



Disclosure Statement Michael James Shaw

Company/Trading name: Wealth Building Strategies Limited and Wealth Building Strategies Trust
Trading as: Wealth Building Strategies
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Introduction This document complies with the disclosure requirements under the Securities Markets Act 1988 and sets out the disclosure required to be made in relation to your financial adviser.

The following are details, which are deemed to be relevant about Michael James Shaw role as an investment adviser and about Wealth Building Strategies.

Michael Shaw is a member of the Institute of Financial Advisers (the Institute), and complies with the Institute of Financial Advisers Code of Ethics in all facets of his practice. Michael Shaw is also a member of the Society of Independent Financial Advisers (SIFA). The following are details, which are deemed to be relevant about Michael Shaw role as an investment adviser:

Details of the firm Michael Shaw is the founder and Managing Director of Wealth Building Strategies Trust and Wealth Building Strategies Limited. The Trustees of Wealth Building Strategies Trust are Michael Shaw his wife Deborah Shaw and one independent Trustee. The share holders of Wealth Building Strategies Limited are Wealth Building Strategies Trust are Michael and Deborah Shaw.

Qualifications/Experience/Professional memberships Michael Shaw has been providing investment advice in various forms since 1985. He became a full time investment adviser in 1994 when he set up on his own account as a financial planner.

- IAFP (FPIA IFA) Introduction to Financial Planning (Honours).
- IFA Associate Financial Planner
- SIFA Member

Michael Shaw has kept his financial planning qualifications up to date by attending the mandatory number of certified training hours as per the Institute's Standards of Professional Practice; attending the annual industry conferences; regularly travelling overseas and attending other financial planning conferences; reading widely; and purchasing comprehensive investment research from a number of sources. Michael Shaw holds an annual certificate to practice issued by the Institute.

Products Wealth Building Strategies gives advice in relation to the following types of products:

Risk products

- Medical / health insurance
- Life insurance
 - Family protection
 - Mortgage repayment
 - Business key person
 - Business co shareholder
 - Business partnership
- Critical care / Trauma
- Income protection
 - Agreed value
 - Indemnity
- Total & permanent disability
- Waiver of premium

Savings and investment products

- Finance company debentures
- Finance company capital notes
- Superannuation
- Combined risk and savings
- Tax paid investment bonds
- Term deposit bonds
- Bank accounts and term deposits
- Cash management funds
- KiwiSaver
- Unit trusts
- Group investment funds
- Venture capital opportunities
- Mortgages.
- Investment into private companies
- Listed equities
- Listed fixed interest
- Government stock
- SOE stock
- Promissory notes
- Bonus bonds
- Local Authority Stock
- Unlisted public companies
- Annuities
- Geared Investments
- Capital guaranteed geared investments

Risk product providers


Wealth Building Strategies may place investments with almost any investment provider. When it comes to risk management products, superannuation funds and insurance bonds, you need to have a detailed agency agreement in order to place business. Wealth Building Strategies has agency agreements for the sale of these products with the following suppliers

- Sovereign Assurance Ltd
- American International Group Inc
- Fidelity Life Assurance Company Ltd

Other investment products will have the normal supplier intermediary relationship that does not entail a detailed agency agreement to be signed. Appendix A to this document lists those companies.

Professional indemnity insurance cover

In accordance with industry standards, and for your protection, Wealth Building Strategies Limited, Wealth Building Strategies Trust and Michael Shaw are covered under a professional indemnity insurance policy to the level required by the Institute. This policy provides insurance cover against breach of professional duty by Wealth Building Strategies Limited, Wealth Building Strategies Trust and Michael Shaw.

