

Primary Disclosure Statement

(Authorised Financial Adviser)

Strategic Wealth
Management Group

Phillip Andrew Ison (FSP28921)

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This Disclosure Statement Was Prepared On:

23rd June, 2011

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.

In addition to the information that I must disclose to you in this statement, I must also disclose other information to you in a separate disclosure statement (or statements), including information about the types of services that I provide, the fees that I charge, and any actual or potential conflicts of interest. If I have not provided that information to you at the same time as I give you this statement, I must provide it to you as soon as I can.

What Sort of Adviser Am I?

I am an **Authorised Financial Adviser**. This means I have been authorised by the Financial Markets Authority (the government agency that monitors financial advisers) to provide the financial adviser services described below.

How Can I Help You?

I have been authorised to provide you with financial adviser services of the following categories:

- **Financial advice**
- **Discretionary investment management services**
- **Investment planning services**

When I do this, I will be able to give you advice and provide a service about:

- financial products provided by only 1 organisation:
- financial products provided by a small number of organisations (2 to 5 organisations):
- financial products provided by a broad range of organisations (more than 5 organisations)**

How Do I Get Paid For The Services That I Provide To You?

Payment type	Description
<input checked="" type="checkbox"/> Fees only	My services are only paid for by the fees that you pay. I do not receive payments from other people or organisations that might influence my advice.
<input type="checkbox"/> Fees	My services are paid for by the fees that you pay as well as in other ways.
<input type="checkbox"/> Commissions	There are situations in which I will be paid by other organisations. How much that payment will be depends on the decisions that you make.
<input type="checkbox"/> Extra payments from my principal	I may receive extra payments from my principal depending upon the decisions that you make.
<input type="checkbox"/> Non-financial benefits from other organisations	Other organisations may give my principal and me non-financial benefits depending on the decisions that you make.

I am required to tell you the specific fees, commissions, extra payments, and other benefits that I have received or will, or may, receive in relation to the services that I provide to you. I must tell you these things before I give you advice or provide a service or, if that is not practicable, as soon as practicable after I give you that advice or provide that service.

What Are My Obligations?

As an Authorised Financial Adviser, I must comply with the Code of Professional Conduct for Authorised Financial Advisers. I also have other obligations under the Financial Advisers Act 2008 (including regulations made under that Act) and under the general law.

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?

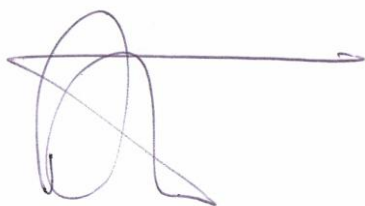
You can check that I am a registered financial services provider and an Authorised Financial Adviser at <http://www.fspr.govt.nz>

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, Phillip Andrew Ison 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.



Phillip Ison AIF®
Authorised Financial Adviser

Secondary Disclosure Statement

My Experience and Qualifications

I have been working in the wealth management industry since 2004. Prior to this I worked in hospitality management both locally and abroad. I was one of the first in New Zealand to complete the Accredited Investment Fiduciary requirements set out by the Center for Fiduciary Studies of the University of Pittsburgh.

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 and relevant taxation, estate/trust and consumer laws. I meet or exceed the requirement under this AFA code for an annual minimum of twenty hours of continuing professional development.

Professional Bodies

I 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 a member of the Estate & Tax Planning Council of New Zealand, and I attend the New Zealand Institute of Chartered Accountants Auckland Trust Special Interest Group and Investment Special Interest Group.

Range of Financial Advice & Services Provided

I provide a comprehensive range of advice and services 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 advice on all mainstream financial products and investments which are or may prove to be relevant to a client's investment goals. This includes but is not limited to both NZ and international listed and unlisted:

- Fixed interest investments such as directly held bonds or debentures, mortgages, cash accounts, money market funds and term deposits or unit trusts and exchange traded funds offering fixed interest investments
- Equity investments such as directly held shares or unit trusts and exchange traded funds offering equity investments
- Property investments such as direct property ownership or unit trusts and exchange traded funds offering property investments
- Alternative investments such as private equity, commodities futures, hedge funds and forestry either directly held or via unit trusts and exchange traded funds
- Retirement investments such as Kiwisaver, superannuation and other forms of retirement or education investment funds and savings plans

I also provide taxation, estate and asset protection planning services of a general nature relevant to our comprehensive financial planning services. 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.

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:...../...../.....