

Primary Disclosure Statement

(Authorised Financial Adviser)

Strategic Wealth
Management Group

Richard Lancelot Edward Austin (FSP57963)

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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.

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 Securities Commission (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 Securities Commission.

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 Securities Commission authorises and regulates financial advisers. Contact the Securities Commission for more information, including financial tips and warnings.

You can report information or complain about my conduct to the Securities Commission, 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, Richard Lancelot Edward Austin 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.

Richard Lancelot Edward Austin BBS, FCA, AETI, MInstD,
Authorised Financial Adviser

Secondary Disclosure Statement

My Experience and Qualifications

I have had over 30 years experience advising high net worth clients and trusts on investment strategy and related investment advice and management. I have had several years in the trustee industry where I was responsible for advising on and managing the investment portfolios of many large clients. I was General Manager Financial Advisory & latterly Funds Management at Perpetual Trust. Prior to establishing M & A Associates Ltd (trading as Strategic Wealth Management Group) I was Chief Investment Officer at Gould Holdings Ltd, a private equity company associated with George Gould.

Establishing sound, practical investment strategies tailored to individual clients is an area of specialty, particularly with regards to mitigating the potential liability of trustees of trusts.

Where appropriate, I also act as a professional director or trustee on my client's behalf.

I hold the following qualifications or accreditations which are relevant to my role as a trusted adviser:

- Bachelor of Business Studies (Massey) in accountancy
- Fellow of the New Zealand Institute of Chartered Accountants
- National Certificate in Financial Services (Financial Advice) (Level 5)
- Associate of the Executor & Trustee Institute
- Member of the NZ Institute of Directors (MInstD)
- Accredited Dimensional Funds adviser

A copy of my full resume is available upon request. I maintain my knowledge and competencies through a wide range of continuing education and professional development activities including:

- Attending NZICA, industry and product provider conferences and workshops (both locally and overseas)
- Acquiring on-going research and information from the best available international sources
- Reading widely and undertaking personal study & research

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 New Zealand Institute of Chartered Accountants (NZICA) and am bound by their code of ethics to carry out my role as a trusted adviser to the highest professional standards. I have been awarded a Fellowship by NZICA in recognition of my standing in the profession. I am currently Vice President of NZICA. I am also bound by the codes of professional practice, conduct and ethics established under the Financial Advisers Act and related legislation.

Range of Financial Advice & Services Provided

I provide a comprehensive range of advice and services that integrates all aspects of a client's financial, personal and business 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 investments and products 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, venture capital, 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

Developing comprehensive investment strategies is an area of expertise for myself and Strategic Wealth Management Group generally.

I also provide taxation, estate and asset protection planning advice of a general nature relevant to our comprehensive financial planning services. I do not hold myself out to be 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 nor do we handle clients' funds directly. 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 a 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 a single nominated bank account. Aegis Ltd maintains complete electronic records and provides comprehensive online reporting of all transactions. Aegis Ltd is audited both externally and internally on a regular basis.

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, I hold professional indemnity insurance cover to the value of \$1,000,000. This insurance is underwritten by Lumley General Insurance (NZ) Ltd whose claims paying ability is rated as A- (strong) by Standard & Poors. As with all insurance, this cover has limitations and is subject to certain exclusions, terms and conditions.

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