<p>No Criminal Convictions</p> <p>1. In accordance with the Securities Markets Act 1988, I hereby certify that in the preceding five years, I nor any principal officer of Wealth Building Strategies have not been:</p> <ol style="list-style-type: none"> Convicted of an offence under the Securities Act 1978, the Securities Markets Act 1988 or the Investment Advisers (Disclosure) Act 1996, or of a crime involving dishonesty (as defined in Section 2(1) of the Crimes Act 1961). A director or principal officer of a company that committed an offence under any of the Acts listed above or an offence involving dishonesty as defined above. Adjudicated bankrupt. Prohibited by law from taking part in the management of a company or a business. The Subject of an adverse finding by a court in any proceeding taken against me in my capacity as an investment adviser. Expelled from or have been prohibited from being a member of a professional body <p>2. I also certify that Wealth Building Strategies has not been placed in statutory management or receivership in the preceding five years. Michael Shaw contracts through either an incorporated or corporated entity.</p>	<p>Procedures for handling investment money or property</p> <p>The following system and procedure is used for receiving client funds:</p> <ol style="list-style-type: none"> The payment of fees to Wealth Building Strategies will be via cheque payable to Wealth Building Strategies and crossed "not transferable account payee only". Neither Wealth Building Strategies nor Michael Shaw operates a Client Trust Account. All investment monies received from clients will be delivered to the appropriate product issuer as soon as practicable after being received from the client. All investments will be dealt with in a confidential and secure manner. All money that is to be invested will be via cheque or direct credit paid/payable directly to the product provider or their nominee and crossed "not transferable account payee only". We will forward the cheque to the provider who will acknowledge receipt for the cheque to you in writing. An auditor is not employed as we are not holding nor do we operate a Trust Account. Neither Wealth Building Strategies nor Michael Shaw in any circumstances use clients' money or property for the benefit of any other person or us. This applies to monies that are to be invested. Monies that are paid to us as fees are used to pay overheads and expenses and personal remuneration <p>The records we keep that relate to the investment of money are:</p> <ol style="list-style-type: none"> A electronic scanned copy of the completed cheque and application form which is kept in the client's electronic personal file. The details of the investment are entered on to our portfolio reporting system immediately after an investment is made. We electronically update the client's personal file with details of the investment. <p>During normal working hours, all clients have access to their personal records or may request a copy of all their electronic files contained on a CD in PDF file format should they wish to check the accuracy of the information contained therein.</p>
<p>Dispute Resolution Facilities</p> <p>Notification of any complaint should be made in the first instance in writing and addressed to:</p> <p>Michael Shaw Chief Executive Officer Wealth Building Strategies P O Box 1266 Hastings</p> <p>If a satisfactory resolution cannot be found then the Institute has a Complaints Resolution Procedure for your protection. They can be contacted on (04) 499 8062 at any time during normal business hours (8.30 am to 5.00 pm) or, PO Box 5513, Level 9, Willbank House, 57 Willis St, Wellington.</p>	<p>Remuneration received by Wealth Building Strategies</p> <p>Any remuneration received by Wealth Building Strategies is used to pay the costs incurred in providing advice eg: office, staff and marketing costs along with Michael Shaw's personal remuneration. Wealth Building Strategies currently charges fees as per the attached fee schedules. Wealth Building Strategies is eligible to receive brokerage, bonuses and non monetary payments from product providers in relation to the sale of products. Details on these payments are provided in Appendix A, B & C. Please note that we will often provide discounts on the brokerage we receive, particularly if the sum being invested is substantial. The discount reflects the sum of money being invested and the fact that this sum obviously brings economies of scale in our time, effort and procedures.</p>
<p>Declaration</p> <p>We declare that this document when completed and signed, complies with all the requirements of the Securities Markets Act 1988 and incorporates the minimum standards of disclosure, in terms of the Code of Ethics and Practice Standards required by the Institute.</p> <p></p> <p>_____ 5/9/08</p> <p>Adviser signature Date</p> <p>Wealth Building Strategies Michael James Shaw AFP Member IFA, Member SIFA Managing Director</p>	<p>Interests</p> <p>The Securities Markets Act 1988 requires advisers to disclose any direct or indirect pecuniary or other interest that they may have in the giving of investment advice.</p> <p>In the case of Michael Shaw, these are contained in Appendix G.</p> <p>Client acknowledgment</p> <p>I, acknowledge receipt of the Comprehensive Investment Advisers Disclosure statement for Michael James Shaw.</p> <p>_____</p> <p>Client signature Date</p>

