

# Disclosure Statement

## Robert Kairua Jnr

<b>Company Name:</b>	Global Pacific Investments Ltd
<b>Trading as:</b>	Global Pacific Investments Ltd
<b>Address:</b>	Level 27, PWC Tower, 188 Quay Street, Auckland PO Box 106-506, Auckland
<b>Telephone:</b>	(09) 363 - 2833
<b>Facsimile:</b>	(09) 363 - 2933
<b>E-mail:</b>	rkairua@globalpacificinvestments.com

This document is current as at Friday 29 February 2008.

### Introduction

*This document complies with the disclosure requirements under the Securities Markets Act 1988 and sets out the disclosure required to be made in relation to your financial adviser.*

The following are details, which are deemed to be relevant about Robert Kairua's role as an investment adviser and about Global Pacific Investments Ltd.

### Details of the firm

Robert joined Global Pacific Investments Ltd in 2005 as a shareholder and financial advisor. Global Pacific Investments Ltd is now a wholly owned New Zealand company. Robert is a director. Details of the shareholders of the companies are available on request.

Robert Kairua Jnr is also a director/shareholder of Wealthy and Wise Financial Services Ltd, Wealthy and Wise Limited and Kiwi Superannuation Company Ltd.

### Qualifications and experience

Robert has more than 15 years accounting experience in chartered and commercial accounting in New Zealand and overseas. Areas of speciality include auditing, taxation and management. He has qualifications in commerce and management from Unitec and Auckland University. Robert is currently completing papers towards the Graduate Diploma of Business Studies endorsed in personal financial planning and is a member of the Institute of Financial Advisers (the Institute). Robert has kept his financial planning qualifications up to date by:

- a. Attending the Annual Industry Conferences with various industry associations
- b. Reading widely
- c. Purchasing comprehensive investment research from a number of sources which is used in the selection of specific recommendations for clients

### Professional memberships

Robert is a member of the Institute of Financial Advisers (IFA) , Business Network International (BNI) and Auckland Chamber of Commerce.

### **Professional Indemnity Insurance cover**

In accordance with industry standards, and for your protection, Global Pacific Investments Ltd and Robert Kairua are covered under a professional indemnity insurance policy to the level required by the Institute. This policy includes the following covers: professional indemnity, public liability, employer's liability and statutory liability. This policy applies when Robert Kairua acts in his professional capacity as a financial adviser. As with all insurances, these covers have limitations and are subject to certain exclusion, terms and conditions.

### **Dispute resolution facilities**

Any potential complaints are best directed to Robert Kairua at Global Pacific Investments Ltd in the first instance. If a satisfactory resolution cannot be found, the Institute has a complaints resolution procedure for your protection. They can be contacted on (04) 499-8062 at any time during normal business hours (8.30 am to 5.00 pm) or, PO Box 5513, Level 9, Willbank House, 57 Willis St, Wellington.

### **Products on which advice is given**

Global Pacific Investments Ltd gives advice in relation to the following types of products:

#### *Risk products*

- Life cover
- Accidental death cover
- Disability income protection
- Income Protection Insurance
- Trauma cover
- Living insurance
- Business overheads cover
- Mortgage protection insurance
- Key person protection insurance
- Medical insurance
- Home Equity Release Insurance

#### *Savings and investment products*

- Fixed Interest investments and Corporate Bonds
- Finance company debentures & capital notes
- Superannuation and KiwiSaver
- Combined risk and savings
- Tax paid investment bonds
- Bank accounts and term deposits
- Cash management funds
- Unit trusts
- Group investment funds
- Property purchasing
- Venture capital opportunities
- Investment into private companies
- Mortgages
- Direct equities and fixed interest securities
- Listed public companies
- Promissory notes
- Annuities
- Bonus bonds
- Geared investments
- Commodities
- Forestry.

## **Product providers**

Global Pacific Investments Ltd may place investments with almost any investment provider. When it comes to risk management products, superannuation funds and insurance bonds, Wealthy and Wise Ltd needs to have a detailed agency agreement in order to place business. Wealthy and Wise Ltd has agency agreements for the sale of these products with the following suppliers:

- ING Life Limited

Other investment products will have the normal supplier intermediary relationship that does not entail a detailed agency agreement to be signed. Appendix A to this document lists those companies.

## **Procedures for handling investment money or investment property**

The following system and procedure is used for receiving client funds:

1. Wrap service clients:
  - The investment management service (wrap service) is provided via an independent custodian, which holds investments collectively on behalf of the client.
  - All money that is to be invested (payable via cheque or direct bank transfers) is payable directly to the custodian of the wrap service as applicable.
2. For clients whose investments are held outside a wrap service:
  - A membership fee if applicable is payable to Global Pacific Investments Ltd. Payments may be made via direct credit on a monthly, quarterly or annual basis to Global Pacific Investments Ltd's bank account or annually via cheque to Global Pacific Investments Ltd and crossed 'not transferable account payee only'.
  - An auditor is not employed as Global Pacific Investments Ltd is not holding nor does it operate a trust account
  - Neither Global Pacific Investments Ltd nor Robert Kairua in any circumstances use clients' money or property for the benefit of any other person or ourselves. This applies to monies that are to be invested. Monies that are paid to Global Pacific Investments Ltd as fees are used to pay overheads and expenses and personal remuneration.

