



INVESTMENT | MANAGEMENT | SOLUTIONS

## DISCLOSURE STATEMENT

**Name:** Selwyn Parker   
Certified Financial Planner <sup>cm</sup>

In accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 this Disclosure Statement provides you with information and answers to questions about me. It provides details about:

- the services I can provide;
- how I operate my business;
- my qualifications as an investment adviser;
- what investment products I am able to advise on;
- which financial organisations I am able to place business with; and
- how I am remunerated.

This document was updated on the 27<sup>th</sup> March 2008.

**NAME:** Investment Management Solutions Ltd (or IMS)  
**ADDRESS:** 81 Freyberg Street  
Tauranga, New Zealand

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**Web Site:** [www.imsnz.co.nz](http://www.imsnz.co.nz) (under construction)

### EXPERIENCE

Selwyn has specialised in providing investment advice since 1999. Having worked in the financial services industry for over 30 years originally specialising in fire and general (commercial) insurance with a major New Zealand company until 1999. During this time I qualified and graduated from the Australian and New Zealand Insurance Institute of Finance. Prior to forming my own financial advisory company in 2003 I worked as a client adviser for a number of financial planning companies specialising in investment portfolio management for medium to high net worth clients.

In March 2000 Selwyn completed with Merit the adviser link introduction to Financial Planning course, completing the Massey University Diploma in Business studies endorsed in Personal Financial Planning in 2003, and going on to achieve the internationally recognised Certified Financial Planner <sup>cm</sup> status in 2005.

I am qualified to advise on cash management, insurance and risk, retirement, investment and estate planning. I choose to specialise in investment planning.

I provide investment advice on most mainstream forms of cash, fixed interest, property, and shares.

## HOW WE OPERATE

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

1. Establishing the client-adviser relationship, and agreeing on our terms of engagement;
2. Gathering client data and determining your goals and expectations;
3. Analysing and evaluating each client's personal financial position, cash and debt management; personal and business insurance, retirement planning, estate and tax, and/or investment needs,
4. Developing and presenting our written advice,
5. Overseeing the implementation of the plan, and
6. Monitoring and reviewing the plan.

This can require a series of meetings with a prospective client before my advice is finalised. It also means we maintain a close ongoing relationship with clients, regularly reviewing progress and working with them over time to ensure their goals can be met.

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

Our advice will take account of your personal objectives, 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.

## MONEY HANDLING PROCEDURES

Investment Management Solutions Ltd and Selwyn Parker will not receive investment money on behalf of the investment companies. All monies are payable by the client directly to the investment company or independent custodian, and all monies payable to the client are paid directly to the client. Monitoring clients will receive various regular (independent) portfolio reports on their money.

## PROFESSIONAL RELATIONSHIPS

I am not required to place any level of business with any supplier or financial organisation. Selwyn Parker is the sole director of Investment Management Solutions Ltd which is a stand alone personal financial advisory business and part of a New Zealand network of independent financial advisers who share/pool knowledge and research. We pool our collective resources to buy inter-alia; investment research, and administration.

These relationships are entered into for the mutual benefit of our clients and do not influence us in any other way.

I also may invest in the products that I recommend for my clients; therefore I may from time to time have a personal financial interest as an investor in the products I provide advice on.

*Following a recognised industry process, my focus is on serving the best financial interests of my portfolio monitoring clients.*

## INVESTMENT CUSTODIAL SERVICES LTD

For our portfolio monitoring clients Investment Management Solutions Ltd use an independent custodial service "Aegis" which is owned by a Bank for handling client's money. (Client funds are not held or retained by Selwyn Parker or IMS).

The custodian acts as a fire wall between your money and your adviser, they are there for your protection, and the simplification of the investment process.

## **CONFLICTS OF INTEREST**

I do not have any tied arrangements for levels of business written with any product or service provider. To the best of my knowledge I do not have any other financial or other relationship with any other person or professional that would be reasonably likely to influence me in providing advice, except as described above. If we do become aware of a conflict, I will disclose this to you as soon as practical when we do become aware.


## **PROFESSIONAL ASSOCIATION**

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.

## **QUALIFICATIONS**

Relevant qualifications include:

- Graduate of the Australian and New Zealand Insurance Institute of Finance 1994;
- Diploma in Business Studies (Endorsed in Personal Financial Planning) April 2003.
- Certified Financial Planner <sup>cm</sup> status  2005

Certified Financial Planner <sup>cm</sup>  status is recognised internationally as the highest credential for financial planning. Selwyn is a practitioner of the financial planning process and entitled to use this licensed mark.

