



## SECONDARY DISCLOSURE STATEMENT (Authorised Financial Adviser)

Name and registration number of Authorised Financial Adviser:	<b>Blair Anthony Bennett</b> FSP 28641
Address:	Level 5, 92 Queens Drive, Lower Hutt P.O. Box 31-440, Lower Hutt 5040
Employment:	Independent Contractor to Chris MacKay Financial Planning Limited (CMFP)
Telephone number:	(04) 570 2233
Fax number:	(04) 569 4563
Email address	blair@mackay.co.nz

**THIS SECONDARY DISCLOSURE STATEMENT WAS PREPARED ON: 30/08/2018 (v14)**

**I have been a financial adviser since September 2010 and give advice on:**

- Investments
- Insurance (*Life, Total and Permanent Disability, Trauma, Income Protection and Medical*)
- KiwiSaver
- Superannuation
- Mortgage lending

**My relevant qualifications and designations include:**

- Authorised Financial Adviser (AFA) (June 2011)
- Master of Business Studies degree (MBS) (2001)
- Diploma in Business & Administration (2001)
- Diploma in Banking (1997)
- National Certificate in Financial Services (Financial Advice) (Level 5) (June 2011)
- Fellow of Financial Services Institute of Australasia (1997)

I keep my qualifications up to date through continuing education (consisting of seminars, technical briefings, product accreditation and conference workshops) for a minimum of twenty hours per year and sixty hours of continuing professional development every two years. This includes keeping up to date with changes to the Code of Professional Conduct for Authorised Financial Advisers and relevant consumer laws such as the Fair Trading Act (1986)

**How I operate:**

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

1. Establishing the client/adviser relationship, agree on areas of advice requested
2. Gathering client data and determining client's needs and objectives
3. Analysing and researching client's circumstances and developing strategies to meet needs and objectives
4. Prepare a written Statement of Advice
5. Present and implement any agreed recommendations
6. Monitor the implementation and review these strategies and actions on a regular basis

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

The service I provide will depend on the client's needs. They may include any or all of those detailed in this Disclosure Statement.

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

**Professional bodies I am a member of:**

I am a Member of Financial Advice New Zealand and, as a condition of my membership, I adhere to their Code of Ethics and Practice Standards in all facets of my practice.

I am a Fellow of the Financial Services Institute of Australasia (Finsia).

**Professional Indemnity Insurance:**

I have professional indemnity insurance, which covers all my areas of practice as listed on page one.

This insurance provides protection for clients for:

- Any error or omission
- Defamation
- Employee dishonesty

The underwriter is Lumley General Insurance (NZ) Ltd.

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:

- Financial advice
- Investment planning services

I provide advice in the following subject areas:

- Cash management *(including income and expenditure analysis)*
- Estate planning *(in conjunction with a legal adviser where necessary)*
- Risk management
- Mortgage lending
- Retirement planning *(including projections of future capital values and regular savings requirements)*
- Investment advice *(security and portfolio analysis and specific investment recommendations)*
- Taxation *(the use of tax advantaged investments and if necessary in association with an accountant/tax adviser)*

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

- Personal risk (insurance) management
- Retirement planning
- Investment planning
- Mortgage lending
- Comprehensive financial planning

I also provide an investment planning service to clients if required.

I only give advice in the particular subject areas set out above.

I only provide financial adviser services in respect of financial products provided by:

Accuro Health Insurance  
Aegis  
A.I.A. New Zealand  
AMP  
ANZ Investments  
ANZ Securities  
ASAP Finance  
ASB  
Asteron  
Avanti Finance  
BNZ  
Booster (formerly Grosvenor)  
Cigna Life Insurance  
Cooperative Bank  
DBR Finance  
DPL Insurance  
Fidelity Life  
Fisher Funds Management  
Foundation Life  
Generate KiwiSaver  
Heartland Bank  
Kepa  
Kiwi Bonds (The Reserve Bank)  
Liberty Finance  
Life Policy Exchange  
Lifetime Asset Management (Lifetime Income Fund)  
Lion Tamer  
Macquarie Investment Services  
Man Investments  
Marac Finance Ltd  
M.F.L.  
MLC  
nib  
OneAnswer  
OnePath Life (NZ) Ltd  
Partners Life  
Perpetual Trust Ltd  
PGG Wrightson Finance  
Plus 4 (a distribution co-operative)  
Public Trust  
Rothbury Insurance Brokers  
SBS Bank  
Select Wealth Management  
Sentinel  
S.I.L.  
Southern Cross Finance  
Southern Cross Healthcare  
Sovereign Assurance  
Sovereign Mortgages  
Synergy Investments  
Tower  
U.D.C. Finance  
Westpac

**Fees:**

Depending on the type of advice the client requires, CMFP may charge a fee for the financial adviser service I provide.