- Enclosures:
- Appendix A – Investment product commissions
 - Appendix B – Risk product commission
 - Appendix C – Plan Fees
 - Appendix D – Fees Establishing an Investment Portfolio

- Appendix E – Fees Portfolio Review Service
- Appendix F – One Answer Custodial Portfolio Review Service
- Appendix G – Interests Register

APPENDIX A: Investment product commissions

Michael Shaw via Wealth Building Strategies is eligible to receive commissions on the following products according to the schedule below. Please note that these are the maximum commissions' payable and in many cases these may be discounted, especially if a client is investing substantial sums.

Product	Product provider	Max. initial commission (% of each investment)	Ongoing commission (maximum % of total investment)	
Direct shares and direct fixed interest	First New Zealand Capital	0.5% Min \$50 per trade		
Unit Trusts	ASB	5.0	0.25	
	AXA	5.0	0.25	
	BNZ	5.0	0.25	
	Fidelity KiwiSaver	\$30.00	0.25	
	Sovereign	5.0	0.25	
	The Guardian Trust Company Ltd	5.0	0.25	
	Tower	5.0	0.25	
Cash management trusts	Guardian Trust CashPlus Fund	Nil	0.25	
	Macquarie Gilt Edge Access A/c	Nil	0.25	
	Equitable Tax Paid Bonds & Debentures	3 month term	0.13	Nil
	Equitable Tax Paid Bonds & Debentures	1 year term	0.50	Nil
	Equitable Tax Paid Bonds & Debentures	18 month term	0.75	Nil
	Equitable Tax Paid Bonds & Debentures	2 year term	1.00	Nil
	Equitable Tax Paid Bonds & Debentures	3 year term	1.50	Nil
	Equitable Tax Paid Bonds & Debentures	4 year term	2.00	Nil
	Equitable Tax Paid Bonds & Debentures	5 year term	2.50	Nil
	Equitable Mortgages Ltd	3 month term	0.13	Nil
	Equitable Mortgages Ltd	1 year term	0.50	Nil
	Equitable Mortgages Ltd	18 month term	0.75	Nil
	Equitable Mortgages Ltd	2 year term	1.00	Nil
	Equitable Mortgages Ltd	3 year term	1.50	Nil
	Equitable Mortgages Ltd	4 year term	2.00	Nil
	Equitable Mortgages Ltd	5 year term	2.50	Nil
	LM Currency Hedged Fixed Term Investment	3 month term	0.25	Nil
	LM Currency Hedged Fixed Term Investment	6 month term	0.50	Nil
	LM Currency Hedged Fixed Term Investment	1 year term	1.00	Nil
	Midlands Mortgage Trust	Nil		0.5 in arrears
	South Canterbury Finance Ltd	6 month term	0.25	Nil
	South Canterbury Finance Ltd	1 year term	0.50	Nil
	South Canterbury Finance Ltd	18 month term	0.75	Nil
	South Canterbury Finance Ltd	2 year term	1.00	Nil
	South Canterbury Finance Ltd	3 year term	1.50	Nil
	South Canterbury Finance Ltd	4 year term	2.00	Nil
	South Canterbury Finance Ltd	5 year term	2.50	Nil
	UDC Finance Ltd Call Maximiser Fund	On Call	0.25	Nil
	UDC Finance Ltd Term Maximiser Fund	1 year term	0.50	Nil
	UDC Finance Ltd Term Maximiser Fund	2 year term	1.00	Nil

From time to time, Michael Shaw via Wealth Building Strategies may receive certain non-monetary benefits from product providers. This could include gratuities such as a bottle of wine at Christmas time, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, etc.

