

# *Secondary disclosure statement*

(Authorised Financial Adviser)

Name and registration number of Authorised Financial Adviser:	Jared (Jack) Powell FSP110745
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As an Authorised Financial Adviser, I am required to provide you with both a Primary Disclosure Statement and a Secondary Disclosure Statement. This Secondary Disclosure Statement provides information in relation to:

- the financial adviser services provided by me and the products in relation to which those financial adviser services are provided;
- the fees that Private Wealth Advisers Limited ("Private Wealth Advisers") may charge you in relation to those financial adviser services;
- the remuneration and other financial benefits that Private Wealth Advisers may receive from third parties in relation to those financial adviser services; and any other financial or other interest, relationship or association that may be relevant.

## **My experience**

I have been a financial adviser for 18 years and give financial advice, provide investment planning service and also a business risk management service (see page 3 for a more full description of my services):

ROLE	COMPANY	START DATE	END DATE
Private Investment Adviser	Private Wealth Advisers	13 December 2013	Current
Senior Client Adviser	Grant Thornton Wealth Management	20 August 2012	13 December 2013
Executive Financial Adviser	Westpac NZ Limited	7 December 2011	15 August 2012
Private Investment Adviser	Westpac NZ Limited	9 October 2006	7 December 2011
National Key Account Manager & Financial Adviser	Guardian Trust	1 April 2006	1 September 2006
Financial Adviser	ANZ	1 March 2004	1 April 2006
Property Investment Adviser & Financial Adviser	Circle Financial Management Limited	1 October 2002	1 March 2003
Company Director & Financial Adviser	Raynap Limited	1 February 2001	1 September 2002
Self Employed Financial Adviser	AMP (NZ) Limited	1 June 1995	1 February 2001

# Private Wealth Advisers

## My qualifications

QUALIFICATION	ENTITY	DATE
Authorised Financial Adviser (AFA)	Financial Markets Authority	May 2011
Chartered Life Underwriter (CLU)	Institute of Financial Advisers	2009
Advanced Issues in Insurance	Massey University	2009
Certified Financial Planner (CFP <sup>cm</sup> )	Institute of Financial Advisers	2007
Under-Graduate Business Diploma in Financial Planning	Massey University	2005
Business Risk	Massey University	2004
Various financial papers	AdviserLink	1997-2004

I keep my qualifications up-to-date through continuing education consisting of seminars, technical briefings, product accreditation investment symposiums, conferences and workshops. I undertake a minimum of 30 hours of structured professional development over the course of every two continuing professional development ("CPD") periods in accordance with Standard 18 of the Code of Professional Conduct for Authorised Financial Advisers ("Code"). A good proportion of this training includes study relating to ethics and professional behaviour. All CPD is recorded in my CPD log which is available for viewing at any time. This includes keeping up-to-date with changes to the Code and relevant consumers laws such as the Fair Trading Act.

## Private Wealth Advisers Limited

I am a salaried Private Investment Adviser, and a 26.25% shareholder of Private Wealth Advisers Limited (PWA). Private Wealth Advisers (under its initial name of BWG Wealth Management Limited) was incorporated on 6 June 2001, following a desire by the partners of the Auckland accounting firm, Brown Woolley Graham, to provide quality financial advice to its clients and the public.

Brown Woolley Graham became Grant Thornton Auckland in 2002, and on 1 January 2010 merged with the Grant Thornton offices in Christchurch and Wellington to become Grant Thornton New Zealand Limited (GTNZ). At this time BGW Wealth Management Limited became Grant Thornton Wealth Management (GTWM). GTWM has always been a separate legal entity to GTNZ.

On the 13th December 2013 GTWM changed its name to Private Wealth Advisers Limited, with ownership held across a number of Grant Thornton New Zealand's Auckland partners, and PWA's investment advisers.

On 30 November 2016 PWA's existing investment advisers and Directors, purchased out the interests of the remaining Grant Thornton New Zealand Auckland shareholders, the firm now being 100% owned and operated by its employees.

