

CRAFTING FINANCIAL FUTURES

# Primary Disclosure



PREPARED 24-FEBRUARY-2024



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## Primary Disclosure Statement - Adam Stewart

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### Financial Adviser Details

I am a Financial Adviser (FSP581687) and am giving advice on behalf of Compound Wealth. I have personally been in the financial services industry for over 10 years and founded Compound Wealth in 2017 to help New Zealanders grow and protect their wealth. Compound Wealth now advises on over \$100m of client funds and holds trusted relationships with clients around the country.

I hold the following qualifications:

- Bachelor of Commerce degree majoring in Finance and Commercial Law from Victoria University of Wellington.
- National Certificate in Financial Services (Financial Advice) (Level 5). Investment, Life and Health Insurance & Residential Property Lending Strands.
- University of Nebraska Omaha Warren Buffett Executive Course - Spring 2022.

My contact details are as follows:

**Phone:** +64 27 3313127

**Email:** adam@compoundwealth.co.nz

**Physical Address:** 4/41 Newton Street, Mount Maunganui, 3116

**Physical Address:** Level 1, Tavendale Partners Centre, 62 Cass Street, Ashburton, 7771

Compound Wealth (FSP720532) holds a Class 2 License.

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### Nature and Scope of the Advice

I provide financial advice about your Personal/Business insurance, KiwiSaver, and Investments.

- For personal/business insurance advice our main providers include but are not limited to: AIA, Asteron, Chubb, Fidelity, Partners Life, and Pinnacle Life.
- For medical insurance advice, our main providers include but are not limited to AIA, nib, and Partners Life.
- For investment advice, our main providers include but are not limited to ANZ Investments, Booster Investments, and Consilium Investments.
- For KiwiSaver advice, our main providers include but are not limited to: AMP KiwiSaver Scheme, ANZ KiwiSaver Scheme, Booster KiwiSaver Scheme, Pathfinder KiwiSaver Scheme, Generate KiwiSaver Scheme, KiwiWRAP KiwiSaver Scheme, Koura KiwiSaver Scheme, Milford KiwiSaver Scheme, Nikko KiwiSaver Scheme, NZ Funds KiwiSaver Scheme, Summer KiwiSaver Scheme.

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## We work through the Six Step Financial Advice Process

- **Establish the Client Relationship**

We will agree on the scope of service and discuss what will be included in any advice.

- **Gather Data**

We will gather the necessary information about your situation, needs and goals.

- **Analyse & Evaluating Financial Status**

We develop strategies to meet your needs and objectives.

- **Developing and Presenting Financial Plan Recommendations**

We will provide a Statement of Advice, outlining our recommended strategy and how it works to achieve your goals.

- **Implementation**

Make an application to the recommended provider and ensure the best outcomes for you.

- **Monitor & Review**

- We encourage a periodic review of your situation to ensure our advice remains current, and this contact may come in the form of an email, letter or phone call.
- Investments have a baseline of 6-monthly reporting, but communications with clients tend to find their own level depending on the level of contact preferred.
- We also provide claims services.

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## Fees & Expenses

I do not charge for an initial meeting where I get to know you.

Any fee charged to you subsequently will depend on the nature and scope of the advice or service I provide. We will discuss and agree on the actual fees with you before we proceed and explain how they are payable.

### For Personal/Business Insurances

If you engage us to provide an Insurance Planning Service and you proceed with the advice Compound Wealth is paid a commission by the insurer. Compound Wealth receives standard commission terms from all insurers (there are no preferential terms over and above any other adviser in the market) which are:

- Group Insurance products typically up to 20% of the annual premium, continuing to be paid annually.
- Personal/Business Insurance products typically up to 240% of the first year's premiums with an ongoing commission of up to 30% of the annual premium.

It is worth noting that insurers pay initial commissions based on the expectation that a customer relationship that will last longer than two years. Where a policy is cancelled before the end of two years, the insurer will claw back a percentage of this initial commission. Depending on circumstances, we reserve the right to charge reasonable fees to re-coup costs for work completed over the engagement to that point.

### For KiwiSaver

We typically do not charge a fee for KiwiSaver advice as we are remunerated by the KiwiSaver providers we hold agreements with.

For the KiwiWRAP KiwiSaver Scheme, Koura KiwiSaver Scheme and Nikko KiwiSaver Scheme we do charge a fee over and above the underlying KiwiSaver Scheme provider fees.

All fees will be confirmed, along with an indication of the cost, when the advice is provided.

