

Secondary Disclosure Statement (Authorised Financial Adviser)

Name of Authorised Financial Adviser: **Alistair Malcolm Bean**

Registration Number: **FSP29347**

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What is this Secondary Disclosure Statement for?

As an Authorised Financial Adviser (“AFA”), I am required to provide you with both Primary and Secondary Disclosure Statements. This secondary disclosure statement provides further information in relation to the Financial Adviser services that I provide, the products that I provide services in relation to, the fees charged by Alistair Bean & Assoc’s Financial Services Limited (ABAFS Ltd) and any other non-financial benefits I may receive from time-to-time from third parties.

What Professional and Business experience do I have?

I was employed by ANZ Bank from 27 April 1981 to 2013 and have been working in the Financial Advice Industry since January 1995 (37 years and 23 years respectively as at the date of this document).

I incorporated my Company – **Alistair Bean & Assoc’s Financial Services Limited** on 21 February 2013 (*Company number 4306899*).

I attained my AFA Status by completing Standard Set B and Standard Set C of the National Certificate in Financial Services (Financial Advice) Level 5. As I have already completed the Graduate Diploma in Business Studies endorsed in Personal Financial Planning, I have a Level 7 qualification and therefore I was exempt from completing all other standard set assessments and exams.

The tertiary qualification that I have obtained that is relevant to the performance of my service as a Financial Adviser is a Graduate Diploma in Business Studies (endorsed - Personal Financial Planning) Massey, attained in 1998.

What types of Financial Adviser services can I provide to you?

I am an Authorised Financial Adviser under the Financial Advisers Act 2008, and I am the **Managing Director** of Alistair Bean & Assoc's Financial Services Limited. I am authorised to provide you with the following types of Financial Adviser Services (as they are defined in the Financial Advisers Act 2008).

Financial Advice in relation to:

- Category 1 Products; and
- Category 2 Products.
- Personalised Discretionary Investment Management Services (PDIMS); and
- Financial Advice.
- Investment Planning Services, which may encompass some or all, of the financial products provided above (as those services are defined in the Financial Advisers Act 2008).

Who Provides the Products that I provide Financial Adviser services in relation to?

The products that I provide financial adviser services in relation to are not limited to any particular provider or issuer.

However, I do have a current third-party business relationship with the following companies:

- Consilium NZ Limited
- Asteron Life Limited
- Partners Life Limited
- Fidelity Life Assurance Company Limited
- Perpetual Guardian
- ANZ Investments Limited

What fees will you be charged for the Financial Adviser Service I provide to you?

(Fee Schedule detailed below)

What other interests, relationships and associations should you know about?

In addition to the fees that are charged to you, you should be aware of the following interests, relationships, and associations.

ABAFS Ltd Commissions

When you purchase a product through me, ABAFS Ltd may receive a commission, either from the issuer of the security or from an associated person of ABAFS Ltd.

The commission may be received at the time of purchase or by way of ongoing commission. If ABAFS Ltd receives any other commissions you will be advised by way of a further Secondary Disclosure Statement at the time the product is offered to you.

Third Party Relationships

ABAFS Ltd currently has contractual third-party relationships in the form of supply of products and services with;

- ANZ New Zealand Investments Limited
- Asteron Life Limited
- Fidelity Life Assurance Company Limited
- Partners Life Limited
- Perpetual Guardian
- Consilium NZ Limited

How am I remunerated for the Financial Adviser Services that I provide to you?

I will receive drawings from ABAFS Ltd.

How is ABAFS Ltd remunerated for the financial adviser services I provide to you?

As described in the Fee Schedule, ABAFS Ltd is remunerated by way of fees charged to you in relation to the financial adviser service I provide, or in relation to the products that you choose to purchase through me, as well as commissions where a third party is an issuer or provider of a product.

If ABAFS Ltd does receive any remuneration that is not described in this Secondary Disclosure Statement (either at the time of purchase or by way of on-going commission), details will be provided to you by way of a further Secondary Disclosure Statement at the time the product is offered to you.

What kind of Professional Indemnity Insurance do I have?



