



Adviser Disclosure Statement

Pursuant to the provisions of the Financial Markets Conduct Act 2013, the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010 this Disclosure Statement provides you with important information about your Craigs Investment Partners Limited ("Craigs Investment Partners") Adviser and the firm of Craigs Investment Partners Limited. This Disclosure Statement is a secondary disclosure statement for the purposes of the Financial Advisers (Disclosure) Regulations 2010.

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This disclosure statement was prepared on 17.05.17

1. Disclosure of Craigs Investment Partners:

Craigs Investment Partners has operated as an investment advisory firm since it was established in 1984. As a NZX Participant Firm and one of New Zealand's largest investment advisory firms, Craigs Investment Partners must comply with the NZX Participant Rules.

Craigs Investment Partners is 50.1% owned by Craigs Investment Partners staff via CIP Holdings Limited (a holding company for Craigs Investment Partners employee share ownership) and close business associates. The remaining 49.9% is owned by Deutsche Bank AG, Sydney branch.

2. Qualifications

I hold the following qualifications:

2002 Bachelor of Management Studies

I am a registered, but not authorised, financial adviser.

3. Experience

I have been employed with Craigs Investment Partners in the role of Head of Private Wealth Research since 2007. Previous work history details include:

2004-2007 Craigs Investment Partners, Research Analyst

2000-2003 Trustpower, Energy Analyst

4. Professional bodies

I am a member of or accredited with the following organisations:

NZX Associate Adviser

5. Types of services

Any advice that I provide will be class advice and will not take into account your particular financial circumstances and goals in providing the service.

6. Types of products

I am able to provide advice on all mainstream financial products and investments both listed and unlisted, including, but not limited to, advice on Australian and New Zealand Equities, International Equities, Public Offerings, International Bonds, New Zealand Government Stock, Kiwi Bonds, Local Authority Stock, Corporate Bonds and Capital Notes, Debenture Investments, Money Market, Managed Funds, Investment Trusts, Savings Plans, Superannuation Schemes, Managed Investment Schemes, Foreign Exchange, Fixed Interest, Private Equity and at Call Investments.

In addition, Craigs Investment Partners provides Investment Banking and Corporate Advice, Share Broking and Company Research, Portfolio Services and Funds Management.

All services provided to clients are subject to the Craigs Investment Partners Terms and Conditions (as amended from time to time).

7. Dispute Resolution

If you have a dispute in connection with any investment advice that I or Craigs Investment Partners have given, you should, in the first instance, promptly (in writing and/or verbally) detail the particulars of the dispute to:

The Head of Compliance
 Craigs Investment Partners Limited
 PO Box 13155
 Tauranga 3141
 Telephone +64 (7) 577 6049
 Email address: compliance@craigsip.com

The Head of Compliance will, in good faith, try to resolve the dispute. If an appropriate outcome cannot be achieved, the matter may be referred in writing to either:

Financial Services Complaints Ltd (FSCL) PO Box 5967 Lambton Quay Wellington 6145 Telephone +64 (4) 472 3725 or Call Free on 0800 347257 Email address: complaints@fscl.org.nz	NZX Limited NZX Regulation PO Box 2959 Wellington 6140 Telephone: +64 (4) 472 7599 Email address: compliance@nzx.com
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8. Disclosure of certain criminal convictions

Within the last 5 years neither myself, Craigs Investment Partners, any of its subsidiaries nor any of the Directors of Craigs Investment Partners' or its subsidiaries have:

- had a conviction under the Financial Markets Conduct Act 2013, or the Securities Act 1978 (as amended), or for a crime involving dishonesty (as defined in the Crimes Act 1961);
- been a director or principal officer of a Company convicted of any of the above offences;
- been adjudged bankrupt;
- been prevented by a court from taking part in the management of a company or business;
- been the subject of an adverse finding by a court in any proceeding that has been taken against the Investment Adviser or broker in the Investment Adviser or broker's professional capacity;
- been expelled from or prohibited from being a member of a professional body.

