

## Secondary Disclosure Statement (Authorised Financial Adviser)

### Contact Details

Name and registration number of Authorised Financial Adviser: Wayne Head  
FSP 52141

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Trading name: Stratus Financial Services Limited

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This disclosure statement was prepared on: 1 September 2018

### Services I provide financial adviser services on

I have been authorised to provide you with financial adviser services of the following categories:

- Financial Advice
- Investment planning services

### Financial products I provide financial adviser services on

Types of financial service I provide financial adviser services on:

I provide financial adviser services in respect of the following types of financial products:

- Unit Trusts
- Superannuation (including KiwiSaver)
- Share and Bond Portfolios
- Term Deposits
- Life Insurance Policies

I am only permitted to provide financial adviser services in respect of those products on the AMP Approved Products List that I have accreditation for under the terms of my AMP Practising Certificate. The list of products I have accreditation for is shown in Appendix A.

I may also, on request, provide financial adviser services in relation to other financial products which you already hold or on which you seek my services. Such financial adviser services are provided independently of my relationship with AMP and are not provided as part of my role as an AMP adviser under AMP's Qualifying Financial Entity.

### *Product provider's financial products I provide financial adviser services on*

A list of product providers of the financial products in respect of which I may provide financial adviser services is included in the list attached in Appendix A. This includes both the AMP and some third party product providers.

## Relevant Fees

### Advice and Report Preparation Fees

Stratus Financial Services Limited will charge a fee for the financial advice I provide you, which will be calculated on the following basis:

A flat fee of \$350+GST to \$2,000+GST maximum for investment advice, OR

An hourly rate of \$295+GST per hour, plus GST where the advice is more complex.

We will give you an estimate before proceeding.

Other fee structures can be set by negotiation.

I estimate the Advice Fee will amount to: **\$ NIL + GST**

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

These fees will be charged by invoicing you after the advice is provided, or will be deducted from the investments I manage for you, as agreed with you. Fees are due by the 20<sup>th</sup> of the following month, or as arranged.

### Ongoing Service and Management Fees

For the on-going service and management of your investments, there will be a fee deducted from your investments of:

WealthView: The portfolio service fee of up to 0.65% pa of funds under management is charged from the Cash Management Account at the beginning of each month. (for example, \$1,000 invested will incur an ongoing service fee of up to \$6.50 pa).

Other personal savings or investments plans: A fee of up to 0.65% pa of funds under management (for example, \$1,000 invested will incur an ongoing service fee of up to \$6.50 pa). This fee is included in the product's management fee.

KiwiSaver: A fee of 0.02% pa of funds under management (for example, \$1,000 invested in KiwiSaver will incur an ongoing service management fee of up to \$2.00 pa). This fee is included in the product's management fee.

### Relevant interests, relationships and associations

I am employed, on salary, by Headco holdings Limited, which has a contract for services with Stratus Financial Services Limited. Stratus has an agreement with AMP Services (NZ) Limited. This allows it to sell and engage advisers to sell financial products and services made available by AMP.

#### *Stratus Financial Services Limited*

My Family Trust has shareholdings in the Stratus group of companies and a dividend is paid based on the capital invested. I am one of three trustees and one of four discretionary beneficiaries to this trust and therefore may receive a share of any profits that are distributed, some of which may directly or indirectly relate to my sales of financial products and providing financial advice

As I am a shareholder of Stratus Financial Services Limited I may receive a share of any profits that are distributed, some of which may directly or indirectly relate to my sales of financial products and providing financial advice

*Headco Holdings Limited*

As your adviser I (or my company) receive a daily retainer from Stratus Financial Services to provide service to clients.

As your Adviser, I (or my company) also receive 10% of the Ongoing Service and Management Fees received by Stratus to cover the costs associated with providing service to clients.

I (or my company) may also receive a quarterly bonus from Stratus Financial Services which is a percentage of all new Advice Fees and commission Stratus has received over the quarter in relation to my clients.

I am the sole director of Headco Holdings Limited.

I am 50% shareholder of Headco holdings Limited.

As I am a director and shareholder of Headco Holdings Limited, I may receive a share of any profits that are distributed, some of which may directly or indirectly relate to my sales of financial products and providing financial advice.

Other than those disclosed above, neither I nor any associated person of mine has or will have or may have any other interest, relationship, or association that a reasonable client would find reasonably likely to materially influence me in providing the financial adviser services.

Stratus may receive all or some of the following types of commission when products are sold:

- Initial commission
- Servicing commission
- Investment Product commission
- Assets Under Management commission
- Up-front commission
- Stratus requires me to structure policies on level commission where they are available and it is appropriate.

All commission is paid by the particular product provider. Commission on all products is paid from AMP Services (NZ) Limited to Stratus Financial Services Limited which then pays individual advisers and their Companies.

In addition to product commission Stratus or I may receive remuneration that consists of recognition and rewards through the AMP Achievement Programme. This programme rewards AMP Advisers and AMP Adviser Businesses based on sales volumes of investment and non-investment products. These products include all AMP products, and non-AMP products accessed through WealthView and AMP Connect. I will earn a set number of points depending on which products I sell and their value.

High performing AMP Advisers and AMP Adviser Businesses are eligible to receive as part of the AMP Achievement Programme:

Various non-monetary rewards in recognition of high sales performance in a particular product category over one year.

