

Primary Disclosure Statement

(Registered Financial Adviser)

Strategic Wealth
Management Group

Alexander John Fowler (FSP29002)

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This Disclosure Statement Was Prepared On:

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It Is Important That You Read This Document

This information will help you to choose a financial adviser that best suits your needs. It will also provide some useful information about the financial adviser that you choose.

What Sort of Adviser Am I?

I am a registered, but not authorised, financial adviser.

I can give you advice about category 2 products such as:

- Call debt securities, bank term deposits, call debt securities and cash or term portfolio investment entities
- Mortgages
- Consumer credit contracts

What Should You Do If Something Goes Wrong?

If you have a problem, concern or complaint about any part of my service, please tell me so that I can try to fix the problem. If we cannot agree on how to fix the issue, you can contact the **Insurance & Savings Ombudsman (ISO)**. This service will cost you nothing, and will help us resolve any disagreements. You can contact ISO at:

Address: PO Box 10-845, Wellington. 6143

Telephone Number: 0800 888 202

Email Address: info@iombudsman.org.nz

If You Need To Know More, Where Can You Get More Information?

If you have a question about anything in this disclosure statement or you would like to know anything more about me, please ask me. If you have a question about financial advisers generally, you can contact the Financial Markets Authority.

How Am I Regulated By The Government?

You can check that I am a registered financial services provider <http://www.fspr.govt.nz>

The Financial Markets Authority authorises and regulates financial advisers. Contact the Financial Markets Authority for more information, including financial tips and warnings.

You can report information or complain about my conduct to the Financial Markets Authority, but in the event of a disagreement, you may choose to first use the dispute resolution procedures described above (under *What should you do if something goes wrong?*).

Declaration

I, Alexander John Fowler declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Alexander John Fowler CFP^{CM}
Registered Financial Adviser

Secondary Disclosure Statement

My Experience and Qualifications

I created one of New Zealand's first fee only investment service companies, IPD Securities Limited, in 1986. This company specialised in working with accounting and legal practices with their high value clients throughout New Zealand. This company attracted institutional shareholders and I resigned to develop my own practice Strategic Asset Management, which then became part of a cooperative practice involving six other firms.

During this period I was responsible, with Russell McVeagh, in developing the "Trust Service" and then assisting legal and accounting practices in improving the management processes of the many Trusts for whom they acted. This included organising Trustee Conferences for these professionals. It is important to note that during this time I was committed to excellence in the interests of investing clients. To achieve this objective, I linked with the leaders in the international research community, in the field of modern financial economics. This enabled close links with new standards of investment risk controls and financial efficiencies for investors, never seen before in the New Zealand market, but applied extensively by many leading International Institutions, Foundations & Wealthy Families.

I worked closely with the Foundation For Fiduciary Studies and developed fi360 in New Zealand including the education program for Trustees and Investment Advisers held in conjunction with Massey University. I have been a vocal advocate for the need for investment advisors and investment stewards to understand their fiduciary obligations. I was responsible for Strategic Asset Management becoming the first "CEFEX" (Centre for Fiduciary Excellence) rated company in Australasia.

In 2007 after merging Strategic Asset Management with an Australian Listed Company Plan B I found it possible to focus with private clients and charitable trusts with Forensic and Audit services, Education and the development of personalised, efficient, Strategic Wealth Strategies.

I hold the Certified Financial Planner designation (CFP) and am an Accredited Investment Fiduciary (AIF®) meaning I am required to complete "continuing education" criteria annually for both professional qualifications.

I keep my professional knowledge up to date through a wide range of continuing education activities including:

- Attending industry, professional body and product provider conferences and workshops, both locally and overseas.
- Acquiring ongoing research and information from the best available international sources.
- Reading widely.

This includes keeping up-to-date with changes to the NZ Code of Professional Conduct for Authorised Financial Advisers (though I am a Registered not Authorised Financial Adviser) and relevant taxation, estate/trust and consumer laws.

Professional Bodies

I have completed the AIF® qualification through the “Centre For Fiduciary Studies” and am a member of the Institute of Financial Advisors. As a condition of this membership, I adhere to the IFA Code of Ethics and IFA Practice Standards in all facets of Strategic Wealth Management Auckland Ltd business. I am also a member of the Estate & Tax Planning Council of New Zealand.