Craigs Investment Partners has not, within the last 5 years, been placed in statutory management or receivership.

9. Other interests and relationships

Craigs Investment Partners has the following relationship(s) with the following relevant organisations (which a reasonable client may find reasonably likely to materially influence the Investment Adviser in providing the financial adviser service):

Relevant Organisation	Description of Relationships
CIP Cash Management Nominees Limited (Cash Management Nominee)	The Cash Management Nominee, a wholly owned subsidiary, established to hold deposits on bare trust for clients who have Cash Management Account(s). Accounts are held with selected registered banks.
Custodial Services Limited (CSL)	CSL, a wholly owned subsidiary, provides custodial services to Craigs Investment Partners' clients as well as a number of clients independent of Craigs Investment Partners.
QuayStreet Asset Management Limited (QuayStreet)	QuayStreet, a wholly owned subsidiary formed to develop and manage a range of funds and a KiwiSaver Scheme available to Craigs Investment Partners' clients as well as direct investors.
Craigs Investment Partners Superannuation Management Limited (CIPSML)	CIPSML, a wholly owned subsidiary, formed to develop and manage a Superannuation Scheme and a KiwiSaver Scheme available to Craigs Investment Partners' clients.
Deutsche Craigs Limited (DCL)	DCL, a wholly owned subsidiary, formed to provide investment banking services to corporate, institutional and governmental clients. DCL is not a registered bank within the meaning of the Reserve Bank of New Zealand Act 1989.
Wilson Holdings Company Pty Ltd and its Group companies (Wilson)	Wilson is the private wealth, corporate advisory, institutional equities and research arm of Wilson Holdings Company Pty Ltd. Wilson is 50% co-owned by Wilson employees and 50% by Craigs Investment Partners
Pohutukawa Private Equity Limited (PPE)	Craigs Investment Partners owns 50% of Pohutukawa Management Limited, which provides Private Equity Management Services to PPE.

Pohutukawa Private Equity II Limited (PPE II)	Craigs Investment Partners owns 50% of Pohutukawa II Management Limited, which provides Private Equity Management Services to PPE II.
Kowhai PE Nominees No 1 Limited (Kowhai Nominees)	Kowhai Nominees, a wholly owned subsidiary, holds the investment in Kowhai Private Equity No 1 LP on behalf of (ultimately) the investors.
Kowhai PE Management Limited (Kowhai PEM)	Kowhai PEM, a wholly owned subsidiary is the general partner of Kowhai Private Equity No 1 LP.
NZ Social Infrastructure Fund (NZSIF)	Craigs Investment Partners owns 100% of NZSIF Management Company, which provides Administration Services to NZSIF.
Pengana Capital	Craigs Investment Partners is the New Zealand representative for Pengana Capital.

Craigs Investment Partners is the Registered Volume Provider for the Fonterra Shareholders Fund and receives a fee for undertaking this role.

Craigs Investment Partners provides a market maker service to Zespri Group Limited and receives a fee for providing this service.

Craigs Investment Partners provides administration services to Pohutukawa Private Equity V Limited.

10. Management of conflicts of interest

Craigs Investment Partners takes steps to manage any conflicts of interest arising from the receipt of remuneration. These steps include:

- I am under no contractual obligation to promote any one product over another;
- I am required to ensure adequate disclosures are made internally to the Craigs Investment Partners Compliance Team and to clients where potential conflict exists;
- Craigs Investment Partners monitors trading activities undertaken by Investment Advisers to ensure that no trading occurs which could be detrimental to clients.

More generally, Craigs Investment Partners operates a conflicts of interest policy which is designed to identify potential conflicts that may exist and then ensure any actual or perceived conflict is managed in an appropriate manner (this is typically done by disclosing that conflict). The policy is constructed to ensure at all times Investment Advisers place the interests of their clients above their own interests.

11. Remuneration and relevant interests

I receive a salary from Craigs Investment Partners.

Revenue may come from fees, brokerage and margins earned by Craigs Investment Partners which are detailed in section 16 Fees of this Disclosure Statement.

