

DISCLOSURE STATEMENT

Name: Rosemary Hopcroft

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;
- how I am remunerated; and
- my employer (Naylor Lawrence & Associates Limited).

The following are details, which are deemed to be relevant about my role as an investment adviser and about my employer Naylor Lawrence & Associates Limited.

This document was prepared on 27 February 2008.

- Employer:	Naylor Lawrence & Associates Limited
- Address:	4 th Floor, Guardian Trust House Cnr Main Street & The Square P O Box 648 Palmerston North
- Phone:	06 357 0640
- Other relevant contact details	
- Fax:	06 358 9105
- Email:	rjh@naylorlawrence.co.nz
- Website:	www.naylorlawrence.co.nz

EXPERIENCE

Details of the Firm

Naylor Lawrence & Associates Limited is a chartered accountancy and business advisory firm situated in Palmerston North. Established in 2001 Naylor Lawrence & Associates Limited was born out of PricewaterhouseCoopers Palmerston North office, and has become one of the largest accountancy firms in Palmerston North.

Rosemary Hopcroft

I joined Naylor Lawrence & Associates Limited, predecessor PricewaterhouseCoopers, in 1996, and my business experience covers a wide range of taxation, financial planning, and investment advisory assignments for clients.

I was made an Associate of the firm in August 2007 and am responsible for the overall delivery of financial planning services within the financial planning division of the firm.

I have been an investment adviser for 8 years and give advice on the establishment and management of investment portfolios, fixed interest investments, retirement planning and KiwiSaver, investment taxation, and personal insurance.

QUALIFICATIONS

I hold the following relevant qualifications:

Certified Financial Planner (CFP^{CM})
2004

Massey University, Palmerston North
Graduate Diploma in Business Studies endorsed in Personal Financial Planning
2002 – 2003

Massey University, Palmerston North
Post Graduate Diploma in Professional Accountancy
2001

Massey University, Palmerston North
Bachelor of Business Studies majoring in Accountancy
1996 – 2000

I was also the **runner-up in the national Young Financial Planner of the Year 2004 awards**, organised by Good Returns.

I keep my qualifications up-to-date by:

- meeting the mandatory number of continuing professional development hours as per the Institute of Financial Advisers continuing professional development guidelines;
- attending the annual industry conferences;
- reading widely;
- purchasing comprehensive investment and risk research from a number of sources.

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 insurance, retirement planning, estate and tax (will often involve the referral to another expert), and investment needs,
4. Developing and presenting our written advice,
5. Overseeing the implementation of the plan, and
6. Monitoring and reviewing the plan.

This can require a series of meetings with a prospective client before our advice is finalised. It also means we maintain a close ongoing relationship with clients, regularly reviewing progress and working with them over time to ensure their goals can be met.

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

I am a member of the Institute of Financial Advisers (IFA) 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 hold an annual certificate to practice issued by the Institute of Financial Advisers.

I am also a member of the New Zealand Institute of Chartered Accountants.

PROFESSIONAL INDEMNITY INSURANCE

In compliance with the Institute of Financial Advisers Code of Ethics, I have liability insurance cover under the policy held in the name of my employer Naylor Lawrence & Associates Limited.

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

The underwriter is Lumleys Insurance.

I have liability insurance which includes the following covers:

- Professional Indemnity;
- Public Liability; and
- Internet Liability.

This insurance applies when I act as a Life and general agent of any insurance or assurance company and/or intermediary, agent or consultant in the sale or negotiation of any financial product.

As with all insurances, these covers have limitations and are subject to certain exclusions.

DISPUTE RESOLUTION

Any potential complaints should be directed to Michael Lawrence (Director) at Naylor Lawrence & Associates Limited in the first instance.

If a satisfactory resolution cannot be found, a dispute resolution facility is available through the Institute of Financial Advisers. Information is available from the National Office as per the below contact details:

Institute of Financial Advisers
PO Box 5513
Level 9, Willbank House
57 Willis Street
Wellington 6145

Phone: (0800) 404 422
(04) 499 8062
Fax: (04) 499 8064
Email: admin@ifa.org.nz
Website: www.ifa.org.nz

DISCLOSURE OF CERTAIN CRIMINAL CONVICTIONS

In the preceding five years neither I nor any principal officer of Naylor Lawrence & Associates Limited has 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 (as defined in Section 2(1) of the Crimes Act 1961);
- 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 (as defined in Section 2(1) of the Crimes Act 1961);
- 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.

Naylor Lawrence & Associates Limited has not been placed in statutory management or receivership in the preceding five years.