If I am providing a formal investment plan, a financial plan or a summarised report, CMFP may make a nominal charge of up to \$1,500 plus GST.

A comprehensive financial plan incorporates the areas of investment, estate and retirement planning, cash management, risk management and mortgage lending, but I may limit the report or verbal advice at your request, to some of these areas only. [If you are not planning to purchase any financial product through us but would like to discuss various investment and risk options or concepts and with or without a formal written report, it may be more appropriate for you to pay a time based fee of \$150 plus GST per hour. If you subsequently did purchase any financial product/s through CMFP where we may receive brokerage of at least this amount, then CMFP may rebate any fees already paid.]

The fees you will need to pay me for the services I provide are set out below:

- N/A

I estimate the fees you will need to pay me on this occasion will amount to:

- N/A

If it becomes apparent that this fee estimate is likely to be exceeded I will provide you with a further fee estimate at this time.

You will need to pay this fee to me by: N/A

**Other interests and relationships:**

CMFP has agency agreements or relationships with life offices, insurance companies, finance companies, master trust and wrap account providers and fund managers etc and may on behalf of its clients, place Life, Total and Permanent Disablement and Trauma cover, Income Protection, and Health Insurance, unit trusts, unlisted property trusts, forestry investments, fixed interest, debenture investments, PIEs and other investments, Superannuation and KiwiSaver products with them. CMFP has agency agreements with companies involved with equity release loans too.

A full list of companies whose products we may offer to our clients is provided above.

We have relationships with the following companies whose services or software we may or have utilised to assist in providing investment or insurance advice or services to our clients:

- AMP Group
- Booster Financial Services Group Limited
- Booster BondWatch
- McDouall Stuart's New Zealand Finance Companies' Report
- Select Wealth Management
- Strategy Financial Services
- Synergy Investments

We also use publicly available information relating to ratings of insurance and finance companies and financial organisations. These may include but are not necessarily limited to Standard & Poor's, AM Best and Fitch ratings, McDouall Stuart's New Zealand Finance Companies' Report and Chris Lee's/Project Resources' website.

There are no arrangements with any product supplier that prevent selling the investment products of any other supplier.

CMFP may receive remuneration in the form of brokerage or commission from suppliers or its Fire & General brokerage associate according to their standard rates.

These commissions usually comprise an initial payment on placement of business which may include a higher bonus component based on the level of business or through membership of a producer group plus an annual fee or renewal commission as long as policies or plans remain in force. Some companies pay a level commission percentage of the annual premium for the life of the policy.

The rate of commission may vary from time to time. Details will be provided prior to purchasing any investment product.

CMFP has a relationship of agent/principal with its product suppliers.

CMFP or its advisers may receive additional compensation or economic benefit from product suppliers or from CMFP as well in the case of its advisers, for new and in force business including non-monetary considerations such as conferences, training courses, travel rewards both nationally and internationally, sporting and social events, special functions, entertainment, incentive give-aways and merchandise, company share options, car parks and office related expenses.

These rewards vary from company to company and from time to time. It is at CMFP's or its advisers' discretion whether any or all of the above financial and non-monetary rewards are accepted. These benefits do not result in any additional cost to you for the services we provide.

AXA and Fidelity Life contribute to superannuation funds for me. AXA also provides additional funding or "cash flow" for CMFP, currently \$3,505 per fortnight, based on certain levels of business being maintained or retained. This can vary from year to year.

