities Act 1978, or of a crime involving dishonesty (as defined in section 2(1) of the Crimes Act 1961);
- (b) been a principal officer of a body corporate that committed an offence referred to in para (a), when the body corporate committed the offence;
- (c) been adjudicated bankrupt;
- (d) been prohibited by an Act or by a court from taking part in the management of a company or business;
- (e) been the subject of an adverse finding by a court in any proceeding that has been taken against us in our professional capacity;
- (f) been expelled from, or prohibited from being a member of a professional body

In addition, during the previous 5 years, AdviceFirst, has not been placed in statutory management or receivership.

FEES

AdviceFirst will not charge you a fee for the initial meeting.

AdviceFirst will or may receive fees or commissions from the providers of products that we may recommend.

In relation to the giving of investment advice to you, and on any transaction resulting from such investment advice, we charge fees and/or are paid a commission or trail by the underlying provider. We will provide you with a further disclosure statement detailing the relevant fees and commissions in relation to those specific investments. For the purposes of this general disclosure statement, the possible fees and commissions that AdviceFirst will or may receive range as follows:

Product Type	Commission or Fee Type	Band of Commissions as a % of FUM or a \$ fee
Investment	Trail	Up to 0.6%
	Fees	Up to 1.20%
	Combined Maximum	1.20%
KiwiSaver	Payment and / or	Up to \$50
	Trail Commission	0.2% – 0.5%
Superannuation Plans	Trail Commission on Plan Fee	Up to 0.67%
	Contribution Fee charged to Client %	0 - 5.0%
Conventional Insurances (Endowment and Whole of Life)	New Business Commission (dependent on policy type)	28 - 48%
	Bonus Commission (dependent on volume of business placed with each provider)	0 - 70%
	Renewal Commission (calculated on the annual premiums paid each year dependent on the policy type)	2% – 6%

OTHER FORMS OF INCENTIVE

As a result of the investment advice that we give to you, or any transaction that results from that advice, AdviceFirst may or will receive the following:

- Training
- Conferences to which advisers and sometimes partners are invited (including offshore events which the Directors have attended in recent years with AXA)
- Sales promotions e.g. vouchers, bottles of wine, travel, invitations to events such as rugby and theatre events to which advisers and sometimes partners are invited
- Business development allowances
- Bonuses upon reaching specific targets
- Relevant software applications – databases etc.

OTHER INTERESTS AND RELATIONSHIPS

Except as set out below, neither AdviceFirst, nor any person associated with AdviceFirst, have any interests or relationships that a reasonable person would find reasonably likely to influence AdviceFirst in the giving of the investment advice that is provided to you.

AdviceFirst has an association with the following companies connected with the investments that we advise on.

- AXA
- AIG
- AMP
- ASTERON
- CIGNA
- FIDELITY
- GROVESNOR
- ING
- LUMLEY
- QBE
- SOUTHERN CROSS
- SOVEREIGN
- TOWER
- VERO

AdviceFirst is a member of the AXA Group and is associated with other companies within the AXA Group who are connected with the investments that we advise on, as detailed in the investment statement for any specific investment product that we may recommend to you. AdviceFirst receives economic and investment advice and recommendations from other companies in the AXA Group.

AdviceFirst also receives volume based bonuses from the following financial institutions:

- AMP
- Tower
- Vero
- Asteron

AdviceFirst also receives preferential terms for clients from Southern Cross based on the volume of business we have with them.

Neither AdviceFirst nor any associate has any other financial or other relationship with any other person that would be reasonably likely to influence AdviceFirst in giving advice, except as described above.

PROCEDURES FOR DEALING WITH INVESTMENT MONEY

For life insurance-based products and investments, monies received from clients are passed directly to the company concerned, and are not banked into any account associated with AdviceFirst.

For fire and general products, premiums are banked into either the Client Premium account for AdviceFirst, or for instalment premiums, into the account of AdviceFirst. These monies are subsequently passed onto each insurer in bulk on a monthly basis on terms previously agreed with each insurer. The bank accounts are subject to random audit by IBANZ.