CERTIFICATE OF INSURANCE

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INSURED:	Alistair Bean Alistair Bean & Assoc's Financial Services Limited
PERIOD OF INSURANCE:	1 July 2019 to 1 July 2020, both days 4pm Local Standard Time
BUSINESS DESCRIPTION:	Financial Advisers, Financial Planners, General Insurance Brokers, Life Agents, Investment Advisers and Mortgage Broking, Consultants and Advisers in the sale of any financial product or provision of any financial advice.
INSURER:	IAG New Zealand Limited [NZI is a business division of IAG New Zealand Limited]
POLICY NUMBER:	6000127813
POLICY WORDING:	As per the agreed NZI/Marsh policy wording
LIMIT OF INDEMNITY:	Professional Liability (per adviser) \$1,000,000 any one claim + 1 reinstatement per adviser In addition a shared limit of \$10,000,000 any one claim & \$30,000,000 in the aggregate across all Financial Advice New Zealand Inc. members combined
Statutory Liability	\$1,000,000 any one claim and in the aggregate
Public Liability	\$5,000,000 any one occurrence
Employers Liability	\$1,000,000 any one claim and in the aggregate
Internet Liability	\$250,000 any one claim and in the aggregate per adviser Shared limit of \$5,000,000 in the aggregate across all Financial Advice New Zealand Inc. members combined
Legal Prosecution Defence	\$100,000 any one claim and in the aggregate Shared limit of \$1,000,000 in the aggregate across all Financial Advice New Zealand Inc. members combined
EXCESS:	Professional Liability: \$1,000 costs exclusive each and every claim \$5,000 costs exclusive for any claims arising from Share Broking activities \$5,000 costs inclusive for any claims arising from

commercial Fire & General activities
 Statutory Liability: \$Nil
 Public Liability: \$Nil
 Employers Liability: \$Nil
 Internet Liability: \$Nil costs inclusive each and every claim
 Legal Prosecution Defence \$1,000 costs inclusive each and every claim

ENDORSEMENTS: As Agreed

Legal Prosecution Defence \$100,000 any one claim and in the aggregate
 Shared limit of \$1,000,000 in the aggregate across all Financial Advice New Zealand Inc. members combined

EXCESS: Professional Liability:
 \$1,000 costs exclusive each and every claim
 \$5,000 costs exclusive for any claims arising from Share Broking activities
 \$5,000 costs inclusive for any claims arising from commercial Fire & General activities
 Statutory Liability: \$Nil
 Public Liability: \$Nil
 Employers Liability: \$Nil
 Internet Liability: \$Nil costs inclusive each and every claim
 Legal Prosecution Defence \$1,000 costs inclusive each and every claim

ENDORSEMENTS: As Agreed

Signed on behalf of IAG New Zealand Limited

Dated: 11 June 2019

This insurance was obtained through the Liability Insurance Scheme administered by Financial Advice New Zealand Inc.

Insurer Financial Strength Rating

NZI is a business division of IAG New Zealand Limited (IAG). IAG has received a financial strength rating of AA- from Standard & Poor's (Australia) Pty Ltd, an approved rating agency.

A rating of AA- means IAG has a 'very strong' claims-paying ability, as you can see in the scale below.

The rating scale is:

AAA (Extremely Strong) CCC (Very Weak)
AA (Very Strong) CC (Extremely Weak)
A (Strong) S (Selective Default)
BBB (Good) D (Default)
BB (Marginal) R (Regulatory Supervision)
B (Weak) NR (Not Rated)

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The rating scale above is in summary form. A full description of this rating scale can be obtained from

3. Personalised Discretionary investment management service (PDIMS)

- 3.1 I am permitted under the [Financial Advisers Act 2008](#) to offer a Personalised Discretionary Investment Management Service (PDIMS). Under a PDIMS, you grant Alistair Bean & Assoc's Financial Services Limited authority to invest, transact and otherwise manage your Portfolio in respect of the following:
- 3.1.1 You authorise Alistair Bean & Assoc's Financial Services Limited to appoint an independent Custodian (Consilium NZ Limited and FNZ Custodians Limited and FNZ Limited or its nominee) to hold assets on your behalf as bare trustee, for your benefit. Instructing the independent Custodian to make whatever changes Alistair Bean & Assoc's Financial Services Limited considers necessary to the Portfolio. This includes, but is not limited to, purchasing, selling, subscribing, withdrawing or otherwise disposing of, reweighting or dealing with any Securities in the Portfolio.
- 3.1.2 Exercising voting powers, including appointing proxies, in respect of Securities in the Portfolio.
- 3.2 The discretion that you have granted to Alistair Bean & Assoc's Financial Services Limited under the PDIMS authority is limited to managing your Portfolio in accordance with the investment guidelines detailed in your Statement of Advice.
- 3.3 Investing through a Personalised DIMS has risks. Under this service you give up some control over investment decisions and rely on my decisions. The value of your financial products invested in, through a Personalised DIMS, could go down as well as up. It is possible you will not achieve the returns you expect and will not receive all your investment back. Different personalised investment strategies have different levels of risks relating to the financial products being invested in and their management.
- 3.4 You have the right at any time to view any transaction made on your behalf by your appointed Adviser. The fee for requests to view any PDIMS information (extra/additional to information already provided) for the first two hours is free, should this extend beyond two hours then the fee is \$175 plus gst per hour or part thereof, payable before information is released.
- 3.5 Notwithstanding any of the above, you also have the right, at any time, to consultation or countermand of any decision made on your behalf by contacting your Adviser in writing. Which may include for example, Financial Products held in your portfolio - an instruction to dispose of some shares or a right to vote at meetings of product holders.

