

DISCLOSURE STATEMENT

Name: STEVE RICHENS: Moneta Financial Group Ltd (MFG Ltd)

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.

This document was prepared on 28th February 2008 and last updated 13th March 2009.

- **Employer:** Moneta Financial Group Limited
- **Address:** Level 1, Unit 2, Amuri Park. 404 Barbadoes St Christchurch
P O Box 839 Christchurch
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- **Contact Details** Telephone 338-1299
Mobile 021 998 502
Fax 338-9131
E Mail steve@moneta.co.nz

EXPERIENCE

I have been an investment adviser since August 1988 and give advice on all personal and business risk management but not general insurance. I also give advice on cash management, investment planning and regular saving products including retirement planning.

HOW WE OPERATE

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

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

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 or transaction was limited in nature. Any recommendation will be clear and concise with enough detail for you to make an informed decision on whether to act upon it.

PROFESSIONAL RELATIONSHIPS

I am able to recommend or place business with any of these financial institutions in New Zealand.

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

- AIG
- Asteron
- AXA
- Cigna Life Insurance
- Comprehensive Travel Insurance
- Dorchester Finance
- Equitable
- Hanover Finance
- Fidelity Life Insurance
- ING NZ
- ING Life
- Lombard Investments
- Macquarie Investments Services
- Man Investments
- New Zealand Funds
- Pinnacle Life
- Sentinel Home Equity Release
- Sovereign Assurance
- St Laurence Finance
- Strategic Finance
- South Canterbury Finance
- Tower Managed Funds
- Tower Life and Health

My contractual relationship with these organisations does not require me to place an agreed percentage of the business I generate with any of them. Further, I am not required to place any level of business with any supplier or financial organisation.

I personally hold shares in AXA, but this in no way influences any advice I give.

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

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.

I am also a member of The Professional Advisers Association (PAA), and also adhere to their Code of Ethics.

QUALIFICATIONS

Relevant qualifications include:

Introduction To Financial Planning; completed 1994 (Merit)
Fundamentals & Processes of Financial Planning; completed 1994 (Merit)
Fundamentals of Personal Risk Management; completed 1993 (Merit)
Practice Management; completed 1994
Adviser as a Business Person; completed 1994
Business Insurance; completed 1995
Disability insurance; completed 1996 (Merit)

Associate Life Underwriter 1996
Associate Financial Planner 1996

I keep my qualifications up-to-date through continuing education annually, consisting of seminars, technical briefings and industry workshops and conferences for a minimum of 30 hours per year

AREAS OF ADVICE

I provide advice in the following subject areas:

Cash/Debt Management Budgeting, debt reduction or restructuring, establishing sufficient cash reserves and investing accordingly

Risk Management Identifying and quantifying personal financial risks, considering solutions and ensuring sufficient cash or income is available in the event of death, disability or illness

Retirement Planning Determining retirement needs, assessing current provisions and providing solutions for any gaps

Investment Advice

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 that I generally use (but are not limited to) are;

Life Insurance, Disability Insurance, Income Protection, Trauma Insurance, Medical Insurance, Travel Insurance, Cash Management Trusts and Bonds, Unit Trusts, Superannuation Plans, KiwiSaver, Secured Debentures, Term Deposits, Capital Guaranteed and /or Hedged Investments, Life Savings Plans.

REMUNERATION

The basis on which I am remunerated.

I am paid an annual salary by Moneta Financial Group Limited (MFG Ltd) of which I am the major shareholder and Director.

I also often receive benefits from companies I recommend in the form of entertainment (eg tickets to rugby, concerts, golf days etc), office stationary (note pads, pens, diaries, satchels etc), or subsidised professional development courses (conferences etc). The value of these items is often unknown to me, or predictable. Subsidised stationary would typically be under \$500, professional development subsidies under \$1,000 and entertainment typically between \$500-\$1200 annually.

I may also receive free or heavily discounted travel and/or corporate gifts from various companies I recommend depending on the total volume of business placed with them. These may range from luxury cruises or trips to Pacific Island resorts to trips to rugby World Cup matches. Such incentives may be perceived to result in companies being recommended solely for the purpose of obtaining the trip or incentive. I do not believe that to be the case.

One of the companies I use has a subsidised superannuation scheme available to me and I am part of that scheme. 5% of the commissions paid to MFG Ltd from Fidelity Life are deducted and placed in Fidelity's superannuation fund and Fidelity Life match this with a 5% contribution.

PROCEDURE FOR HANDLING MONEY

- 1) All client money is paid directly to the provider company.
- 2) Any fees charged are payable directly to MFG Ltd
- 3) MFG Ltd does not hold a trust account and is not able to bank any client monies for a third party into it's own accounts.

PROFESSIONAL INDEMNITY INSURANCE

In compliance with the Institute of Financial Advisers Code of Ethics, I have professional indemnity insurance which covers all my areas of practice as listed above.

This insurance provides protection for clients for up to \$1,000,000 for

- any error or omission;
- defamation;
- employee dishonesty; and
- Includes full "prior acts" protection.

The minimum level of cover is in compliance with Institute of Financial Adviser's Membership By-laws.

The underwriter is Lumley General Insurance Limited and it is reviewed annually. I have not had any claims under this type of insurance during my career.

DISPUTE RESOLUTION

In the first instance you can direct any complaints to the product supplier company involved, as each of them has an internal complaints handling process.

You should also forward a copy of any complaint to The Managing Director, MFG Ltd.

Alternatively, a dispute resolution facility is available by contacting Institute of Financial Advisers (IFA) at PO Box 5513, Wellington. Should a complaint be lodged with the IFA then it will be recorded, referred to the Complaints Committee which will review the matter and determine the appropriate resolution, which may include referring the matter to the Disciplinary Committee. Full details of the complaints process may be obtained from the IFA.

DISCLOSURE OF CRIMINAL CONVICTIONS

Individual

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

Neither MFG LTD nor I charge a fee for the advice I provide you.

MFG Ltd will or may receive remuneration from the any of the companies listed under Professional Relationships earlier in this document.

This is likely to be a percentage (%) of the amount invested, and would range from 0% to 5% for lump sum investments and for varying degrees for Superannuation or Savings plans.

MFG Ltd may also receive a trail commission for any plan implemented and this also will range between 0% to 2%.

There may be instances where a supplier company for the introduction of business pays MFG LTD a lump sum.

We will advise you of the precise amount once the plan has been decided upon, but before implementation. A written copy will be provided to you within 5 business days.

DECLARATION

I declare that this document, when completed and signed, complies with all requirements of the Securities Market Act 1988 and Securities Law for Investment Advisers and Market Participants 2008 and incorporates minimum standard of disclosure in terms of code of ethics and practice required by IFA

Steve Richens ALU AFP

Date _____

For placing your _____ business with

MFG Ltd will receive a payment of \$ _____ from

For placing your _____ business with

MFG Ltd will receive a payment of \$ _____ from

For placing your _____ business with

MFG Ltd will receive a payment of \$ _____ from

For placing your _____ business with

MFG Ltd will receive a payment of \$ _____ from



I/we acknowledge receipt of Steve Richens disclosure document in compliance with the required act.

Signed _____

Name _____

Date _____

