

Primary Disclosure Statement

Authorised Financial Adviser: John Mervyn Cliffe
Registration Number: FSP 112385
Address: 31 Bournemouth Terrace, Murrays Bay, Auckland 0630
Telephone Number: 09 478 6555
Email Address: john@cliffeconsulting.co.nz

This Disclosure Statement was prepared on 23 July 2018.

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 (Government agency that monitors financial markets), 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:

- ✓ Investment planning service
- ✓ Financial advice
- ✓ Discretionary investment management service (DIMS)

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

- x financial products provided by only 1 organisation;
- x financial products provided by a smaller 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?

- x **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.
- ✓ **Fees**
My services are paid for by the fees that you pay as well as in other ways.
- ✓ **Commissions**
There are situations in which I will be paid by other organisations. How much that payment will be depends on the decisions you make.
- x **Extra payments from my employer**
I may receive extra payments from my employer depending upon the decisions that you make.
- x **Non-financial benefits from other organisations**
Other organisations may give my employer and I 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 and fix the problem.

If we cannot agree on how to fix the issue, or if you decide not to use the internal complaints scheme, you can contact FSCL (financial services complaints ltd). This service will cost you nothing, and will help us resolve any disagreements. You can contact FSCL at:

Address: PO Box 5967, Wellington 6145
Telephone: 0800 347 257
Email: info@fscl.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, John Mervyn Cliffe, 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:


John Cliffe

Secondary Disclosure Statement

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QUALIFICATIONS AND EXPERIENCE

I have been practicing in an independently owned and operated financial advice business since 1996 and hold the following qualifications:

- Licence holder - Discretionary Investment Management Service (since 2015)
- Diploma in Business Administration Endorsed Financial Planning (Massey University)
- Bachelor of Commerce (University of Auckland)
- Bachelor of Arts (University of Auckland)

I am a member of Financial Advice NZ and SIFA (previously the 'Society of Independent Financial Advisers').

I keep my authorisations up-to-date through continuing education.

SERVICES AND PRODUCTS I PROVIDE

I provide the following types of financial services, the first two authorised under the Financial Advisers Act 2008 and the third, the market service licence, is licenced under the Financial Markets Conduct Act 2013.

- Financial advice
- Investment planning services
- Discretionary investment management services (DIMS)

I can provide advice in the following subject areas:

- Investment advice
- Wealth management
- Retirement/cashflow planning
- Debt management *
- Estate planning *
- Risk management *
- Taxation *
- Property *

* limited advice only

The financial adviser services I provide are in relation to the following financial products:

Cash accounts, short-term bank deposits, managed investment portfolios (shares, property, fixed interest), KiwiSaver and other Superannuation schemes.

The financial adviser and investment portfolio services I provide include:

ADIY (Assisted Do It Yourself)

For savers and/or investors with less than \$100,000

We assist by helping setting up directly owned, widely-diversified portfolios with low entry, exit and operating costs. Ideal for those starting out or saving.

Core investment portfolio services \$100,000 to \$500,000

These use a custodian service and implement 'smart beta' portfolios that access wholesale funds. The investment strategy used follows academically validated scientific principles matched to client requirements.

This service includes Statements of Advice that cover financial planning, cashflow analysis and retirement funding as appropriate.

Core Plus \$500,000 - \$1,000,000

As for 'Core' with relatively lower costs

Premium \$1,000,000 +

As for 'Core Plus' with portfolio tilts and biases

KiwiSaver (a starting point for many)

Implement KiwiSaver membership, review existing KiwiSaver memberships and provide recommendations as appropriate.

FEES AND CHARGES

ADII – A fee of 0.5% pa (including GST) based on the total value of funds under advice.

Fees are charged monthly and automatically deducted from the client's investment account.

Core investment portfolio services – A fee based on the total value of funds under advice:

Core (\$100,000 - \$500,000) 0.85% pa (plus GST)

Core Plus (\$500,000 - \$1m) 0.80% pa (plus GST)

Premium (over \$1m) 0.75% pa (plus GST)

Fees are charged monthly and automatically deducted from the client's investment portfolio.

For example, if a client invests \$250,000, the total adviser fee for the year would be \$2,125 plus GST. This cost is tax deductible, so at a 30% investor tax rate, the net cost would be \$1,487 plus GST.

Custodian and wrap account services – where used, these commence from 0.25% pa on a reducing sliding scale. Fees are charged monthly and automatically deducted from the client's investment portfolio.

KiwiSaver – these range from 0% up to 0.50% pa (including GST).

Planning and consultancy work - Where applicable, these are on a time/cost basis. They are always specifically quoted and agreed in advance.

For Core investment portfolio services clients, all planning fees are included in the portfolio service fees.

REMUNERATION

I receive a fixed annual salary from Cliffe Consulting Limited. I have a 100% beneficial ownership in the company.

For KiwiSaver investments managed by Cliffe Consulting, the KiwiSaver provider may, in some cases, pay Cliffe Consulting Limited a trail of between 0.25% up to 0.5% pa. If it does so, this amount reduces any KiwiSaver fees paid by the client. Refer to the Fees and Charges section above.

OTHER RELATIONSHIPS

I am a Director of Cliffe Consulting Limited (retail financial advice and investment services).

ARRANGEMENTS TO MANAGE CONFLICTS OF INTEREST

I am not related to any providers of financial products nor does Cliffe Consulting Ltd have any ownership connections. I receive no secret commissions or inducements from financial providers and I believe I have no conflicts of interest over any remuneration received. I avoid potential conflicts of interest that may arise.

DECLARATION

I, John Mervyn Cliffe, 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.


John Cliffe