Selwyn keeps his investment and financial planning qualifications up-to-date by attending educational seminars, IFA adviser training days, conferences, product road shows, product and fund manager adviser telephone conference calls, Investment Management Solutions Ltd adviser conference calls, and reading various extra curricular product and financial information.

## **AREAS OF ADVICE**

As a Certified Financial Planner <sup>cm</sup> practitioner I am qualified to provide holistic personal financial advice in the following subject areas. You decide from the following in which areas you engage my advice:

### **Cash/Debt Management**

After gaining an understanding of where your income is sourced and where you spend your income, we help you prepare a budget and a prioritised spending plan so that you can better manage your financial resources.

### **Estate Planning**

I provide general guidance only on prudent steps required to plan the timely and effective transfer of assets. Where agreed appropriate, I will outsource this specialist advice to other recommended professionals. I can work with your chosen professional to help aid your understanding of the legal issues.

### **Risk Management**

Selwyn is qualified to advise on risk and insurance planning issues. However, I will often work with other external insurance specialists before implementing any recommendations. The implementation of all business insurance is out sourced to commercial specialists (refer to their separate disclosure document).

### **Retirement Planning**

We provide advice and guidance on the steps needed to secure financial peace of mind in retirement.

### **Taxation**

Selwyn is not a tax adviser; however we can help by providing general guidance only on 'personal taxation issues. Because of the growing and changing complexity of taxation issues we recommend clients consult a specialist tax adviser. I can recommend a specialist to you on request.

## **Investment Advice**

I have chosen to specialise in investment advice and this makes up the most significant part of my advisory practice. Using the collective resources of the Investment Management Solutions Ltd we design and monitor investment portfolios for high income, and medium to high net worth individuals, and trusts.

This process starts with first understanding each individual client's current financial position, their need for income or growth, personal attitude to risk, time frame, financial experience, and life style objectives. Then I will prepare a written investment strategy and plan with specific recommendations designed to achieve your agreed financial objectives. Following implementation of our recommendations we continue our close relationship by monitoring and reviewing your progress against your changing personal financial needs, and financial markets.

I only provide advice in the particular subject areas set out above. However, I am also qualified to provide advice on fire and general insurance.

## **PRODUCTS**

Subject to the availability of credible research Selwyn is qualified to provide advice on the following investment products:

Managed Funds, Shares, Bonds, Fixed interest, Property, Capital notes, Superannuation, KiwiSaver, Secured debentures, Home Equity Release Mortgages, Investment Trusts, Kiwisaver, and most other mainstream forms of financial securities registered by the NZ Securities Commission.

I can advise on Term Life, Trauma, and disability insurance using Sovereign, AIA, or AXA products.

*All new product must first be registered by the N.Z Securities Commission and have an investor Prospectus and Investment Statement available for investors to read (This is not a guarantee).*

## **PROFESSIONAL INDEMNITY INSURANCE**

As with all insurance, this cover has limitations and is subject to certain exclusions and terms and conditions."

"In compliance with the Institute of Financial Advisers Code of Ethics and its By-Laws, I carry professional indemnity and public liability insurance covering my activities as a financial planner and investment adviser.

The insurance contract is subject to various terms and conditions.  
The underwriter is QBE Insurance.

## **DISPUTE RESOLUTION**

In the first instance all complaints should be directed to your adviser and /or the principal of Investment Management Solutions Ltd (Selwyn Parker). I will acknowledge your complaint within 48 hours.

In the event that Selwyn Parker is unable to resolve your complaint the Institute of Financial Advisers offer members clients an impartial resolution service. A dispute resolution facility is available by contacting the Institute of Financial Advisers (IFA) on Ph 04 499 8062 during normal business hours, or visit their web site **[www.ifa.org.nz](http://www.ifa.org.nz)**

## DISCLOSURE OF CRIMINAL CONVICTIONS (In the last 5 years)

I have not been:

- convicted of an offence under the Securities Markets Act 1988; the Investment Advisers (Disclosure) Act 1996 or the Securities Act 1978, or for a crime involving dishonesty;
- a director or principal officer of a body corporate that has committed an offence against the Securities Markets Act 1988, the Investment Advisers (Disclosure Act) 1996 or the Securities Act 1978 or for a crime involving dishonesty;
- adjudged bankrupt;
- prohibited by an Act or by a court from taking part in the management of a company or business;
- the subject of an adverse finding by a court in any proceeding taken against me in my professional capacity; or
- expelled from, or prohibited from being a member of, a professional body.