Staff, who are shareholders in CIP Holdings Limited, will receive any distributions paid by CIP Holdings Limited to its shareholders. Craigs Investment Partners Advisers who are shareholders of CIP Holdings Limited could potentially receive benefit from clients who invest in products offered by companies in the table below.

I am a shareholder of CIP Holdings Limited.

Any payment of dividends by CIP Holdings Limited has no effect on the investment advice I give to you

I, Craigs Investment Partners or an associated person may have a direct or indirect pecuniary or other interest in giving investment advice to you. I, Craigs Investment Partners or an associated person will or may receive remuneration directly or indirectly, from a person other than yourself as an investor and in connection with the giving of investment advice to you or a transaction resulting from the giving of investment advice to you. The type and potential levels of remuneration are set out below:

Relevant Organisation	Potential Conflict of Interest
CIP Cash Management Nominees Limited (Cash Management Nominee)	<p>Craigs Investment Partners receive a share of the commission charged by Cash Management Nominee. A portion of the commission received is attributed to Craigs Investment Partners Advisers</p> <p>Craigs Investment Partners clients are not required to open an account with CIP Cash Management Nominee.</p> <p>Craigs Investment Partners clients are not restricted from having cash facilities with other financial service providers.</p>
Custodial Services Limited (CSL)	<p>Craigs Investment Partners Advisers receive remuneration calculated as a % of total revenue attributed to them.</p> <p>Craigs Investment Partners clients are not restricted to using CSL for custodial services and CSL does not restrict the types of securities a client can invest in.</p>

QuayStreet Asset Management Limited (QuayStreet)	<p>Craigs Investment Partners receives a fee from QuayStreet for the provision of administration and registry services in relation to the QuayStreet KiwiSaver Scheme and administration services in relation to the QuayStreet Funds.</p> <p>Craigs Investment Partners Advisers receive remuneration calculated as a % of total revenue attributed to them.</p> <p>Craigs Investment Partners relationship with QuayStreet could influence Craigs Investment Partners to favour investments managed by QuayStreet.</p> <p>Craigs Investment Partners clients are not restricted to QuayStreet products.</p>
Craigs Investment Partners Superannuation Management Limited (CIPSML)	<p>Craigs Investment Partners receives a fee from CIPSML for the provision of administration, investment management and registry services provided under a management agreement between Craigs Investment Partners and CIPSML (in relation to the Craigs Superannuation Scheme and the Craigs KiwiSaver Scheme).</p> <p>Craigs Investment Partners Advisers receive remuneration calculated as a % of total revenue attributed to them.</p>
Deutsche Craigs Limited (DCL)	<p>Craigs Investment Partners receives income from DCL based on the fee income generated by DCL.</p> <p>Craigs Investment Partners relationship with DCL could influence Craigs Investment Partners to favour offers of financial products in respect of which DCL is involved (for example, as lead manager), because Craigs Investment Partners may earn brokerage or receive other benefits for the distribution of those products.</p> <p>Craigs Investment Partners clients are not obliged or restricted to securities (primary or secondary) that originate from a DCL transaction. Craigs Investment Partners Advisers may have an increased chance of securing their clients 'stock' when DCL is mandated but would only receive normal industry brokerage/fees from such transactions. These fees and when DCL is mandated on a trade will be disclosed to clients.</p>
Deutsche Bank AG (DB)	<p>Deutsche Bank AG, Sydney Branch ("DB") owns 49.9% of Craigs Investment Partners. Craigs Investment Partners relationship with DB could influence Craigs Investment Partners to favour offers of financial products in respect of which DB is involved (for example, as lead manager), because Craigs Investment Partners may earn brokerage or receive other benefits for the distribution of those products.</p> <p>Craigs Investment Partners clients are not obliged or restricted to securities (primary or secondary) that originate from a DB transaction.</p> <p>Craigs Investment Partners advisers may have an increased chance of securing their clients 'stock' when DB is mandated but would only receive normal industry brokerage/fees from such transactions. These fees and when DB is mandated on a trade will be disclosed to clients.</p>
Wilson Holdings Company Pty Ltd and its Group companies (Wilson)	<p>Wilson Advisory and Stockbroking Limited provide execution and settlement services for Craigs Investment Partners in relation to Craigs Investment Partners clients trading in issuer sponsored securities on the ASX.</p> <p>Craigs Investment Partners may receive income from Wilson based on fees generated.</p> <p>Craigs Investment Partners Advisers who are shareholders of CIP Holdings Limited could potentially receive benefit from Wilson by way of business profits.</p> <p>Craigs Investment Partners relationship with Wilson could influence Craigs Investment Partners to favour offers of financial products in respect of which Wilson is involved (for example, as lead manager), because Craigs Investment Partners may earn brokerage or receive other benefits for the distribution of those products.</p> <p>Craigs Investment Partners clients are not obliged or restricted to securities (primary or secondary) that originate from a Wilson transaction. Craigs Investment Partners Advisers may have an increased chance of securing their clients 'stock' when Wilson is mandated but would only receive normal industry brokerage/fees from such transactions. These fees and when Wilson is mandated on a trade will be disclosed to clients.</p>
Pohutukawa Private Equity Limited (PPE)	<p>Craigs Investment Partners receives an administration fee of 14.5% of the 2.25% management fee based on the committed or invested capital in PPE.</p>
Pohutukawa Private Equity II Limited (PPE II)	<p>Craigs Investment Partners receives an administration fee of 22.5% of the 2.25% management fee based on the committed or invested capital in PPE II.</p>