I manage any conflicts of interest that may arise from the receipt or possible receipt of the above types of remuneration in the following ways:

- Stratus does not impose on me any prescribed quotas or similar arrangements that require a minimum proportion of sales be placed with a particular provider.
- I am required to follow an advice process whereby client needs and objectives are identified and product recommendations are made on the basis of those needs.

I must disclose and explain any perceived or potential conflicts of interest to each client when completing the advice process with that client.

It is not practicable for me to provide all relevant remuneration information that I am required to include in this disclosure statement, which relates to the specific remuneration I, Stratus Financial Services Limited or my principal may receive on providing a financial adviser service to you, which will be dependent on your needs and circumstances and my analysis in this regard. I will provide further details of the amount or rate of such remuneration (to the extent practicable), the name of the person it is received from and details of the arrangements I have in place to manage conflicts of interest that may arise, when I provide you with the financial adviser service.

### **Relevant Qualifications and Experience**

I hold the National Certificate in Financial Services (Financial Advice) (Level 5) and am studying towards the completion of the Graduate Diploma in Personal Financial Planning through Massey University.

I have held an AMP Practicing Certificate since July 2013. This is a certificate established and maintained by AMP Services (NZ) Limited for AMP advisers who have undertaken general financial services training. I attend in-house and industry training each year to maintain a current AMP Practicing Certificate.

I ensure my competence is maintained and tested on an ongoing basis through my continuing professional development plan. My plan is developed, maintained and kept up-to-date by:

- Undertaking and evidencing a minimum of 30 continuing professional development hours per year as structures learning;
- Completing and maintaining a personal record of my development needs and progress towards meeting those needs;
- Using AMP's online learning management facility which allows me to plan and record my own development activity, show progress against my continuing professional development requirements and show whether I am behind or on target to meet those requirements;
- Regulatory training, I receive that is arranged, administered and paid for by AMP in line with legal requirements and AMP's own standards of professionalism;
- The AMP Learning and Professional Development team and managers who

- are alerted as to whether my training has been completed or is overdue; and
- I receive frequent and regular communications to update me on regulatory changes.

I have worked in the financial services industry as an Adviser since January 1985. My experience is spread across 3 trust companies with 8 months as a Business Development Manager and 3 years as an adviser.

I have been contracted to Stratus Financial Services Limited since 2013 as an adviser.

My role involves analysing client's situation and providing recommendations to help them manage risk, define goals and improve the likelihood of achieving goals.

### **Membership of a Professional Body**

I am a Practitioner member of the Financial Advice New Zealand and I am bound by the Code of Ethics and Professional Conduct and associated bylaws.

### **Professional Indemnity Insurance**

I have, and Stratus Financial Services Limited has Professional Indemnity Insurance covering us in respect of a Wrongful Professional Act. As with all insurance, this cover is subject to certain exclusions.

### **Declaration**

I, Wayne Bernard Head, 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.

Signed:  Dated: 1 September 2018

## Appendix A

In providing the financial adviser service to you I am limited in providing that service in respect of financial products provided by the following product providers:

|                 |                 |                |           |
|-----------------|-----------------|----------------|-----------|
| AMP             | Asteron         | Fisher Funds   | Sovereign |
| AIA             | Fidelity Life   | Nib            |           |
| ANZ Investments | Foundation Life | Southern Cross |           |

WealthView Investment Platform provided by AMP Services (NZ) Limited

|  |  |
|--|--|
| Aberdeen Asset Management                                      | Macquarie Investment Management Ltd          |
| AMP Capital Investors (NZ) Limited                             | Magellan Asset Management Limited            |
| AMP Investment Management (NZ) Limited                         | Man OM-IP 2AHL Limited                       |
| AMP Services (NZ) Limited                                      | Man OM-IP 3AHL Limited                       |
| AMP Wealth Management New Zealand Limited                      | Man OM-IP AHL Limited                        |
| ANZ Investments  | Milford Asset Management Limited             |
| ANZ National Bank Limited                                      | Mint Asset Management                        |
| ANZ NZ Investment Limited                                      | Nikko Asset Management NZ Limited            |
| APN Funds Management   | NZ Government                                |
| ASB Bank Limited   | NZ Local Govt Funding Agency                 |
| ASB Capital Limited  | Perennial Investment Partners                |
| ASB Capital No 2 Limited                                       | Perpetual Investment Management Limited      |
| Auckland International Airport Limited                         | PIMCO Australia                              |
| Bank of China  | Platinum Asset Management                    |
| Bank of New Zealand Limited                                    | Rabo Capital Securities Limited              |
| Bentham Asset Management                                       | Rabobank New Zealand Limited                 |
| BT Investment Management (RE) Limited                          | RARE Infrastructure Ltd                      |
| China Construction Bank NZ                                     | Resolution Capital Limited                   |
| Devon Fund Management  | Schroder Investment Management Australia Ltd |
| Fisher Managed Funds Limited                                   | Spark Finance Ltd                            |
| Fonterra Co-Operative Group Ltd                                | SPDR   |
| Goodman Property   | Transpower                                   |
| Harbour Asset Management Limited                               | UDC Finance Limited                          |
| Hunter Investment Funds  | Vanguard                                     |
| Janus Henderson Investors (Australia) Funds Management Limited | Yarra Capital Management                     |