## How I operate

When I give advice I follow the internationally recognised six-step process:

1. **Initial discussion** - establishing the client-adviser relationship
2. **Understanding your current position** - gathering client data and determining your goals and expectations
3. **Identifying and documenting the issues and risks** - analysing and evaluating your financial position, cash and debt management, personal and business insurance, retirement planning, estate and tax, and /or investment need's
4. **Presenting and discussing your plan** - developing and presenting our written advice
5. **Agreeing and implementing your plan**
6. **Reviewing and revising your plan**

# Private Wealth Advisers

This advice process is centred around an in-depth client discussion on personal needs and objectives. This can sometimes require a series of meetings with a prospective client before our advice is finalised. As much as possible I seek to deeply understand and document client requirements and then use that as a starting point for advice and our investment discussions. It also means I maintain a close ongoing relationship with you, regularly reviewing progress and working with you over time to ensure your goals can be met.

The services I provide depend on your needs. They may include any or all of those detailed in this Disclosure Statement.

My advice will take account of personal objectives, your financial situation and needs. It will be clear and concise, with enough detail for you to make an informed decision about whether to act on it.

It is important that you provide me full and accurate information; otherwise I could be prevented from providing appropriate advice. If you want a limited advice service or class service only then this needs to be documented in a scope of services. I need to make you aware of the disadvantages resulting from such a limited scope or analysis.

## Professional bodies

I am a member of the Institute of Financial Advisers and as a condition of my membership I adhere to the IFA Code of Ethics and IFA Practice Standards in all facets of my practice.

## Professional Indemnity Insurance

Private Wealth Advisers Limited and I hold professional indemnity insurance which covers all my areas of practice as listed above. This insurance provides protection for clients against a breach of professional duty by Private Wealth Advisers or Jack Powell. The underwriters are Dual NZ Limited. Dual NZ Limited underwrites exclusively on behalf of certain Underwriters at Lloyds of London. Lloyds of London has strong financial security with an A+ (Strong) rating from Standard & Poor's. As with all insurance, this cover has limitations and is subject to certain exclusions and terms and conditions.

## Services and products I provide

I provide the following types of financial adviser services:

- **Investment planning services**
- **Financial advice** - in relation to the financial products listed in Appendix A.
- **Business risk management** - providing analysis and recommendation pertaining to business continuity and/or succession planning

I provide financial adviser services in the following subject areas:

Debt management	I am not a mortgage expert. Based upon my financial background I am able to make observations on appropriate debt reduction strategies.
Estate planning	I am experienced and able to provide observations in this area. For formal advice you will need to meet with your lawyer.
Risk management	I am experienced to offer personal and business insurance risk needs analysis. For formal advice you will need to meet with an insurance adviser.
Cash management/retirement planning/planning and advice/savings	I am experienced in these fields and offer a full range of services through needs analysis, recommendations, implementation and ongoing review.
Taxation	I am not a tax specialist. Based upon my financial background I am able to make observations on appropriate investment tax structures. For advice you will need to receive this from a tax specialist.

# *Private Wealth Advisers*

## **Your Fees**

I will charge a fee for the financial adviser services I provide to you. The possible fees you will need to pay me for the services I provide are set out below:

### **Planning fees**

A planning fee of between \$1,500.00 and \$3,000 (plus GST if any) is charged for preparation of a financial plan. The plan fee is based on the time required to prepare the plan and the complexity of the planning involved.

Where a plan fee is charged you will be given an invoice and the plan fee is to be paid to Private Wealth Advisers Limited within 14 days of the date of the invoice. The planning fee may be rebated upon implementation of the financial plan. If a plan fee rebate is being offered that will be detailed in our Statement of Advice, Client Agreement, Scope of Services, or Investment Policy Statement.

### **Implementation and regular savings fees**

An upfront implementation or regular savings fee (plus GST, if any) may be charged on new funds for investment and if applicable will either be calculated as a percentage of the value of each additional investment or will be a flat fee, based upon our estimate of the time required for us to prepare, arrange, manage and complete implementation.

Up front or regular savings fees are not applicable to the majority of fund manager or KiwiSaver investments. In all cases where fees apply, these fees will be explicitly stated in our Statement of Advice, Client Agreement, Scope of Services, or Investment policy statement. For all new investments these will be clearly detailed to you before any investment is made.

For full service advice clients, Private Wealth Advisers does not charge portfolio implementation fees, except where direct equity products are used as part of the investment solution. For "Limited Advice" or "No Advice" transactions implementation fees may apply.

### **On-going fees**

An on-going management fee (plus GST, if any) is charged for funds under advice. For larger portfolios the fee is calculated either based upon our assessment of the time required to provide our services for any 12 month period, or as a percentage of the value of the funds under advice.