Additional Services

The client may also elect to engage the financial adviser to provide the services that have been ticked below:

	<p>Investment services in relation to KiwiSaver</p> <p>One to one consultation on the most appropriate KiwiSaver scheme for the client's risk profile.</p>
	<p>Investment services using Consilium - no discretion (at Clients Request)</p> <p>To act on the receipt of written instructions from the client regarding transactions to be undertaken using Consilium Platform for the client's Consilium investment portfolios.</p> <p>To obtain sign off by the client on the appropriate Transaction Authority Form before processing any transactions on behalf of the client.</p>
	<p>Personal insurance services</p> <p>To assist the client in arranging to purchase products to meet the client's personal insurance needs as identified in the client's statement of advice.</p>
	<p>Mortgage services</p> <p>To help the client in obtaining from an appropriate specialist, assistance to meet the client's mortgage needs as identified in the client's statement of advice.</p>
	<p>Asset protection and estate planning services</p> <p>To assist the client in obtaining from an appropriate specialist, the asset protection and estate planning advice identified in the client's statement of advice.</p>
	<p>Tax services</p> <p>To assist the client in obtaining from an appropriate specialist, the tax advice identified in the client's statement of advice.</p>
	<p>Transaction only services (at Client Request)</p> <p>To conduct a transaction on behalf of the client in accordance with the client's [written] instructions, without the provision of any advice in relation to that transaction.</p>

4. Responsibilities of the Adviser

Alistair Bean & Assoc's Financial Services Limited undertakes to provide financial adviser services using an independent Custodian. Alistair Bean & Assoc's Financial Services Limited agrees to:

- 4.1 Determine your investment risk tolerance, required rate of return, investment objectives, financial position and any other needs or objectives you confirm with Alistair Bean & Assoc's Financial Services Limited.
- 4.2 Provide a recommended asset allocation consistent with your needs and objectives.
- 4.3 Recommend specific Securities.
- 4.5 Monitor and report on your Portfolio and make recommendations, as appropriate, for changing any Securities held.
- 4.6 Recommend an independent Custodian.
- 4.7 Process Proper Instructions through the Custodian.
- 4.8 Liaise with promoters, Issuers, brokers and others.
- 4.9 Act at all times in accordance with the requirements of the Code of Professional Conduct for Authorised Financial Advisers and prevailing adviser legislation.

5. Responsibilities of the Client

- 5.1 You agree to:
 - 5.1.1 Provide all information and materials reasonably required to enable Alistair Bean & Assoc's Financial Services Limited to comply with their obligations under this Agreement.
 - 5.1.2 Inform Alistair Bean & Assoc's Financial Services Limited whenever your circumstances change, as changes may impact the suitability of the advice provided.
 - 5.1.3 Notify Alistair Bean & Assoc's Financial Services Limited of any change of address (including email) and any change in tax rate and/or Prescribed Investor Rate (PIR).
- 5.2 You agree to provide to Alistair Bean & Assoc's Financial Services Limited all information and material required to ensure that Alistair Bean & Assoc's Financial Services Limited and the Custodian are able to comply with the Exchange of Information Requirements as applicable, including:
 - 5.2.1 Self-certification information and any change to such information;
 - 5.2.2 Where the Client is a discretionary trust, the trustee(s) will notify Alistair Bean & Assoc's Financial Services Limited when a beneficiary of that trust receives a distribution from that trust; and
 - 5.2.3 Where you do not adhere to the requirements 5.2.1 and 5.2.2 above, Alistair Bean & Assoc's Financial Services Limited may terminate this agreement upon reasonable notice.
- 5.3 Alistair Bean & Assoc's Financial Services Limited may ask you or any person who gives Alistair Bean & Assoc's Financial Services Limited instructions to provide suitable evidence to confirm your/their identity, or other information, to satisfy our obligations under the Financial Transactions Reporting Act 1996 and the Anti-Money Laundering and Countering

Financing of Terrorism Act 2009, or any other Act of Parliament that may impose similar obligations on Alistair Bean & Assoc's Financial Services Limited.