FEES

The following represents details pertaining to remuneration received by Naylor Lawrence & Associates Limited in relation to the advice I provide you.

The professional fees charged by Naylor Lawrence & Associates Limited will vary according to the precise nature of our engagement and nature of the services provided and may be based on:

- A fee charged by us to you;
- A commission paid by the product suppliers to us;
- Fee and commission.

Our specific charges and remuneration will be disclosed to you at the time we provide you with a Statement of Advice (after we are more fully aware of the nature and scope of the engagement).

Portfolio Monitoring Service

This is a comprehensive service provided on an annual basis and is charged according to the size of the investment portfolio. Our standard rates are as follows:

- | | |
|--------------------------|-------------------------|
| • Up to \$500,000 | 1.0% plus GST per annum |
| • \$500,000 - \$750,000 | 0.8% plus GST per annum |
| • \$750,000 - \$1million | 0.6% plus GST per annum |
| • Above \$1million | 0.5% plus GST per annum |

We do not charge for an initial consultation nor a fee for the upfront placement of funds in establishing an investment portfolio.

Hourly Rate

Alternatively, Naylor Lawrence & Associates Limited may charge an hourly rate for my time and currently this rate is \$210 plus GST per hour.

OTHER INTERESTS AND RELATIONSHIPS

Naylor Lawrence & Associates Limited may place investments with almost any investment provider (which will have the normal supplier intermediary relationship and does not typically entail a detailed agency agreement to be signed). Specifically we currently place investment business with the following financial organisations:

- ANZ National Bank Limited
- ASB Bank Limited
- Assure Funds Management Limited
- BT Funds Management Limited
- BNZ Limited
- First NZ Capital Securities (for Listed Direct Shares & Fixed Interest)
- Fisher Funds Management Limited
- Goldman Sachs JBWere Asset Management (NZ) Limited
- ING (NZ) Limited
- KiwiBank Limited
- Macquarie Investment Management Limited
- Man Investments Australia Limited
- Marac Finance Limited
- MLC Investments Limited
- National Mutual Assets Management (NZ) Limited
- Platinum Investment Management Limited
- South Canterbury Finance Limited
- Strategic Finance Limited
- The Equitable Group
- The New Zealand Guardian Trust Company Limited
- Tower Managed Funds Limited
- UDC Finance Limited
- Westpac Limited

In terms of risk management products, Naylor Lawrence & Associates Limited needs to have a detailed agency agreement in order to place business. Naylor Lawrence & Associates Limited has agency agreements for the sale of these products with the following suppliers:

- Asteron Life Limited
- AXA New Zealand
- ING Life Limited
- Sovereign Assurance Limited

Naylor Lawrence & Associates Limited is not required to place any level of business with any supplier or financial organisation.

Naylor Lawrence & Associates Limited does not have:

- Any shareholding, or debt relationship with any organisation which we recommend.
- Any equity relationship with any product or service supplier.

Further,

- With respect to the financial organisations as listed above we may receive commissions from such as compensation for the placement of investments and sale of risk products, and details relating to such remuneration are set out in the schedule attached.

- No Director of Naylor Lawrence & Associates Limited holds a directorship in any product or service supplier.

To the best of our knowledge and belief, we are not aware of any existing or potential conflict of interest, which could impair our independence and objectivity as an adviser or provider of professional services.

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.

I am employed by Naylor Lawrence & Associates Limited and receive remuneration in the form of salary. I may also be entitled to performance bonuses based on certain criteria as determined by my employer, one of which is fees received by Naylor Lawrence & Associates Limited.

SECURITIES ABOUT WHICH ADVICE IS GIVEN

Subject Areas

I provide advice in the following subject areas:

Cash/Debt Management

This involves (but is not limited to) examining your current financial position, identifying cash flow surpluses, recommending strategies to improve current financial position, reviewing existing debt and making recommendations in this area, advising on emergency funds.

Estate Planning

I provide general advice on estate planning issues such as wills, enduring powers of attorney, and trusts; however you are referred to a solicitor expert in this area for further detailed advice.

Personal Insurance Planning

Involves an analysis of your current exposure to personal risk and making specific recommendations pertaining to having the appropriate level of personal insurance cover in place.

Retirement Planning

Examining such issues as how much do you wish to earn in retirement, how much you need to save in order to achieve such goals and objectives, and how you are going to get there. I also provide comprehensive advice on KiwiSaver.

Investment Taxation

Advising on the taxation effects of most types of investment transactions.

Investment Advice

This involves (but is not limited to) determining your risk profile, providing recommendations for lump-sum placement of funds, establishing and managing tailored investment portfolios.