I usually qualify (and any other CMFP adviser may also qualify) for AXA onshore and offshore conferences and have and may qualify for Fidelity onshore and offshore conferences also. Both these are based on new business written with those companies. I may also qualify to attend the Fidelity Millionaires' Club based on in force premium income. TriMax new business is treated as Fidelity new business.

CMFP also has an intermediary arrangement with Direct Broking and CMFP receives brokerage following clients purchasing or selling shares or fixed interest investments on a transaction only and no advice basis.

Trail, renewal brokerage, and review fees may also be paid by some companies.

Our client focussed service means we also attract business from referrals. If a person or company has referred you to us, we may pay them a commission for the referral they make. This will not result in any additional cost to you for the services we provide.

To the best of our knowledge and belief we are not aware of any other existing or potential conflicts of interest which could impair our impartiality and objectivity as advisers or providers of professional services. If we do become aware of such conflict before you purchase any products or services we shall inform you as soon as we become aware.

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 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.

I am not required to place any level of business with any supplier or financial organisation apart from the fact that some product providers may request that we place some minimal business with them each year.

#### **Remuneration:**

I am an independent contractor to Chris MacKay Financial Planning Ltd and receive a share of commission paid from it.

Chris MacKay Financial Planning Ltd will or may receive remuneration from the following sources:

## **Life Insurance Companies\***

**Introductory commission** – A gross commission amount payable by the various product providers for successful placement of new business with the insurance company. This is generally a fixed percentage of between 90% and 150% of the premium placed with them.

**Renewal (or service or trail) commission** – a fixed percentage of between 3% and 20% of the ongoing (or in-force) premium held with the various providers.

**Levelised Commission** – an alternative to introductory commission is for CMFP to be paid a fixed percentage of between 20% and 40% of the initial and ongoing (or in-force) premium held with the various providers.

**Production Bonus** – a fixed percentage amount of between 0% and 100% of the volume of new business commission or new annual premium.

**Persistency and/or Quality Bonus** – a fixed percentage gross commission over-rider of between 0% and 50% determined by the overall business quality, or persistency, held with the various providers. Whether or not CMFP will receive any remuneration relating to these bonuses and the value of such bonuses is not known to me at this time, and I will not know whether CMFP is entitled to such bonuses until some time after I have provided the financial adviser service to you. Whether or not CMFP receive such bonuses such as those outlined above, and the value of such bonuses is not dependent on the financial adviser service I provide to you. Instead, these potential bonuses and benefits are based on the collective business CMFP advisers generate for that product provider.

**In Force Bonus** – a percentage payable on growth of the in force annual premium income of between 0% and 25%. Whether or not CMFP will receive any remuneration relating to these bonuses and the value of such bonuses is not known to me at this time, and I will not know whether CMFP is entitled to such bonuses until some time after I have provided the financial adviser service to you. Whether or not CMFP receive such bonuses such as those outlined above, and the value of such bonuses is not dependent on the financial adviser service I provide to you. Instead, these potential bonuses are based on the collective business CMFP advisers generate for that product provider.

**Override Bonus** – through our membership of a distribution co-operative called Plus 4, CMFP may also receive some override commission of between 0% and 12.5% of premium income.

**Non-cash additional rewards** – I may receive free or heavily discounted travel and/or corporate gifts from the various providers if I recommend them as a product provider, depending on the total volume of business done with the various providers. I may also receive benefits in the form of entertainment (e.g. rugby and concert tickets, golf days, etc), subsidised professional development (e.g. below actual cost of conference attendance, subsidised training courses, etc), or office supplies (e.g. notepads, pens, etc) from the various providers. I have in the past been invited to attend on-shore conferences at no or minimal cost, with AXA, Fidelity and Sovereign

Whether or not I will receive non-cash rewards and benefits such as those outlined above, and the value of such rewards or benefits is not known to me at this time, and I will not know whether I am entitled to such rewards or benefits until some time after I have provided the financial adviser service to you. Whether or not I receive such non-cash rewards and benefits, such as those outlined above, and the value of such rewards or benefits, is not dependent on the financial adviser service I provide to you. Instead, these rewards and benefits may be based on the collective business CMFP advisers generate for that product provider.

### **\*Client Paid Fees in lieu of product provider remuneration**

You may elect to pay CMFP a mutually agreed upon fee in lieu of the insurance company paying CMFP product provider remuneration for placing new business with the company.