- 5.4 You agree to indemnify Alistair Bean & Assoc's Financial Services Limited against any loss, liability or expense incurred because Alistair Bean & Assoc's Financial Services Limited acted or refrained from acting in accordance with this Agreement because of information or Proper Instructions given by you, or on your behalf.
- 5.5 You agree to indemnify the Custodian and its employees, agents and contractors against all losses sustained or incurred by the Custodian or any of its employees, agents and contractors in the performance of its duties or exercise of its authorities except to the extent arising as a result of its own negligence, fraud or wilful default;
- 5.6 You agree to indemnify the Custodian and its employees, agents and contractors in the case of any Portfolio Investment Entity tax liability required to be deducted (at the Prescribed Investor Rate nominated by the client or Alistair Bean & Assoc's Financial Services Limited) from your Client's investment, even if that liability exceeds the value of their investments, or any incorrect notification or failure to notify us of changes to your PIR or tax rates.
- 5.7 You agree that, should you die during the term of this Agreement:
 - 5.7.1 Your personal representative(s) will ratify and confirm all acts which Alistair Bean & Assoc's Financial Services Limited have lawfully done or caused to be done under this Agreement between the date of your death and receipt by Alistair Bean & Assoc's Financial Services Limited of notice of it and will indemnify Alistair Bean & Assoc's Financial Services Limited in respect of those acts.
 - 5.7.2 In the event of your death or that of a joint holder, Alistair Bean & Assoc's Financial Services Limited will act in accordance with any agreement between the joint holders that is communicated to Alistair Bean & Assoc's Financial Services Limited and either:
 - a. Transfer all joint Securities holdings into the name of the surviving joint holder, in which case this Agreement will remain valid for the surviving holder; or
 - b. Transfer the Securities holding of the deceased person to that person's Estate.
 - 5.7.3 You agree that, even if you become incapable, the authority which you have conferred on us by this Agreement will continue to operate and have full force and effect.
- 5.8 You acknowledge that Alistair Bean & Assoc's Financial Services Limited's obligation to protect information that you have provided to Alistair Bean & Assoc's Financial Services Limited is detailed in the Scope of Engagement (contained within the Statement of Advice) that has been provided to you by Alistair Bean & Assoc's Financial Services Limited.

6. Your acknowledgements

- 6.1 You have received, from Alistair Bean & Assoc's Financial Services Limited, Primary and Secondary Disclosure Statements, the Alistair Bean & Assoc's Financial Services Limited PDIMS Service Disclosure Statement and Statement of Advice, relevant investment statement(s) relating to recommendations, a privacy statement, and sufficient information relating to the financial adviser services to enable you to make an informed decision about these services.

- 6.2 All information you have supplied to Alistair Bean & Assoc's Financial Services Limited is true and correct and nothing material has been omitted.
- 6.3 Your obligations under this Agreement are valid and binding, and all necessary consents, actions and conditions have been satisfied.
- 6.4 Your contact details may be added to Alistair Bean & Assoc's Financial Services Limited database so that newsletters, updates and information on additional services provided by Alistair Bean & Assoc's Financial Services Limited can be supplied to you.
- 6.5 If you choose to have specific information disclosed to other professional advisers or nominated persons, Alistair Bean & Assoc's Financial Services Limited will make this information available upon receipt of your clear written instructions.
- 6.6 Investment markets are volatile and subject to fluctuations which cannot be foreseen. No particular results can be guaranteed, and investments made under this Agreement may lead to loss as well as profit.
- 6.7 You acknowledge that your funds have been obtained by lawful means.

7. Investment authority

- 7.1 This client agreement governs the service Alistair Bean & Assoc's Financial Services Limited provides. You must sign the client agreement at the same time the investment authority is granted. By signing the terms of this Agreement, you grant Alistair Bean & Assoc's Financial Services Limited absolute discretion to invest your money in any Securities and in any proportions in accordance with the investment guidelines detailed in your Statement of Advice that Alistair Bean & Assoc's Financial Services Limited determines appropriate.
- 7.2 This investment authority may only be changed by written agreement between you and Alistair Bean & Assoc's Financial Services Limited.

8. Liability of the Adviser

- 8.1 Alistair Bean & Assoc's Financial Services Limited will not be liable for any loss or damage incurred by you in connection with the making, varying or management of any investment on your behalf, other than loss or damage directly attributable to:
 - 8.1.1 Dishonesty or fraudulent misconduct on the part of any principal, employee or contractor of Alistair Bean & Assoc's Financial Services Limited.
 - 8.1.2 Wilful or reckless acts or omissions of any principal, employee or contractor of Alistair Bean & Assoc's Financial Services Limited.
- 8.2 Alistair Bean & Assoc's Financial Services Limited shall not be required to take any legal action in relation to the subject matter of this agreement, unless fully indemnified by you before doing so.