Range of Financial Advice & Services Provided

As a Registered Financial Provider I am able to provide advice and services with regard to Category 2 products such as:

- Bank term deposits
- Call debt securities, Call building society shares, call credit union shares
- Shares in co-operative companies
- Consumer credit contracts
- A unit in a cash or term portfolio investment entity
- Insurance contracts (except investment-linked insurance contracts)
- Life insurance policies issued before 1 January 2009.

I am able to provide comprehensive financial advice to “Wholesale Clients” and “Eligible Investors” that integrates all aspects of a client’s business and personal financial lives. A copy of our Advisory Services Guide is available upon request or can be downloaded from www.swmgroup.co.nz.

I provide taxation, estate and asset protection planning services of a general nature. I am not an expert in these areas and any matters requiring attention that are highlighted in a client’s plans are referred to experts in these respective areas for implementation – most typically the client’s accountant and solicitor.

I do not provide advice on risk management and insurance products and any issues of a general nature highlighted in a client’s plan are referred to risk management experts for implementation.

I also provide education sessions to individuals or entities, these sessions are based on the science of capital markets. I do not give my personal opinion but rely on 60 years of empirical knowledge and study of financial markets.

Handling of Client's Investment Funds

Under no circumstances does Strategic Wealth Management Group use client's investment funds for its own benefit. Strategic Wealth Management Group uses an institutional investment administration service provided by Aegis Ltd to handle all clients' investment funds and transactions. Aegis Ltd and its custodial companies are entities owned by ASB Bank, a subsidiary of the Commonwealth Bank of Australia Group. From its inception in 1998, Aegis Ltd now holds more than \$5bn of investments on behalf of more than 28,000 clients and is the largest investment administration service of its type in New Zealand.

Clients are guaranteed that their funds are held in completely independent and secure "bare trust" for the exclusive and absolute benefit of the client. Clients enter into a separate custodial appointment deed with Aegis Ltd to ensure this. All clients' money to be invested or withdrawn is paid directly to or received directly from this custodial company via single nominated bank account. Aegis Ltd maintains complete electronic records and provides comprehensive online reporting of all transactions.

Fees & Remuneration

Strategic Wealth Management Group is a fee-only advisory business that does not receive any direct or indirect remuneration or financial benefit from product or service providers. The only income we receive is by way of the transparent fees charged to clients which are used to pay third party service providers, business overheads and personal remuneration.

For financial advice, investment planning and other advisory services, fees (and in some cases, costs incurred) are invoiced directly to clients in accordance with a written quotation that will be provided to the client for approval prior to the services being provided. We take into consideration the time, skill, experience, uncertainty of scope and any other special circumstances involved when determining the fees quotation for this advice. The quotation will also specify the payment terms which are generally 50% in advance and 50% upon completion of the work to the client's satisfaction.

For discretionary on-going investment portfolio management and administration services, fees are quoted in writing and approved by the client in advance of entering into the Aegis Client-Adviser Agreement which enables the Aegis custodial account to be established for the client. To align our interests with the client's interests, these fees are calculated as a percentage of the funds under management (FUM) on a sliding cumulative scale that ranges from 1.37% - 0.36% (incl. GST) pa for FUM of NZ\$250,001 - NZ\$10,000,000 respectively. For portfolios in excess of NZ\$10m, these fees are negotiable. Aegis independently calculates and accrues these fees daily and deducts them directly from the clients' Aegis cash account on a monthly basis.

Relationships & Conflicts of Interest

Strategic Wealth Management Group is an independent advisory business that is able to offer a full range of investment products as part of its financial planning and comprehensive private wealth management solutions based on what is in the clients' best interests and without favour to any particular investment product provider. Neither I nor Strategic Wealth Management Group has any interests or relationships with any third party that is likely to influence the nature of this advice given to clients or present any conflict of interest. In the event that an unavoidable conflict of interest arises in relation to client specific circumstances, I will highlight this in writing in advance as soon as I become aware of it.

Professional Indemnity Insurance

For the benefit and protection of clients, Strategic Wealth Management Auckland Ltd. hold professional indemnity insurance cover to the value of \$1,000,000. This insurance is underwritten by Vero Liability Insurance Ltd. Professional Indemnity Policy Number H O – LPI – 6049105 Issues in the name of Strategic Wealth Management Auckland Limited.

Privacy & Confidentiality

I will respect the confidentiality of information acquired in the course of my work. I will not disclose such information to others, except when authorised or otherwise legally obligated to do so. Nor will I use such information for any personal advantage or gain.

Client Acknowledgement

I acknowledge receipt of this disclosure statement.

Signed:..... Dated:...../...../.....