### **Medical Insurance Companies**

**Introductory commission** of between 12% and 30% of the premium.

**Renewal commission** of between 5% and 25% of the ongoing premium.

### **Mortgage Lending**

Commission rates paid by the lender vary between 0.45% - 0.85% of the amount borrowed. Some lenders pay a re-fix fee of \$150 on fixed rate mortgages that are fixed for a new term.

### **Personal Superannuation Providers**

**Introductory commission** on each contribution is generally between 0% and 5% and is discussed and agreed upon with you before the application is submitted.

**Service commission** or an advice fee is based on your fund value and is generally between 0.5% and 1.0% p.a. of funds under management and again is agreed upon with you before the application is submitted.

### **KiwiSaver Providers**

**Introductory commission** may be between \$30 and \$50 per application

**Service fees/trail brokerage** is between 0.20% p.a. and 0.50% p.a. of funds under management.

### **Finance Companies**

Brokerage on term deposits, secured debentures or income generating funds normally range between 0.25% and 0.5% times the number of years the investment has until maturity. Sometimes trail brokerage is paid by the fund manager or finance company and not by you and does not reduce your return.

### **Wrap, Master Trust or Unit Trust Providers**

**No introductory commission** is paid by the provider.

An **implementation fee** of between 0% and 3.0% may be paid by you directly or authorised by you to be drawn from your portfolio. This is agreed upon before any implementation or application is made.

An ongoing **service or trail fee or monitoring (advice) fee** is payable by the provider ranging from 0.20% p.a. to 1.20% p.a. based on funds under management and is fully disclosed to you before any implementation.

An **exit fee** of 1.00% of the fund balance may be charged.

### **Other Fund Managers**

On very rare occasions, a client may request to make an investment in a specialty unit trust such as Lion Tamer or Man Investments (Man OM-IP funds) They may pay upfront brokerage of up to 4% plus a renewal/trail brokerage of 0.5% p.a.

### **Direct Broking Ltd**

Neither CMFP, I or my staff are share brokers or stockbrokers. We do act occasionally when requested, as intermediaries only for clients who do not want any advice and who wish to buy or sell shares or securities directly. This transaction only service is arranged via Direct Broking Ltd, a wholly owned subsidiary of ANZ National and an NZX Trading and Advising Firm. Share brokerage under this arrangement is charged by Direct Broking at 1.5% plus a trade fee of \$5.50 (minimum \$55.50) of which we receive half plus a \$50 service charge paid to CMFP separately.

### **Life Policy Exchange**

We charge an hourly rate of \$250 plus GST for investigation that we undertake on your behalf to determine the suitability of selling your life insurance policy to Life Policy Exchange (LPE). We also charge for administration of any ensuing process. The fee is deducted from any sale proceeds and paid to us by LPE and is not charged if you do not proceed.

### **Lifetime Income Fund (LIF)**

A one-off implementation fee of up to 1.00% may be payable by LIF out of the initial investment. An ongoing adviser fee of between 0.2% and 0.7% of the account balance is also payable to CMFP.

### **Fire & General Companies**

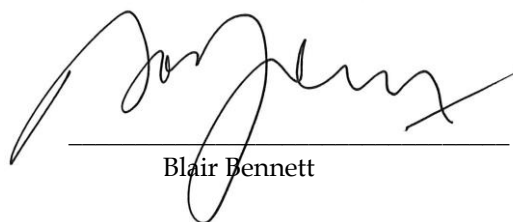
I refer any fire and general enquiries to Rothbury Wellington Holdings Ltd who are insurance brokers. A Trust that I am a beneficiary of has a small shareholding in this company. They pay CMFP a sub agency brokerage of 20% of any brokerage that they receive if you place business through them.

### **Financial Markets Authority (FMA)**

You should be aware that the FMA and its officers may require CMFP or its independent contractors to produce individual client files for the FMA to review, under the FMA's statutory obligation to monitor financial advisers.

### **Declaration**

I, Blair Anthony Bennett 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.



Blair Bennett

### **Client acknowledgement**

I/We \_\_\_\_\_ acknowledge receipt of this Disclosure Statement.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_