

# DISCLOSURE STATEMENT

Prepared 7<sup>th</sup> April 2010

## Carol Garrett UK Pension Transfers Limited

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 sell you;
- which financial organisations I am able to place business with; and
- how I am remunerated.

### ADVISER DETAILS

**Name:** Carol Garrett  
UK Pension Transfers Limited

**Address:** PO Box 57147  
Mana  
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WELLINGTON

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**Mobile:** 027 477 5200

**Email:** carol@ukpension.co.nz

### EXPERIENCE

I have worked in the banking industry since 1978 when I joined The Royal Bank of Scotland in the UK, and have been an insurance and investment adviser in New Zealand since 1998. I give advice on personal and business risk management, cash management, investment planning, retirement planning, and regular savings products.

### HOW WE OPERATE

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

- 1 Establishing the client-adviser relationship and scope of service;
- 2 Gathering client data and determining your goals and expectations;
- 3 Analysing and evaluating your financial position, cash and debt management, personal and business insurance, retirement planning, estate and tax, and/or investment needs. This process will usually incorporate minor estate planning, namely issue identification, but not advice on solutions.
- 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 our 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.

Not all clients require the full range of advice that can be provided, and the services we provide will depend on the client needs. If a client wishes to obtain limited advice or product implementation in any respect, I will provide it, however, it will be documented that the advice of transaction was limited in nature.

### **PROFESSIONAL RELATIONSHIPS**

I am able to recommend or place business with any financial institution in New Zealand.

I maintain contractual relationships (agency agreements) with the following organisations:

- AXA
- Asteron
- AIA
- Aurum Property Systems
- Dorchester Life
- Equitable
- Fidelity Life
- Grosvenor
- Guardian Trust
- ING Life
- Perpetual Trust
- Sentinel
- Sovereign
- Tower Health & Life

My contractual relationships with these financial institutions DO NOT require me to place an agreed percentage of the business I do with any of them. Further, I do not have any agreements that require me to place any particular level of business with any supplier or financial organisation.

In addition to these relationships, I have arrangements with several Professional Advisers around New Zealand who I can introduce clients to for insurance advice. Any remuneration arising from placement of business by these Advisers is shared with me.

Neither I nor an associated party has any other financial or other type of relationship with any other entity or person that would be reasonably likely to influence me in giving advice, except as described above.

### **PROFESSIONAL ASSOCIATION**

I am a member of both The Institute of Financial Advisers and the Professional Advisers Association. As a condition of my membership to these professional bodies, I adhere to their Code of Ethics and Practice Standards in all facets of my practice.

## QUALIFICATIONS

Relevant qualifications include:

- NZFS Industry Essentials - qualified in 2009
- Advice Process 1 (Consultative Selling Skills) - qualified in 2009
- Advice Process 11 (Needs Analysis) - qualified in 2009
- Advice Process 111 (Presenting the Recommendation) - qualified in 2009
  
- Introduction to Financial Planning – Honours - qualified in 2000
- Business Financial Services – Merit - qualified in 2000
- IIAA Adviser as a Business Person - qualified in 2000
- IIAA Risk - qualified in 2000

The qualifications attained in 2000 are within the 10 year time frame for having prior vocational education recognised against elements of the Certificate in Financial Services (Level 5), and can be recognised as follows:

- NZFS Industry Essentials
- Fundamentals of Investment
- Financial Plan Construction and Review
- Business Financial Solutions
- Practice Management
- Personal Risk Management

Associated Life Underwriter (ALU) – qualified in 2000, and maintain qualification

I keep my qualifications up-to-date through continuing education annually, consisting of seminars, technical briefings and conference workshops for a minimum of 20 hours per year, but generally many more than that.

## AREAS OF ADVICE

### Subject Areas

I provide advice in the following subject areas:

<b>Risk Management</b>	Identifying and quantifying personal and business financial risks, considering solutions and ensuring sufficient cash or income is available in the event of death, disability or illness.
<b>Retirement Planning</b>	Determining retirement needs, assessing current provisions and producing solutions for any gaps.
<b>Investment Advice</b>	Considering risk profile, investment timeframes and cashflow needs, recommending appropriate solutions on that basis.

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

## PRODUCTS

The products I would generally use (but are not limited to) are:

- Life insurance
- Trauma insurance
- Disability insurance
- Health insurance
- Mortgages
- Cash management trusts and bonds
- Unit trusts
- Life savings plans
- Superannuation
- KiwiSaver
- Term deposits

## REMUNERATION

The fees you will have to pay me as an adviser will be in the form of either:

- a. Directly invoiced fees at a pre-agreed, rate
- b. Commission or brokerage payable directly from a fund manager or product supplier

Prior to providing advice you will be advised clearly prior to specific product recommendation of the type of costs, fees or commissions you would be liable for, and this will be made available in the form of a Terms of Service and Record of Client Advice incorporating such specific disclosure requirements at the time of such product recommendation.

