

DISCLOSURE STATEMENT

Disclosure of Duncan Cotterill Asset Management

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 important information about your Duncan Cotterill Asset Management advisor, Duncan Cotterill Asset Management and the investment advice you will receive. It provides details about:

- the services we can provide;
- how we operate our business;
- what investment products we are able to sell you;
- which financial organisations we are able to place business with; and
- how we are remunerated.

This document was prepared in February 2008.

Duncan Cotterill Asset Management ('DCAM') is a division of Duncan Cotterill legal professionals, based in Christchurch New Zealand but with offices in Sydney, Auckland, Wellington and Nelson. Our investment advisors operate out of the Christchurch and Nelson offices. Disclosure Statements for each of our investment advisors are attached hereto. A full list of the partners of Duncan Cotterill is available on request or by viewing the firms' website.

Address Level 9, Clarendon Tower
Cnr Worcester Street & Oxford Terrace
PO Box 5
Christchurch 8140

Telephone 3-379 2430

Email i.dalley@duncancotterill.com

Address Duncan Cotterill, Nelson
PO Box 827
Nelson

Telephone 3-546 6223

Email r.nicholson@duncancotterill.com

Areas of Advice

Our investment advisors provide advice on a full range of personal financial needs including the following subject areas:

Cash/Debt management

We provide budgeting and debt management advice; establishing sufficient cash reserves and investing accordingly.

Risk Management

We do not provide advice regarding personal insurances, but will identify areas requiring specialist advice and recommend an appropriate advisor

Retirement & Estate Planning

Determining retirement needs, assessing current provisions and providing solutions for any gaps, including advice regarding Kiwisaver. We identify estate planning & tax issues and refer to appropriate legal and accounting advisors.

Investment Advice

Considering risk profile, investment timeframes and cash flow needs, recommending appropriate solutions on that basis.

Portfolio Management

We manage investment cash flows and arrange payment of expenses. We monitor investment portfolios and conduct regular reviews.

How we operate

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

- establishing the client-adviser relationship and scope of service;
- gathering client data and determining the clients goals and expectations;
- analysing and evaluating the client's financial position, cash and debt management, retirement planning, and investment needs;
- developing and presenting our written advice
- overseeing the implementation of the plan; and
- Monitoring and reviewing the plan.

The services we provide will depend on your needs. They may include any or all of those detailed on 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.

Professional Relationships

Other than disclosed commissions we do not have any arrangement for remuneration from suppliers of products

and services (eg referral fees, extraordinary payment or benefits).

No Duncan Cotterill partners hold directorships of any product supplier or service supplier, and we do not have tied arrangements or quotas with any product or service supplier.

To the best of our knowledge and belief we are not aware of any other existing or potential conflict of interest which could impair our independence and objectivity as an advisor or provider of professional services. If we do become aware of such conflict we shall inform you.

We have a relationship with AEGIS Ltd who provides custodial and administration services for clients of Duncan Cotterill Asset Management who elect to use that service on an agreed basis.

Professional Bodies

Our investment advisors are members of the Institute of Financial Advisers (IFA) and are either all CFP or CLU certified.

Duncan Cotterill is a law firm and as such complies with the New Zealand Law Society rules and other regulations.

Professional Indemnity Insurance

In accordance with industry standards and for your protection, DCAM and its advisors are covered under a professional indemnity insurance policy to the level required by the Institute of Financial Advisers (IFA).

This insurance provides protection for clients for:

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

The underwriter is AON Insurance Ltd, arranged as part of the Duncan Cotterill professional indemnity insurance cover.

Dispute Resolution

All disputes or complaints should in the first instance be directed to the managing partner of Duncan Cotterill. If the matter is not settled within a reasonable time frame then either party may refer the matter to the IFA.

A dispute resolution facility is available by contacting the IFA, telephone 0800 404 422 or by writing to National Office, P O Box 5513, Wellington.

Products

Our investment advisors can provide advice on all securities available in the New Zealand market including listed and unlisted fixed interest and debt securities, listed and unlisted shares, managed funds and investment trusts, superannuation funds, KiwiSaver products, capital guarantees, hedged investments and term deposits.

Disclosure of criminal convictions

Neither your investment advisors, nor the partners of Duncan Cotterill have, within the last 5 years been:

- convicted of an offence under the Securities Markets Act 1988; the Investment Advisers (Disclosure) Act 1996 or the Securities Act 1978, or for 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 in any proceeding taken against me in my professional capacity; or
- expelled from, or prohibited from being a member of, a professional body.

How we get paid

Our investment advisors receive salaries only. Their salaries are reviewed from time to time and are based on market rates and the value added to our clients.

Our professional fees vary according to the precise nature of our engagement and may be based on:

- a fee charged by Duncan Cotterill to you
- a commission paid by the product suppliers to Duncan Cotterill following business placed with them
- a combination of fees and commission.

The fees you will have to pay Duncan Cotterill are set out in the schedule attached.

Handling of client monies

Client monies handled by me are deposited in a trust account complying with the Association's standards and with the New Zealand Law Society rules and other legal requirements. An internal file review programme audits legal compliance.

Our method of payment or delivery of investment money or investment property is as follows:

1. Funds made payable to Duncan Cotterill ("the firm") are credited to the client's trust account with the firm and placed on deposit until instructions from the client to invest are received. On receipt of instructions a cheque is drawn from the client's Trust Account and made payable to the Fund Manager or organisation to complete settlement of the transaction. Any security document then issued in the client's name will either be held by our firm or forwarded to the client directly for safe keeping.
2. Records will be kept in relation to money or property. These records will include relevant information about the transaction and as an investor/client you will have access to these records on request.

Fidelity Fund

Under s.169A of the Law Practitioners Act, the Solicitors Fidelity Guarantee Fund will not reimburse any loss incurred by a client who instructs Duncan Cotterill to invest money on his/her behalf.