### For Investment

Written advice for investments or retirement planning typically starts at \$1,000+gst and includes any implementation. Where any work becomes more involved than reasonably expected I reserve the right to renegotiate a further fee.

Comprehensive Financial Plans that go beyond the scope of investment and retirement planning, and can include analysis and commentary on financial management, estate planning and host of other pertinent subject matter start at \$3,000+gst.

I do not charge 'entry' or 'exit' fees on investments.

Ongoing fees are charged on a Funds Under Management (FUM) basis. They can differ depending on the type of investment there is a sliding scale for the volume of funds, but typically will be no more than 1.15% inclusive of gst for a smaller engagement, falling to 0.25% for larger sums under advice. Ongoing fees are charged on a monthly pro-rata basis and subtracted from funds, unless arranged otherwise.

No commissions are accepted for investments and where we cannot refuse them, they are rebated back to the client.

### For hourly rate consultancy and transactional services

For unstructured financial planning or clarity meetings (after the initial meeting) an hourly rate of \$250+gst applies. Where this requires a meeting outside of business hours, or out of office, an additional fee of \$350+gst may apply.

If necessary, we may also charge fees to cover any implementation or administration resource.

Where a transactional service is provided, we will usually agree to a cost for service beforehand, although this may rise where time and complexity becomes a factor.

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## Conflicts of Interest and Incentives

Compound Wealth receives all client fees and commissions, and I am remunerated by shareholder salary.

I am required to tell you the specific fees, commissions, extra payments, and other benefits that I have received or will, or may, receive in relation to the services that I provide to you.

Compound Wealth is not required to place any level of business with any supplier or financial organisation. Compound Wealth does not have any other financial or other relationship with any other person that would be reasonably likely to influence them or its advisers in giving advice.

It is also our practice to refuse any 'introductory commissions' for referring clients to other third parties such as Solicitors, Accountants, or Property Specialists – if we refer you to someone then it is because we think they can help and not because we want to get paid.

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## Complaints

If you are not satisfied with our financial advice service in any way, you can make a complaint by emailing [advice@compoundwealth.co.nz](mailto:advice@compoundwealth.co.nz) or calling Adam Stewart on 0273313127.

When we receive a complaint, we will consider it following our internal complaints process:

- We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to get further information about your complaint.
- We aim to resolve complaints within 10 working days of receiving them. If we can't, we will contact you within that time to let you know we need more time to consider your complaint, and will aim to provide you with a realistic timeframe.
- We will contact you by phone or email to let you know whether we can resolve your complaint, and how we propose to do so.

If we can't resolve your complaint, or you aren't satisfied with the way we propose to do so, you can contact our external dispute resolutions scheme Financial Dispute Resolution Scheme (FDRS). This service will cost you nothing, and will help us resolve any disagreements.

You can contact the FDRS Scheme at:

**Address:** Level 4, 142 Lambton Quay, Wellington Central, 6011

**Telephone number:** 0508 337 337

**Email address:** [enquiries@fdrs.org.nz](mailto:enquiries@fdrs.org.nz)

**Website:** <https://www.fdrs.org.nz>

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## Your Privacy

When working with you we will be collecting personal information from you in order to deliver personalised advice which is suitable for you.

This is generally personal information regarding age, health, financial situation and your instructions.

In accordance with the Privacy Act 2020 you are entitled to access any such information we collect and hold on you, and also to have noted any corrections to such information.

Should you require a copy of any information we hold we shall be happy to provide a full copy at our cost, but will always retain original records for legal and compliance requirements.

Records are stored in secure premises and on secured computer systems at our place of business.

All staff employed by Compound Wealth Ltd have access to all client files, and in addition to Compound Wealth Ltd other parties may access this information as required by law or for the purposes of providing specific advice to you in accordance with your instructions or our agreed Scope of Service. Those parties may include:

- Insurers and other product providers whom we are considering for your needs.
- Market regulators and statutory authorities.
- Professional compliance and audit assessors investigating our compliance and professional standard.

If you have a complaint is about how we handle your personal information, you can contact the Office of the Privacy Commissioner:

PO Box 10 094

The Terrace Wellington 6143

0800 803 909

[enquiries@privacy.org.nz](mailto:enquiries@privacy.org.nz)

This option is available in addition to utilizing the Complaints Process of Compound Wealth.

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## Variations

We may at any time vary these terms and this will apply at the date of publication.

An updated document can be requested, but will not be automatically delivered to you.