Pohutukawa Private Equity V Limited (PPE V)	Craigs Investment Partners receives an administration services fee of 0.50% from PPE V based on the committed capital in PPE V.
Kowhai Private Equity No 1 LP (Kowhai)	Craigs Investment Partners receives an administration services fee of 0.25% p.a. from Kowhai based on the committed or invested capital in Kowhai.
NZ Social Infrastructure Fund (NZSIF)	Craigs Investment Partners receives management fees of 0.25% from NZSIF based on the committed or invested capital in NZSIF. Craigs Investment Partners Advisers do not receive any additional incentive for recommending clients invest in NZSIF over other funds that Craigs Investment Partners may offer to clients.
Pengana Capital	Craigs Investment Partners and Craigs Investment Partners Advisers do not receive any additional incentive for recommending clients invest in Pengana.

I, or a Prescribed Person (as defined in the NZX Participant Rules) may, from time to time, hold securities, which are the subject of advice given to you. These holdings may constitute a threshold interest in the security, which I am recommending to you or which you may buy or sell. A threshold interest is an interest that exceeds \$250,000 NZD, or equivalent value, of the security on issue.

12. Money handling procedures

Payment of Money

Payment for 'Buy' transactions can be made:

- by personal or bank cheque made payable to "Craigs Investment Partners Limited Client Funds Account" and crossed "non transferable" and "A/c Payee only";
- by Craigs Investment Partners debiting your Craigs Investment Partners Cash Management Account;
- by you direct crediting or sending by telegraphic transfer to a Craigs Investment Partners Limited Client Funds Account.
- Payment by cash is not accepted.

'Sale' transactions will be settled by Craigs Investment Partners by cheque, telegraphic transfer or direct credit into your Craigs Investment Partners Cash Management Account or nominated bank account.

13. Investment money

Money received from you will be held on trust for you in the Craigs Investment Partners Client Funds Accounts until it has been disbursed in accordance with your instructions. We may however, withdraw money from funds held on trust for you for fees and charges owed by you to Craigs Investment Partners. Money paid by you to Craigs Investment Partners or money held by Craigs Investment Partners for you pending investment, reinvestment, payment to you, or for any other reason, may attract interest from the bank where it is deposited. Such interest will be deducted from the bank account and retained by us.