9. Trustees' limitation of liability (**only applies to Trust Clients**)

9.1 In the case where you are a trust (or trustee(s) acting in relation to a trust), this Agreement will bind each trustee of that trust. Each trustee will also be bound personally unless that trustee is an independent trustee. For the purposes of this clause, a trustee is an independent trustee unless that trustee (or their spouse, de facto or otherwise, children or civil union partner) has any right to (irrespective of whether it is a discretionary right) or interest in any of the assets of the trust except in their capacity as trustee of the trust or a power of appointment of additional beneficiaries under the trust. The liability of an independent trustee is limited to the assets of the relevant trust held by the independent trustee from time to time in the absence of fraud or wilful default.

9.2 Each trustee confirms that the trustee:

9.2.1 Has the power to enter into this Agreement either under the terms of the trust document or under the powers given to them by the Trustee Act 1956.

9.2.2 Has properly signed this Agreement in accordance with the terms of the trust.

9.2.3 Has a right of indemnity from the trust assets.

9.3 Where the client is a trust (or trustee(s) acting in relation to a trust), the trustees will advise Alistair Bean & Assoc's Financial Services Limited if any of the following occurs:

9.3.1 The trust deed is amended or revoked.

9.3.2 A trustee is removed or retires as trustee of the trust.

9.3.3 A new or additional trustee of the trust is appointed.

9.3.4 A vesting date under the trust deed is determined during the term of this Agreement.

9.3.5 A restriction or limitation on the right of indemnity of any trustee of the trust is created.

10. Custodial Services

10.1 You authorise Alistair Bean & Assoc's Financial Services Limited to appoint an independent Custodian (or its nominee) to hold assets on your behalf as bare trustee, for your benefit. Consilium NZ Limited (the wrap platform facilitator) has its office at 209 Cambridge Terrace, P O Box 1106, Christchurch 8140. FNZ Custodians Limited (custodian) has its office at level 7, 256 Lambton Quay, P O Box 396, Wellington 6011.

10.2 Alistair Bean & Assoc's Financial Services Limited will not hold any money or Securities on your behalf and any transactions or transfers of funds will only be carried out by the Custodian acting as bare trustee for you.

10.3 All transactions within the Custodial Service must be undertaken through Proper Instructions. The discretion under this authority, provided by you to your Adviser, allows your Adviser to either electronically, in writing, or by any other means necessary to transact on your Portfolio Account. The Third Party Custodian and all other Parties associated with the running of your Portfolio Account will act on your Advisers instructions as if the instructions had been provided directly by you through the same means.

10.4 This Agreement will not be deemed to terminate solely as a result of any change in the Custodian or because at any time no money and/or Securities are held on your behalf by the Custodian.

- 10.5 The Custodian is required to directly send to you a range of reports on a six monthly basis, in accordance with regulation 5 of the Financial Advisers (Custodians of FMCA Financial Products) Regulations 2014.
- 10.6 Consilium NZ Limited and FNZ Custodians Limited and FNZ Limited are not an “associated person” of Alistair Bean & Assoc’s Financial Services Limited, in accordance with section 12(1) of the Financial Markets Conduct Act 2013.
- 10.6 For more information on the independent Custodian, please refer to your Statement of Advice.

11. Cash Account and funding

- 11.1 You will maintain a Cash Account through the Custodian for the purposes of investment through the Custodial Service contained within your portfolio.
- 11.2 All payments to the Cash Account shall be made payable or otherwise credited to the Custodian.
- 11.3 You authorise the payment or debiting by the Custodian from your cash management account of all sums which the Custodian is required or entitled to pay or debit in relation to your Portfolio. This includes but is not limited to third party brokerage, charges, duties, taxes, fees, and costs incurred by you in relation to any transaction undertaken on your behalf.
- 11.4 You must maintain the Cash Account in credit to enable Proper Instructions to be complied with and to satisfy fees and other payments authorised from time to time.
- 11.5 If there are insufficient Cash Account funds available to fulfil settlement obligations, or pay Adviser, custodial and administration fees when due, or a negative cash balance exists, either Alistair Bean & Assoc’s Financial Services Limited will authorise trades to release funds into the Cash Account, or you will deposit sufficient additional funds within five business days of notification.
- 11.6 If any fees or money required to complete Proper Instructions remain outstanding for more than five business days following notification, Alistair Bean & Assoc’s Financial Services Limited is released from liability to perform any of its obligations under this Agreement until the outstanding amounts are paid.