I only give advice in the particular subject areas set out above.

Products

I provide advice in relation to the following types of products:

Savings and Investment Products

- Bank accounts and term deposits
- Cash management funds
- Finance company debentures, capital notes and bonds
- KiwiSaver
- Structured investments
- Tax paid investment bonds
- Unit trusts

Risk Products

- Disability income protection insurance
- Life insurance
- Medical insurance
- Trauma insurance

PROCEDURES FOR HANDLING INVESTMENT MONEY OR INVESTMENT PROPERTY

The following system and procedure is used for receiving client funds:

The payment of fees to me for services provided will be via cheque and or automatic payment authority payable to Naylor Lawrence & Associates Limited and crossed "Not Transferable, Account Payee Only".

Client cheques for investment of funds must be payable to the fund manager or institution concerned and be endorsed "Not Transferable, Account Payee Only". All investment monies received from clients will be delivered to the appropriate product issuer for processing as soon as practicable after being received from the client. All property will be dealt with in a confidential and secure manner.

An auditor is not employed as Naylor Lawrence & Associates Limited is not holding nor does it operate a trust account.

Neither I nor Naylor Lawrence & Associates Limited in any circumstances use clients' money or property for the benefit of any other person or ourselves. This applies to monies that are to be invested. Monies that are paid to us as fees are used to pay overheads and expenses and personal remuneration.

The records Naylor Lawrence & Associates Limited keeps that relate to the investment of money are:

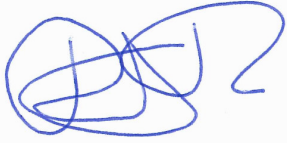
- A photocopy of the completed cheque and application form which is kept in the client's personal file.
- The details of the investment are entered on to our portfolio reporting system immediately after an investment is made.
- We manually update the client's personal file with details of the investment.
- During normal working hours, all clients have access to their personal file should they wish to check the accuracy of the information contained therein.

DECLARATION

We declare that this document when completed and signed, complies with all the requirements of the Securities Markets Act 1988 and incorporates the minimum standards of disclosure, in terms of the Code of Ethics and Practice Standards required by the Institute of Financial Advisers.

Yours sincerely

Naylor Lawrence & Associates Limited

A handwritten signature in blue ink, appearing to be 'RH', is written over a light grey rectangular background.

Rosemary Hopcroft
Associate

REMUNERATION SCHEDULE

Investment Product Commissions

Naylor Lawrence & Associates Limited is eligible to receive commissions on the following products according to the schedule below. Please note that these are the maximum commissions payable and in many cases may be discounted.

Managed Funds

As a general rule, Naylor Lawrence & Associates Limited do not charge any entry fees for clients who elect to utilise a managed fund as an investment vehicle.

Product Provider	Product	Maximum initial commission as a % of each investment made	Maximum ongoing p.a. commission as a % of total value of investment
Assure Funds Management Ltd	PMF – International Equity Trust	Nil	0.25%
BT Funds Management Ltd	Australia Share Fund Core Australian Share Fund European Share Fund International Fund Technology Fund	Nil	0.54%
Fisher Funds Management Ltd	Australian Growth Fund NZ Growth Fund	Nil	Nil
Goldman Sachs JBWere Asset Management (NZ) Ltd	Cash Trust Global Health & Biotech Fund Leaders Fund International Fund Transtasman Equity Fund	Nil	0.55%
ING (NZ) Ltd	Australian Share Fund Balanced Fund Diversified Yield Fund NZ Share Fund Equity Selection Fund International Share Fund Property Securities Fund	2%	0.25% 0.25% 0.50% 0.25% 0.35% 0.25% 0.25%
Macquarie Investment Management Ltd	Gilt Edge Access Account Cash Management Trust	Nil	0.30%
MLC Investments Ltd	Property Securities Fund Global Share Fund Platinum Global Fund	Nil	0.55%
National Mutual Assets Management (NZ) Ltd	AXA Australasian Selected Equities Fund AXA Mortgage Backed Bonds	Nil	0.25% 0.30%
Platinum Investment Management Ltd	International Fund International Brands Fund	Nil	Nil
The NZ Guardian Trust Company Ltd	Mortgage Fund	Nil	0.25%
Tower Managed Funds Ltd	MortgagePlus Fund GAM Global Gateway Fund Global Fund Spotlight Asia Fund Spotlight Europe Fund	Nil	0.30% 0.25% 0.25% 0.25% 0.25%