Except as detailed above, Craigs Investment Partners and your Investment Adviser will only apply money or property received from you for the benefit of Craigs Investment Partners or any other person in accordance with instructions given by you.

Craigs Investment Partners and your Investment Adviser keep electronic records of all property and monies received on your account. These records detail:

- the person on whose account the money/property is received;
- the date of receipt;
- the amount of money or nature of the property.

You may request a statement of your account by contacting Craigs Investment Partners or your Investment Adviser.

KPMG currently undertake the statutory audit of Craigs Investment Partners.

14. Investment property

Other valuable property or documents should be delivered to:

Craigs Investment Partners Limited

158 Cameron Road

PO Box 13155

Tauranga

Telephone: +64 (7) 577 6049 or 0800 272 442; or to any Craigs Investment Partners office.

15. Professional indemnity

Craigs Investment Partners maintains professional indemnity insurance which covers all employees and members of the Craigs Investment Partners Group of Companies and which is consistent with standard commercial terms. The professional indemnity insurance held is commensurate with the nature and scope of the business which Craigs Investment Partners conducts.

16. Fees

The following charges may apply on the services provided by Craigs Investment Partners or its subsidiaries:

Fee Type	Fee
Brokerage	<p>Brokerage fees are incurred when purchasing and selling securities and are based on the value of the transaction. Brokerage fees vary depending upon the security being traded and the exchange they are traded on.</p> <p>A minimum brokerage fee applies for each market traded. Minimum fees (per transaction) for our most actively traded markets are set out below:</p> <p>NZX/NZDX – \$75 ASX – \$90 NYSE – \$80 LSE – £80</p> <p>Minimum fees for other markets are available on request. Any agency fees are included in the brokerage fees but other transaction fees including levies and taxes (e.g. stamp duties) will be added to brokerage fees, where they are charged. All transaction fees are payable on settlement of each transaction.</p>
Portfolio Management	<p>An annual fee of up to 1.25%, based on the market value of the portfolio, will be charged. Portfolio fees are calculated at the end of each quarter reporting period and are payable quarterly in arrears in the month following the end of each reporting period.</p> <p>Portfolio fees include investment advice and ongoing portfolio monitoring, and provision of custodial services, including the transacting of corporate actions. A minimum fee applies.</p>
Superannuation, KiwiSaver and Unit Trusts	<p>Craigs Investment Partners offers a range of superannuation and KiwiSaver products and a range of Unit Trusts.</p> <p>Entry, Exit, Custodial and Management fees may apply. For specific details please refer to the latest Product Disclosure statement.</p>
Custodial Services	<p>An annual fee of up to 0.50%, based on the market value of your portfolio will be charged. Alternatively a fixed dollar charge per security held can be applied.</p>
Foreign Exchange	<p>No fixed fee is charged in relation to providing foreign exchange services, although Craigs Investment Partners may earn a margin on any foreign exchange transaction it undertakes for you. The margin will be the difference (if any) between the exchange rate that we provide to you for the transaction (the "client rate"), which we will disclose to you, and the exchange rate provided to us by the transacting bank for that exchange transaction (the "wholesale rate").</p>
Cash Management Accounts	<p>The Cash Management Nominee may charge a commission to the respective bank where a deposit has been made through the Cash Management Account(s). If charged, this commission is taken into account by the respective bank in setting the interest rate(s) paid on a Cash Management Account. All costs of administering the Cash Management Accounts by the Cash Management Nominee are met from the commission charged by it (though transaction fees may be imposed in certain circumstances for specific clients).</p> <p>The current rates of commission in respect of the Cash Management Accounts are calculated on a tiered rate up to a maximum of 1.25% per annum calculated on the actual balance on the account. Please note this is a maximum and does not necessarily reflect the amount charged at any point in time. Further information on the rates of commission and rates of gross interest may be obtained from your Investment Adviser.</p>

Certain investment funds may also have fees and expenses, including performance fees in some cases, which are charged by their manager and trustees. These fees and expenses will be reflected in the investment fund's unit price and may therefore indirectly affect your returns.

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