12. Adviser, custodial and administration fees

- 12.1 Adviser, custodial and administration fees will be paid from the Portfolio as set out in the Fee Schedule to this Agreement.
- 12.2 Adviser, custodial and administration fees may be reviewed from time to time. Any fee changes will take effect no less than 30 days after you have been notified of any such changes.

13. Reports and recommendations

- 13.1 Alistair Bean & Assoc’s Financial Services Limited will provide reports and recommendations for your Portfolio which forms part of this Agreement, or at other such intervals as are agreed from time to time.

- Initial Statement of Advice (Financial Plan)
- Initial Morningstar Risk Profile Questionnaire
- Initial Fact Find Document
- Annual Review and/or Change of Circumstance, Morningstar Risk Profile Questionnaire
- Annual Tax Report
- Annual & Quarterly Discretionary Investment Management Service (DIMS) Report
- Annual & Quarterly Monitoring Report
- Annual & Quarterly Cash Management Account Transactions Report
- Quarterly ABAFS Newsletter
- Six monthly Custodian Report (provided by FNZ Custodians Ltd)

12.2 Alistair Bean & Assoc's Financial Services Limited will forward to you any relevant reports, statements or taxation certificates related to you or your investments.

14. Notices

14.1 Any notice under this Agreement may be sent by post or email.

14.2 Any notice will be deemed to have been duly given, in the case of a posted notice, five business days after being correctly addressed, stamped and posted and, if given by hand, on personal delivery to the recipient or to the recipient's address for notices and, in the case of notices given by email or other electronic form, when transmitted with no indication of incomplete transmission to the recipient's email or other address/number.

15. Relevant law

The law governing this Agreement will be the law of New Zealand and any question or matter shall be determined exclusively by New Zealand courts.

16. Non-assignability

16.1 You may not assign or attempt to assign your rights or entitlements under this Agreement or any provision of it.

16.2 In the event of any partial or complete sale of our business, we may assign all or any of our rights, and transfer all or any of our obligations under this Agreement, to any person or persons with notification of such assignment to be given by Alistair Bean & Assoc's Financial Services Limited to you.

17. Severance

17.1 Nothing in this Agreement is intended, or shall be effective, to limit, exclude or modify any obligation imposed on Alistair Bean & Assoc's Financial Services Limited or you by statute or rule of law, where to do so is or would be illegal or render any such provision of this Agreement void or unenforceable.

17.2 If any provision at any time is held to be, or is, or becomes, void or illegal or unenforceable, it shall be severed, and not affect the validity or enforceability of any other provision of this Agreement.

18. Treatment of additional funds

If additional funds are added to your Portfolio, Alistair Bean & Assoc's Financial Services Limited will ensure the structure of your Portfolio is consistent with the investment guidelines detailed in your Statement of Advice (implementation fees apply as per schedule below).

19. Timeframe for withdrawals

19.1 Requests for partial withdrawals from your Portfolio will generally be completed (processed and funds dispatched to your nominated bank account) within 10 business days.

19.2 For large withdrawals or situations where the Portfolio may need to be substantially or fully redeemed, longer redemption periods may apply depending on the liquidity of assets in your Portfolio. In these situations, Alistair Bean & Assoc's Financial Services Limited will advise you of the expected timeframes. Some investments may take up to 30 days to liquidate.

20. Termination

20.1 This Agreement may be terminated at any time by either party giving not less than 30 days written notice to the other, or immediately in the event of a Material Breach notified in writing by either party to the other.

20.2 Termination of this Agreement will be without prejudice to the rights of you and Alistair Bean & Assoc's Financial Services Limited for any prior breach. Termination shall take effect immediately on expiry of the notice, but any Proper Instructions already initiated shall be completed.

20.3 Even though notice of termination of this Agreement has been given, all Alistair Bean & Assoc's Financial Services Limited fees and other payments due and payable up to the actual date of termination shall be paid or deducted from the Cash Account. No exit or termination fees are charged by Alistair Bean & Assoc's Financial Services Limited (custodial fees will continue to be charged until funds are released as detailed in the fee schedule below).

20.4 If this Agreement terminates, the Custodial Services provided through Alistair Bean & Assoc's Financial Services Limited will terminate.

20.4.1 On termination, assets held by the custodian, will be transferred as per your written instructions or liquidated to your portfolio cash account and repaid to you via your nominated bank account.

20.4.2 There is a risk on termination, where the full sale of assets has been selected by you, that market values are temporarily depressed and, all other things being equal, it would not be appropriate to sell the Securities in that market.

20.4.3 Both parties will work together to arrange for any transactions commenced before termination to be completed in a sensible manner taking into account current market conditions, in the best interests of and with agreement of the Client.