Listed Direct Shares and Fixed Interest

Product Provider	Product	Commission	Direct Supplier Cost to Client
First NZ Capital Securities Ltd	Listed Direct Shares	Nil	0.75% on value of shares purchased or sold (Minimum \$40) plus NZX trade fee \$7 per order.
	Listed Fixed Interest		0.50% on value of bonds purchased or sold (Minimum \$40) plus NZX trade fee \$7 per order. <i>Certain other fees may be charged from time to time depending on the nature of the transaction.</i>

Speciality Products

Product Provider	Product	Maximum initial commission as a % of each investment made	Maximum ongoing p.a. commission as a % of total value of investment
Man Investments Australia Ltd	OM-IP	4%	0.50%

KiwiSaver

KiwiSaver providers are recommended based on internal and external research. We currently recommend the SIL range of KiwiSaver funds offered by ING. We accept commission offered by this provider as set out below.

Product Provider	Product	Maximum initial commission as a % of each investment made	Maximum ongoing p.a. commission as a % of total value of investment
ING (NZ) Ltd	SIL KiwiSaver – Income Funds	Nil	0.15%
	SIL KiwiSaver – Growth Funds		0.25%
	SIL KiwiSaver – Conservative and Conservative Balanced		0.20%
	SIL KiwiSaver – Balanced, Balanced Growth and Growth		0.25%

Fixed Interest Investments (not listed)

Generally, fixed interest product providers pay up-front commissions based on the duration of the investment.

Product Provider	Product	Maximum initial commission as a % of each investment made	Maximum ongoing p.a. commission as a % of total value of investment
Registered Banks	Term Deposits	Nil	Nil
Equitable Mortgages Ltd Equitable Life Insurance Company Ltd	Debentures Bonds	Terms of 90 days = 0.50% Terms of 1yr = 0.50% Terms of 18m = 0.75% Terms of 2yrs = 1.00% Terms of 3yrs = 1.50% Terms of 4yrs = 2.00% Terms of 5yrs = 2.50%	Nil
Hanover Finance Ltd	Debentures	Terms of 3m = 0.125% Terms of 6m = 0.25% Terms of 9m = 0.375% Terms of 1yr = 0.50% Terms of 18m = 0.75% Terms of 2yrs = 1.00% Terms of 3 to 5yrs = 1.50%	Nil
Marac Finance Ltd	Debentures	Terms of 3m = 0.125% Terms of 6m = 0.25% Terms of 9m = 0.375% Terms of 12m = 0.50% Terms of 18m = 0.75% Terms of 2yr = 1.00% Terms 3 to 5yrs = 1.50%	Nil
South Canterbury Finance Ltd	Debentures	Terms of 3m = 0.125% Terms of 6m = 0.25% Terms of 1yr = 0.50% Terms of 18m = 0.75% Terms of 2yrs = 1.00% Terms of 30m = 1.25% Terms of 3yrs = 1.50% Terms of 4yrs = 1.75% Terms of 5yrs = 2.00%	Nil
St Laurence Ltd	Debentures	Terms of 6m = 0.25% Terms of over 6m = 0.60% pa	Nil
Strategic Finance Ltd	Debentures	On call = Nil Terms of 3m = 0.125% Terms of 6m = 0.25% Terms of 1yr = 0.50% Terms of 2yrs = 1.00% Terms 3 to 5yrs = 1.50% <i>Up to an additional 0.20% may be paid for reinvestments</i>	Nil
UDC Finance Ltd	Debentures Telephone Call Account	Nil Nil	0.25% 0.50%

Research

Product Provider	Product	Commission	Direct Supplier Cost to Client
First NZ Capital Securities	Listed Direct Shares & Fixed Interest	Nil	Nil
Fund Source Ltd	Managed Funds	Nil	Nil
Plantech Risk Researcher	Insurance Products	Nil	Nil

We also make use of a wide variety of other sources of research, including a variety of banks, financial institutions, share brokers and ratings agencies (both domestic and international).

From time to time, I may receive certain non-monetary benefits from product providers. This could include gratuities such as a bottle of wine at Christmas time, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, etc.

Risk Product Commissions

Product	Product Provider	Maximum initial commission as a % of annual premium	Maximum ongoing % of annual premium
Risk products including medical insurance, term life, income protection, trauma	Asteron Life Limited	100%	20% (Level commission option)
	AXA New Zealand	93%	20% (Level commission option)
	ING Life Limited	Option 1 = 150% Option 2 = 100% Option 3 = 75% Option 4 = 30%	7.5% 15% 20% 30%
	Sovereign Assurance Limited	87.5%	20% (Level commission option)