On-going fees are calculated and payable either monthly or quarterly. For larger portfolios monthly fees are deducted (under authority) from the cash management account in the portfolio.

Details of Private Wealth Adviser's annual fee for on-going advisory services and portfolio management will be detailed in a separate Portfolio Advisory Services Agreement or Statement of Advice once the terms of our engagement have been determined.

### **My remuneration**

I am a Private Investment Adviser and 26.25% shareholder of Private Wealth Advisers Limited. I receive a salary from Private Wealth Advisers. I will also receive a 26.25% share of PWA's distributed profits, some of which may directly or indirectly relate to my sales of financial products, and the provision of financial advisory services.

# *Private Wealth Advisers*

## Other interests and relationships

Private Wealth Advisers and I have relationships with the following persons:

**Rothbury Insurance Brokers Limited and Marsh Limited** – we do not provide specialist general insurance services ourselves and often refer clients to Marsh Limited or Rothbury Insurance Brokers Limited. Where we refer clients to either firm we receive up to 40% of the brokerage portion of the first year's annual premium. Upon the subsequent renewal of that premium we receive 30% of the brokers portion of the annual premium.

**Insurance Planners Limited and Wealth Design Limited** – whilst we have expertise in assessing life and disability risk exposures we currently do not arrange implementation of life and disability risk policies ourselves. We refer that business to either Insurance Planners Limited or to Wealth Design Limited. We can receive up to 50% of any initial commission payable to Insurance Planners Limited and Wealth Design Limited on business placed. We can receive up to 50% of any renewal brokerage for business PWA places with Wealth Design Limited.

**JB Were (NZ) Limited, First NZ Capital Limited, Westpac Institutional Bank and Craig's Investment Partners** – we place direct equity and direct capital note/bond business with a number of New Zealand's leading broking houses, including JB Were (NZ) Limited, First NZ Capital Limited, Westpac Institutional Bank & Craig's Investment Partner's. Subject to certain minimum trading levels we can receive up to 50% of the brokerage charged on each trade. The maximum brokerage charged is 1.50%.

## Brokerage

Private Wealth Advisers chooses not to use investment products that pay trail brokerage. However, Private Wealth Advisers does receive a very small amount of trail brokerage from some legacy products where it cannot exercise that choice, as the client is locked in to the product for a set period of time. The amount of trail brokerage received is taken into account when determining the overall fee being charged to you for on-going services.

Private Wealth Advisers may receive introductory brokerage commissions in relation to the placement of new business from a range of product providers. All such brokerage is paid by the particular product provider to Private Wealth Advisers, which then pays me by way of fixed salary. Any introductory brokerage commissions are not such as to influence my investment advice.

Private Wealth Advisers and I may receive non-cash rewards or benefits from various product providers, research organisations and referral groups. These non-cash rewards may be in the form of subsidised professional development (e.g. below actual cost conference attendance, subsidised cost training courses, etc.) or office supplies (e.g. notepads, pens, etc.). These are not such as to influence my investment advice.

I do not have any preferential terms (other than those readily offered to other market participants) or production performance agreements with any particular product provider. I do not have any other commercial relationships or contractual arrangements that present any particular conflicts of interest to consumers generally which would be reasonably likely to materially influence me in providing the financial adviser service, except as detailed above.

## Conflicts

I manage any conflicts of interest that may arise from the receipt or possible receipt of the above types of remuneration in the following ways:

- Providing and discussing the contents of my Disclosure Statements with you before any client engagement
- Engaging with you in a discussion of our obligations under our full advice process, and establishing a personal scope of services agreement or investment policy statement
- Disclosing any issues that might present a conflict of interest to you on an individual basis when identified and not proceeding without your acknowledgement and consent

# *Appendix A*

## **Risk products**

- Life cover
- Accidental death cover
- Disability income protection cover
- Trauma cover
- Living insurance
- Business overheads cover
- Mortgage protection insurance
- Key person protection Insurance
- Medical insurance
- Major medical cover

## **Savings and investment products**

- Listed and unlisted shares
- Debt securities
- Managed Investment Products including Hedge Funds
- Private equity and venture capital investments
- Commodities
- Derivatives
- Bank deposits and bonus bonds
- Units in a cash or term deposit portfolio investment entity
- Consumer credit contracts

## **Property investments**

- Syndicated property
- Proportionate property ownership schemes
- Proportionate forestry ownership schemes
- Proportionate farming ownership schemes