The records Global Pacific Investments Ltd keeps that relate to the investment of money are:

- a. A photocopy of the completed cheque and application form which is kept in the client's personal file.
- b. The details of the investment are entered on to our portfolio reporting system immediately after an investment is made.
- c. We manually update the client's personal file with details of the investment.
- d. During normal working hours, all clients have access to their personal file should they wish to check the accuracy of the information contained therein.

## Remuneration received by Global Pacific Investments Ltd

The professional fees charged by Global Pacific Investments Ltd will vary according to the nature of the services provided, as outlined below.

### a) Fees for non wrap service clients

- Global Pacific Investments Ltd charges a fee of \$650 inclusive GST for the preparation of a comprehensive financial plan. However this plan fee may vary depending on the client's financial circumstances and the complexity of the plan. Plan fees are payable upon receipt of invoice from Global Pacific Investments Limited.
- Entry fees if applicable will be deducted from the amount invested at the time investments are placed. The maximum initial entry fees are disclosed in Appendix A attached.
- Commencing in Year 2, the current annual membership fee is \$450.00 inclusive GST and if applicable is payable via direct credit on a monthly, quarterly or annual basis to Wealthy and Wise Ltd's bank account or annually via cheque to Global Pacific Investments Ltd and crossed 'not transferable account payee only'.

Specific fees will be provided in writing at the time of providing written advice.

### b) Fees for wrap clients

The following fees will apply for investments made via the wrap service (OneAnswer). However the exact amounts will be unknown until the scope of services are determined.

<b>Fees</b>	<b><u>Maximum*</u> percentage</b>
Entry Fee	5%
Annual Adviser Monitoring Fee	1.5% plus GST
Administration and Custodial fee	0.35%
Financial Plan fees	\$650.00

\* These are the maximum fees, however discounts will be passed on to clients on a case by case basis. The administration and custodian fee will be payable directly to the wrap service provider.

Annual adviser monitoring fee above will be deducted from the client's Cash Transaction Account on a monthly basis or as otherwise agreed. Entry fees if applicable will be deducted from the amount invested at the time investments are placed. Plan fees are payable upon receipt of invoice from Global Pacific Investments Limited.

### ***Fee rebates***

In many instances, commissions and trails paid by the product provider for the funds invested by the client will be credited to the client's Cash Transaction Account. This will be determined once Global Pacific Investments Ltd is more aware of the nature and scope of the engagement.

## **OneAnswer wrap service**

A stepped volume rebate on the OneAnswer administration and custodial fee of between 0.025% and 0.10% is payable to Global Pacific Investments Ltd. The rebate is calculated on the volume of business placed in ING products held in custody through OneAnswer. The percentage applicable depends on the total business volume of business in OneAnswer.

The above fees provide the following benefits:

- As much access to Robert Kairua as the client requires over a 12 month period
- Preparation of at least two valuation reports and covering letters and any recommended investment modifications
- Quarterly newsletters
- Attendance at our client seminars
- Free attendance at any public seminars we are conducting
- Copies of reports that we produce
- Access to our portfolio monitoring service
- Comprehensive tax reports (OneAnswer wrap service only)

Global Pacific Investments Ltd is eligible to receive brokerage, trails, bonuses and non-monetary payments from product providers in relation to the sale of products. Details on these payments are provided in Appendix A and B. Please note that we will often provide discounts on the brokerage the company receives, particularly if the sum being invested is substantial. The discount reflects the sum of money being invested and the fact that this sum obviously brings economies of scale in our time, effort and procedures.

## **Contact Details**

My business address, telephone and fax numbers are as set out on page 1.

## **No Criminal Convictions**

1. In accordance with the Securities Markets Act 1988, I hereby certify that in the preceding five years neither I nor any principal officer of Wealthy and Wise Ltd have been:
  - a. Convicted of an offence under the Securities Act 1978, the Securities Markets Act 1988 or the Investment Advisers (Disclosure) Act 1996, or of a crime involving dishonesty (as defined in Section 2(1) of the Crimes Act 1961)
  - b. A director or principal officer of a company that committed an offence under any of the Acts listed above or an offence involving dishonesty as defined above
  - c. Adjudicated bankrupt
  - d. Prohibited by law from taking part in the management of a company or a business
  - e. The subject of an adverse finding by a court in any proceeding taken against me in my capacity as an investment adviser, or
  - f. Expelled from or have been prohibited from being a member of a professional body
2. I also certify that Global Pacific Investments Ltd has not been placed in statutory management or receivership in the preceding five years

## **Interests**

The Securities Markets Act 1988 requires advisers to disclose any direct or indirect pecuniary or other interest that they may have in the giving of investment advice. In the case of Robert Kairua these are contained in Appendix C.

## **Declaration**

We declare that this document when completed and signed, complies with all the requirements of the Securities Markets Act 1988 and incorporates the minimum standards of disclosure, in terms of the Code of Ethics and Practice Standards required by the Institute.