20.4.4 Terminating Transactions are also to be completed in a sensible manner taking into account current market conditions, in the best interests of and with agreement of the Client.

21. Dispute resolution

You acknowledge that any dispute between you and Alistair Bean & Assoc's Financial Services Limited shall be determined according to the dispute resolution procedure set out in the primary disclosure document which has been provided to you.

22. Interpretation

Headings are for convenience only and do not affect interpretation. In this Agreement, unless a contrary intention appears:

- The singular includes the plural and vice versa.
- **Writing** includes communications by post, email or other electronic form of transmission, to the relevant address or number for the purpose of notices.
- **Signed** includes any such communication, the original of which was signed and the transmission of which includes a signature accepted as such by the law of New Zealand.
- This Agreement is binding upon the parties to it and their respective representatives, successors, administrators, personal representatives and permitted assigns.
- Reference to any statute refers also to any regulation, order and notice relating to it and to anything amending, consolidating or re-enacting any of them.
- A reference to this Agreement or another instrument includes any variation to, or replacement of, any of them.
- A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- A reference to a right or obligation of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).

23. Definitions

Adviser means Alistair Bean & Assoc's Financial Services Limited and includes all directors, officers, employees, agents of or contractors to that company and any Authorised Representative.

Adviser Fees at the date of this Agreement are set out in the Fee Schedule of this Agreement.

Agreement means this Agreement and includes any disclosure documents, privacy statement and scope of service document provided to you which, for the avoidance of doubt, form part of this Agreement.

Authorised Representative means any representative of Alistair Bean & Assoc's Financial Services Limited authorised to instruct the Custodian by means of Proper Instructions.

Cash Account means the individual cash account maintained by the Custodian in the Client's name.

Client means the client(s) named in the Schedule of Details or any other Authorised Representative.

Custodial Service means order execution, order transaction, Client information, Portfolio administration and general custodial services provided by the appointed Custodian and any changes, upgrades and enhancements to those services notified from time to time.

Custodian means the custodian appointed to provide Custodial Services.

PDIMS means a discretionary investment management service and has the meaning set out in clause 7 of Schedule 2 of the Financial Advisers (Disclosure) Regulations 2010.

PDIMS Authority means the authority granted to Alistair Bean & Assoc's Financial Services Limited by you under paragraph 3 of this Agreement.

Exchange of Information Requirements means the requirements that must be complied with pursuant to the Foreign Account Tax Compliance Act (**FATCA**), Common Reporting Standard (**CRS**), any domestic New Zealand legislation or agreements entered into by the New Zealand Government for the purpose of complying with FATCA or CRS, and any equivalent or similar requirements imposed for the purpose of reducing tax evasion by citizens or residents of certain countries.

Issuer means issuer as defined in the Securities Act 1978.

Portfolio means the collection of Securities recommended by Alistair Bean & Assoc's Financial Services Limited and held by the independent Custodian on your behalf.

Prescribed Investor Rate is the tax rate that applies to PIE investments.

Proper Instructions are the transaction authorities necessary to invest and manage Securities held by the Custodian, in the form required by the Custodian.

Material Breach means any material breach of this Agreement that, in the reasonable opinion of the party alleging it, warrants the immediate termination of this Agreement.

Securities means any property managed by the Custodian and includes, but is not limited to, Securities as defined in the Securities Act 1978.

Statement of Advice means the policy document created by Alistair Bean & Assoc's Financial Services Limited which summarises the methodology and guidelines the Adviser will follow in implementing the agreed investment strategy.

24. Fee schedule

Alistair Bean & Assoc's Financial Services Limited Fees

Implementation Fees

A fee for initial (and any additional) funds invested is charged by Alistair Bean & Assoc's Financial Services Limited. This fee represents the expertise, knowledge, market research and administrations involved in creating and establishing a tailor-made investment portfolio individually created for you. This fee can be added to or deducted from your initial investment and will be deducted from the Portfolio's Cash Account upon proceeding with investment.

Fees are calculated based on a percentage of the total Portfolio value. The charged percentage fee for each dollar invested is determined according to the following ranges:

PORTFOLIO SIZE	FEE RANGE
\$0 - \$249,999	2.00% of total amount invested
\$250,000 - \$499,999	1.50% of total amount invested
\$500,000 - \$999,999	1.25% of total amount invested
\$1,000,000 - \$4,999,999	1.00% of total amount invested
\$5,000,000 +	Implementation Fee negotiable

This means that, based on an assumed Portfolio size of \$250,000, an implementation fee of \$3,750 will apply.