## REMUNERATION SCHEDULE

I offer a **free** initial 30 minute consultation; this is to determine if our professional services are right for you.

In all instances I will provide you with a written disclosure of charges and fees prior to entering into a *Scope of Service* agreement.

Once you have engaged our services our professional fees vary according to the *scope of service* you have chosen, and may be based on either:

1. Investment planning fee (partial financial plan). Our fee for the initial client meeting; collection of your personal data; researching investments; analysis of personal information; and preparation of written recommendations; a further client meeting for the presentation of the plan is \$500.00 in total, unless otherwise agreed.
2. Full Financial Planning Service fees are based on the amount of time and scope of work required. The fee can be either an agreed fixed amount, or an hourly rate based on \$150.00 +Gst *if any*, per hour once the scope of service has been agreed.
3. Our portfolio monitoring service forms the core of our advisory business. For our ongoing Investment *Portfolio Monitoring* services we charge a scaled % fee based on the total dollar amount of funds under advice as follows;

<i>Portfolio \$Value</i>	<i>Annual Management % fee</i>
➤ \$60,000 to 250,000 (Usually serious savers)	1.18%
➤ \$250,000 to \$999,000	1%
➤ \$1 million to \$2 million	0.85%pa;
➤ \$2 million to \$4 million	0.60%pa
➤ Over \$4 million	by negotiation

This is the only remuneration that we receive for our investment monitoring services. These fees are generally tax deductible to you, so reduce the net cost (e.g. 1%pa less 30% tax = 0.70%pa net cost).

Our fees will be further reduced by any commission or brokerage paid to us by product providers (*see rebates below*). Our fee is also performance related as it will always vary up and down each month relative to your portfolio market value.

Custodial clients qualify for Bulk share brokerage charges for buying and selling shares with in your portfolio at a special wholesale rate. I will pass this saving onto our custodial clients. At the time of writing this cost was 0.35% for

NZ shares, 0.4% for Australian Shares, and 0.6% for UK, and US shares. Minimum charges apply. See also '**Rebates**' below.

#### Custodian Fee

The independent custodian also charges an administration fee. This information is confidential but will be disclosed to you with our recommendations. As a guide only this fee ranges from 0.18% to 0.32% based on the size of the portfolio and is as well as our advice fees. This fee is also generally tax deductible.

4. For our **transaction** only service (buying product without holistic personal financial advice), that is where no advice on the products suitability to the clients needs is provided (*This is usually where our portfolio management service is not suitable*), we receive commission or brokerage direct from the product provider. Any and all commissions will be disclosed to you in full in our separate *retail transaction disclaimer*. However as a general guide only product commissions range from 0.5% to 3%.  
**KiwiSaver** commission ranges from 0% up to 0.25%pa ongoing payable by the fund provider, not from your fund contributions. Alternatively we may agree with you a fee for advice on a time basis.
5. Initial Insurance and risk analysis is fee based (As per 2 above).  
If we recommend insurance as a solution or part of a solution I may be paid an upfront fee/commission based on your annual premium. I will disclose this amount to you with my recommendations, but prior to any product purchase.
- 6 Home Equity Release Products  
I charge a fee based on the time involved. Should you decide to proceed, we will receive a commission based on the amount of the loan from the product provider. I will disclose this to you prior to any product purchase.

(From time to time I may also receive non cash benefits of a nominal nature from product providers, or business associates such as a bottle of wine at Xmas time, a calendar, pen, or business lunch)

#### **Rebates**

Selwyn Parker and Investment Management Solutions Ltd Tauranga do not retain any product brokerage or commissions when clients choose our "*Portfolio Management Service*" (PMS), all commission and brokerage received is rebated in full back to each client. Some products pay a trail brokerage; these will also be rebated to you in full. These rebates effectively reduce our annual management fee further.

**Date:** 01/ August/ 2008

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Signed: **Selwyn Parker** (Director)

Ph 07 5767-286

**"Helping Our Clients Make Smart Choices with Their Money"**