I do not deduct fees or brokerage directly from client funds. Fee's payable by the client will always be invoiced directly, and brokerage deductions would be done by the fund manager or product provider who will provide a statement to the client.

The basis on which I am remunerated is set out below:

1. For insurance business I receive commissions for placement of business with companies for clients. This commission usually is in the form of an initial commission determined by the premium being paid, and renewal commission payable annually for every year the policy is in force. The rates of commission vary from company to company, and product to product, and I can disclose any such commission to you in detail following product recommendation.
2. I may receive brokerage on investment products for placement of the business. That is, when a client invests in a recommended product I may receive a commission for that placement. I may also receive a trail commission for ongoing management of the investment or portfolio, which is typically a small percentage of the fund balance each year. As a general principle I rebate most of the initial brokerage, but not the annual trail commission. I will disclose precisely what the commissions or fees are on any investment product recommended prior to implementation.
3. I may charge a fee for time or services tendered. If a fee basis is required by a client then that fee basis will be agreed to prior to engaging in the advice process.
4. In addition, I often receive benefits from the companies I recommend in the form of entertainment (e.g. occasional tickets to rugby matches, concerts, bottles of wine, etc), or office supplies (e.g. notepads, pens, diaries, etc), or subsidised professional development (e.g. below actual cost conference attendance, fee-subsidised training courses, etc). The value of these things is

often unknown to me, nor is it predictable. Subsidised stationery would typically be under \$100 p.a. in actual value, subsidised professional development typically under \$500 p.a. and entertainment typically between \$500-\$1,000 p.a.

5. I may receive free or heavily discounted travel and/or corporate gifts from companies I recommend, depending on the total volume of business done with them. Most companies offer these types of trips and/or gifts and the value can be substantial. Such incentives may be perceived to create a conflict of interest on the part of the adviser, with the result that particular companies get recommended on this basis alone. I do not believe that this is the case.
6. One of the supplier companies I use offers a subsidised superannuation scheme for advisers.

I am perfectly comfortable with discussing and disclosing remuneration issues in advance, and am equally comfortable working on either a fee or a commission basis. I just won't work hard for clients for NO remuneration.

### **MONEY HANDLING PROCEDURES & CLIENT RECORDS**

All cash and cheques received are paid directly to the product provider. Cheques should be made payable to the nominated insurance or investment company. All policy documents, bonds and certificates are sent directly from the product provider to the client. We do not hold monies on behalf of clients.

I keep copies of any documentation that I handle in relation to a client's business, whether that be copies of applications forms, emails, copies of cheques, etc. All records are contained within an individual client file, and those files are kept at my office. Every client has the right to view their own file in accordance with the provisions of the Privacy Act.

### **PROFESSIONAL INDEMNITY INSURANCE**

For the protection of clients and to comply with the provisions of the IFA and the PAA's Code of Ethics and Professional Conduct, I hold professional indemnity insurance which covers all my areas of practice as listed above, with Lumley General Insurance (NZ) Ltd.

### **DISPUTE RESOLUTION**

In the event of a complaint or dispute I recommend that in the first instance you bring it to my attention. Should I fail to handle any such problem to your satisfaction within a reasonably short time frame, then the supplier company (e.g. fund manager, insurance company, etc) usually has an internal complaints logging and handling system to which you should refer.

In the event that the first two steps prove unsatisfactory then a complaints process exists within the Institute of Financial Advisers, by which I am bound. The IFA can be contacted at:

P.O. Box 5513, Wellington  
Ph: (04) 499 8062; Fax: (04) 499 8064

Any complaints referred to the IFA are recorded, then investigated to determine likely degree of seriousness, then depending on the level of severity handled by IFA National Office staff directly with the client concerned, or referred on to a complaints panel consisting of a legally qualified chair-person and two professionally credentialed advisers to resolve.

It is a lengthy and apparently sometimes frustrating process for people involved, and is restricted to only handling complaints in relation to the IFA's own rules – not civil litigation. I would urge any dis-satisfied clients to resolve any issues personally and directly with me if at all possible.

Complaints to the Professional Advisors Association should be in writing and addressed to the Chief Executive Officer, Professional Advisors Association, P.O. Box 38 105, Wellington Mail Centre.

### **DISCLOSURE OF CRIMINAL CONVICTIONS**

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 and 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;
- I do not hold mortgages or agency loans with any of the product suppliers, other than a standard home loan with Sovereign Home Loans and ASB Bank.

### **FURTHER QUESTIONS**

Should there be any areas or issues not covered within this Disclosure Statement that you feel are necessary (or desirable) to have covered before engaging with me as a financial adviser, then please feel to raise them with me.