Monitoring Fees

This fee represents the ongoing management and monitoring of your investment portfolio on a day to day basis. The fees for this service are up to 1.25% per annum (plus GST) of the total Portfolio Value for amounts above \$250,000. For amounts below \$250,000 this fee will be up to 2% per annum (plus GST). These fees are calculated daily, charged monthly and deducted from the Portfolio's Cash Account.

This means that, based on an assumed Portfolio size of \$250,000 at 1.25%, a monthly fee of \$260.41 (+GST) will be payable for monitoring.

Financial Plan Fees

An Financial Plan Fee (inclusive of insurance and retirement planning) for creating a plan where **no** investments are made, of up to \$2,000 will be charged (should subsequent investment be made within 6 months, the fee may be rebated against any implementation fee charged) this fee represents time taken to prepare the Plan and (any) administration charges incurred.

Insurance Plan Fees

An Insurance Plan Fee for creating a plan only, where **no** Insurance is to be taken through ABAFS Ltd of up to \$2,000 will be charged. This fee represents time taken to prepare the Plan and (any) administration charges incurred. Commissions are received from insurance companies for any insurance products sold and vary from company to company, who may in turn also alter from time-to-time, the commissions paid – details of the latest commissions are available upon request but will be detailed and disclosed in any financial plan, when created.

Information Request Fees

You have the right at any time to view any transaction made on your behalf by your appointed Adviser. The fee for requests to view any PDIMS information (extra/additional to information already provided) for the first two hours is free, should this extend beyond two hours then the fee is \$175 plus gst per hour or part thereof, payable before information is released.

Consilium Fees

Custody and administration fees

Alistair Bean & Assoc's Financial Services Limited uses an independent custodial system to assist with investment management. The fees for this service are charged monthly, at an annual rate outlined below, and are deducted from the Portfolio's Cash Account.

FEE RANGE	PORTFOLIO SIZE	ANNUAL CUSTODIAL FEE (EXCL. GST)
First \$500,000	\$0 to \$500,000	0.25%
Next \$500,000	\$500,001 to \$1,000,000	0.20%
Next \$4,000,000	\$1,000,001 to \$5,000,000	0.15%
All other assets	Over \$5,000,000	0.10%

This means that, based on an assumed Portfolio size of \$250,000, a monthly fee of \$52.08 will be payable for custody and administration.

Brokerage Fees

FEE TYPE	FEE (EXCL. GST)
New Zealand and Australian direct Share and Bond purchases	0.30%, min \$30
Other Country direct Share and Bond purchases	0.40%, min \$50

What other fees should you be aware of?

A range of other fees may be charged to you through your use of the services.

Product Fees

If you decide to purchase (or sell) any financial products recommended by me, you may also be charged fees in relation to these products. These product fees may include, but are not limited to, management fees, trustee fees and administration fees charged by the product provider of that recommended investment product or service provider in respect of that product, as well as entry fees (payable on acquisition of the product). More information about the amount of each product fee, and when the fee will be charged, is set out in the Investment Statement relating to the relevant product.

Other Fees

If ABAFS Ltd does receive any fees that are not described in this Secondary Disclosure Statement (whether at the time of purchase or otherwise), details will be advised to you by way of a further Secondary Disclosure Statement at the time the product is offered to you.

Other services

The financial adviser may receive and retain brokerage and commission for transactions arranged for the client, at Client request (outside of discretionary portfolios).

Fee rebates

All commissions and or trails paid to the financial adviser by the product provider for the funds invested by the client will be credited to the client's Consilium Cash Transaction Account. The timing of these payments will vary, depending on the product provider selected.

Notes for tax purposes

- Ongoing advisory fees are subject to GST and are usually tax deductible.
- Custodial fees are not subject to GST and are usually tax deductible.
- We recommend you seek confirmation from your accountant or tax adviser.

25. Privacy Act Notice

In the course of providing services, the financial adviser will need to collect certain personal information about the client. The client authorises the disclosure by the financial adviser of any such personal information to other persons who need to know such information in order to provide the agreed services.

The client acknowledges that as part of ensuring that the financial adviser maintains industry best practice standards, the financial adviser's records and procedures, including the client's files will or may be subject to an annual compliance review performed by external reviewers or their authorised representatives. Additionally, the client's files may be reviewed by the Financial Markets Authority and/or other regulatory bodies for the purposes of ensuring the financial adviser's compliance with applicable legislation.

The client acknowledges they have the right to access and correct the information about the client, collected and retained by the financial adviser.

Declaration

I, **Alistair Malcolm Bean**, 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.

Signed:

Alistair Bean AFA, Grad DipPFin