APPENDIX B: Risk product commissions

Product	Product Provider	Max. initial commission (% of annual premium)	Ongoing commission (% of annual premium)
Risk products including medical insurance, term life, income protection, trauma	AIG	90	4.0
	Fidelity	90	5.0
	Sovereign	87.5	4.0

In addition to the above, Wealth Building Strategies may be eligible for bonus payments from certain insurance companies.

APPENDIX C: Plan Fees

Comprehensive plan, \$562.50 (incl GST) which contains:		
<ul style="list-style-type: none"> ▪ Full review of your situation ▪ Cash management ▪ Statement of position ▪ Your goals and objectives ▪ Analysis of objectives 	<ul style="list-style-type: none"> ▪ Taxation strategy ▪ Insurance review ▪ Estate planning review ▪ Long and short term strategies ▪ Immediate strategy 	<ul style="list-style-type: none"> ▪ Recommended Investments ▪ Projections ▪ Implementation ▪ Conclusions ▪ Research analysis
Short Form plan, \$225.00 (incl GST) which contains:		
<ul style="list-style-type: none"> ▪ Full review of your situation ▪ Cash management ▪ Statement of position 	<ul style="list-style-type: none"> ▪ Your goals and objectives ▪ Immediate strategy ▪ Recommended Investments 	<ul style="list-style-type: none"> ▪ Research analysis
Financial Analysis, \$112.50 (incl GST) which contains:		
<ul style="list-style-type: none"> ▪ Full review of your situation 	<ul style="list-style-type: none"> ▪ Cash management 	<ul style="list-style-type: none"> ▪ Statement of position
Personal Insurance plan, \$225.00 (incl GST) which contains:		
<ul style="list-style-type: none"> ▪ Full review of your situation ▪ Statement of position 	<ul style="list-style-type: none"> ▪ Review existing covers ▪ Establishing covers required 	<ul style="list-style-type: none"> ▪ Recommended insurance products ▪ Quotations from several providers

APPENDIX D: Fees Establishing an Investment Portfolio

<p>Clients may elect to pay fees or pay commissions. All fees are offset by full commission rebates on all unit trust investments. Initial fees are offset by a rebate of the investment plan fee.</p>	<p>Initial fees apply once only. The minimum portfolio size for the purpose of calculating fees is \$50,000</p>		
Equity Portion of the portfolio:			
On the first \$100,000	3.00%	On the next \$200,000	1.00%
On the next \$100,000	2.50%	On the next \$500,000	0.50%
On the next \$100,000	1.50%	Over \$1,000,001	0.50%
Income Portion of the portfolio:	0.50%	If brokerage received from supplier	0.00%
On Existing Investments Taken Over:	0.50% on the first \$500,000 on balance over \$500,000		0.00%

APPENDIX E: Fees Portfolio Review Service

Standard Ongoing Review Fees, Per Review.			
You may select quarterly, semi-annual or annual reviews. Minimum portfolio size for calculating fees is \$50,000.			
On the first \$200,000	0.25%	Above \$500,000	0.07%
On the next \$300,000	0.15%		

APPENDIX F: FNZ Wrap Custodial Portfolio Review Service

Custodial & Administration Fee (GST exempt)		Ongoing Adviser Fee (plus GST)	
Up To \$500,000	0.35% per annum	Up To \$200,000	1.00% per annum
\$500,001 - \$1,000,000	0.30% per annum	\$200,001 - \$500,000	0.60% per annum
Above \$1,000,001	0.25% per annum	Above \$500,001	0.30% per annum

APPENDIX G: Interests Register:

<p>Michael Shaw or Deborah Shaw or Wealth Building Strategies Trust or Wealth Building Strategies Limited or Michael & Debbie Shaw Family Trust hold investments or have insurance policies with the product suppliers listed in this document.</p>