Yours sincerely

**Global Pacific Investments Ltd**

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Robert Kairua Jnr

NZCC NZIM

## **Director**

Appendices: A. Investment product maximum commissions

B. Risk product commissions

C. Interests register

**APPENDIX A to the disclosure statement for Robert Kairua**

**Investment Product Commissions**

**Global Pacific Investments Ltd**

The information provided in this Appendix is current as at 3 March 2008.

Robert Kairua via Global Pacific Investments Ltd is eligible to receive commissions on the following products according to the schedule below. Please note that these are the maximum commissions payable and in many cases these may be discounted, especially if a client is investing substantial sums. Specific commission rates will be disclosed in writing to the client in relation to specific investments prior to investments being placed.

<b>Product Type</b>	<b>Product Provider</b>	<b>Initial 0–5 % Maximum Brokerage</b>	<b>Ongoing Trail as a % of total investment</b>	
<b>Unit Trusts,  Superannuation Funds  &amp; Group Investment Funds</b>	Brook Asset Management - Brook Alfa Fund - Brook Tasman Fund	5.0	Nil	
	BT Funds Management - BT Wholesale Australian Share Fund - Other BT funds	2.5 2.5	Nil 0.35	
	Fisher Funds Management Ltd	Nil	Nil	
	Goldman Sachs JB Were	2.5	0.50	
	Hunter Hall Investment Management Ltd	5.0	0.35	
	ING (NZ) Ltd - ING Diversified Yield Fund - ING Regular Income Fund - ING 90 day Credit Opportunities Fund - ING 90 day Enhanced Yield Fund - ING Equity Selection Fund - Other ING unit trusts and superannuation funds	5.0 5.0 5.0 5.0 5.0 5.0	0.50 0.50 0.50 0.40 0.35 0.25	
	LM Investment Management Limited	Nil	1.0	
	MINT Asset Management Ltd - All Mint Unit Trusts	5.0	0.5	
	Pengana Capital - Pengana Emerging Companies Fund	5.0	Nil	
	Perpetual - Perpetual Wholesale Australian Share Fund - Other Perpetual unit trusts	3.5 3.5	Nil 0.30	
	Platinum Asset Management	5.0	Nil	
	PM Capital Ltd	Nil	0.50	
	Private Portfolio Service (PPS) - PPS Mortgage Fund - All other PPS unit trusts and superannuation funds	5.0 5.0	0.50 1.00	
	<b>Cash Management  Trusts  &amp; Fixed Interest*</b>	Bastion Finance Ltd- Secured debentures from 3 years to 5 years	0.5 p.a. with a maximum of 2.50 for 5 years	Nil
		Canterbury Mortgage Trust	Nil	0.5
		Equitable Group - Secured debentures from 3 years to 5 years	0.5 p.a. with a maximum of 2.50 for 5 years	Nil

<b>Specialty Funds</b>	Liontamer Investments	5.0	Nil
	Man Investments	4.0	0.50
<b>Direct Shares or Fixed Interest</b>	Goldman Sachs J.B. Were	1.5	Nil
<b>Account management Services (Wrap Accounts)</b>	OneAnswer	3.0	1.5

Generally fixed interest product providers pay up front commissions based on the duration of the investment.

From time to time, Global Pacific Investments Ltd may receive certain non-monetary benefits from product providers. This could include gratuities such as a bottle of wine at Christmas time, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, etc.

**APPENDIX B** to the disclosure statement for Robert Kairua

**Risk Product Commissions**

**Global Pacific Investments Ltd**

The information provided in this Appendix is current as at 3 March 2008.

Global Pacific Investments Ltd is eligible to receive brokerages on the following products according to the schedule below. Please note that these are the maximum brokerages payable and in many cases these may be reduced for different product types.

Product	Product Provider	Maximum Initial Brokerage as a % of Annual Premium (AP)	Ongoing % of AP
Risk Products Including: Medical Insurance Term Life Income Protection Trauma	ING Life (NZ) Ltd	150 30	7.5 30

In addition to the above, Global Pacific Investments Ltd may possibly be eligible for bonus payments depending on total business submitted.

If business is placed with ING (NZ) Ltd, the commission is shared between ING Life Ltd and Global Pacific Investments Ltd.

**APPENDIX C** to the disclosure statement for Robert Kairua

**Interests Register**

Robert Kairua

This information is correct as at 3 March 2008

In accordance with The Investment Advisers (Disclosure) Act 1996, I disclose the following direct and indirect interests, which could possibly have some relevance in providing investment advice to you.

- Director of Wealthy and Wise Financial Services Ltd
- Director of Wealthy and Wise Limited
- Director of Kiwi Superannuation Limited

Please note Robert may have funds invested from time to time in different investment offerings in listed or unlisted securities.

**Client acknowledgment**

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RK

I, ..... acknowledge receipt of the Disclosure statement for Robert Kairua Jnr and Global Pacific Investments Ltd

Signed: ..... Date: .....

Signed: ..... Date: .....



