



BROADBASE Disclosure Statement – Jeremy Henderson

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; and
- how I am remunerated.

This document was prepared on **13th July 2010**.

I am employed as an Adviser by Henderson Advisory Services Ltd (the Company) trading as Broadbase International Ltd and Broadbase Immigration Ltd. My wife and I each own 50% of the shares in Henderson Advisory Services Ltd. The Company's address is Level 2, 217 Gloucester Street, PO Box 13 695, Christchurch, Telephone: 03 961 1720, Fax: 03 961 1721 and Email: jeremy.henderson@broadbase.co.nz

EXPERIENCE

I have been providing investment, insurance & financial planning advice since my arrival in New Zealand in September of 2002. In addition I have over 12 years UK Financial Services experience. I have worked for Legal & General, Barclays Bank and Sedgewicks in the UK as well as working for an Independent Financial Adviser in the UK.

HENDERSON ADVISORY SERVICES LTD

This was established in 2002 and has operated in the financial and investment advice industry since then. Jeremy Henderson and his wife Bronwyn Craig own 50% each. Jeremy Henderson is the sole director.

BROADBASE INTERNATIONAL LTD

This was established in 2005 but is only used as a brand name and has not traded. Jeremy Henderson and his wife Bronwyn Craig own 50% each. Jeremy Henderson is the sole director.

BROADBASE IMMIGRATION LTD

This was established in 2005 but is only used as a brand name and has not traded. Jeremy Henderson and his wife Bronwyn Craig own 50% each. Jeremy Henderson is the sole director.

QUALIFICATIONS

I hold the Financial Planning Certificate (UK 2002).

I complete at least 60 hours of Continuing Professional Development (CPD) every 2 years. CPD hours are earned by participating in approved courses, briefings, conferences and educational activities.

HOW WE OPERATE

When I give advice I 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, personal risk insurance requirements, retirement planning, saving and investment goals, and estate and tax requirements.
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 I 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 I provide will depend on your needs. They may include any or all of those detailed in this Disclosure Statement.

My 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 have been a member of the Personal Finance Society in the UK since 2002.

DISPUTE RESOLUTION

In the event of a dispute you should first contact me.

DISCLOSURE OF CERTAIN CRIMINAL CONVICTIONS

Neither I nor any principal officer of Henderson Advisory Services Ltd has, within the last five 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 a 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 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.

Henderson Advisory Services Ltd has not been placed in statutory management or receivership.

FEES

The Company charges fees for advice and services. The Company's current fees and commission arrangements are set out in Appendix 2 attached.

The amount and/or rate of any applicable fees and commissions will be agreed in advance with each client and before any work commences. Clients will be provided with a copy of these fees and commissions for their records.

I do not personally receive any fees or commissions for advice and services I provide.

OTHER INTERESTS AND RELATIONSHIPS

I am remunerated by salary only. I may also participate in Company profits as a shareholder.

The Company has a relationship with investment custodial services provider Aegis Ltd (Aegis) who provides the administration, custodial and investment management services and platform within which some of our client's investments are held. Please refer to the section below headed "Procedures for Handling Investment Money" for further detail.

The company also has a relationship with Broadbase New Zealand Ltd and Broadbase Christchurch Ltd, who provide the Company with a range of advisory services including research regarding our preferred suppliers, products and compliance. Broadbase Christchurch Ltd provides office and administration



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services to the Company. Henderson Advisory Services Ltd is a shareholder of both Broadbase New Zealand Ltd and Broadbase Christchurch Ltd which is 100% owned by the personal financial advisory firms involved. Neither Broadbase New Zealand Ltd nor Broadbase Christchurch Ltd has any financial interest in Henderson Advisory Services Ltd.

Neither I nor any associate has any financial or other relationship with any person connected with financial products that would be reasonably likely to influence me in giving advice, other than as described as above.

I am not required to place any level of business with any supplier of financial products.

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

SECURITIES ABOUT WHICH ADVICE IS GIVEN

I can provide advice in the following subject areas:

- **UK Pension Transfers** – advice on and arrangement of the transfer of UK pension funds to approved NZ Superannuation Schemes.
- **Retirement Planning** – advice on UK Pension Transfers, KiwiSaver and constructing portfolios for retirement planning.
- **Risk Management** – advice on Health Insurance, Life Cover, Disability Income Protection, Trauma Cover, Living Insurance, Mortgage Protection Insurance and Total Permanent Disability cover.
- **Savings and Investment advice** – Unit Trusts and Managed Funds, Cash Management Funds, Mortgage Funds, UK Investment Trusts, Direct Equities, Finance Company Debentures, Tax Paid Investment Bonds, Bank and Term Deposits, Listed Property Trusts and Fixed Interest Securities.
- **Mortgages & Home Equity Release** – I offer assistance with mortgages and home equity release, and have access to specialists who provide advice in this area.
- **Fire & General Insurance** – I offer assistance with personal house, contents, motor vehicle, boat, accident & illness and Landlords Protection and have access to a specialist broker for any commercial, industrial and specialist covers
- **Residential Property Investment** – I offer advice and assistance on residential property investment through our association with specialist property investment companies.

I also have a broad knowledge of taxation and estate planning in both NZ and the UK. For specialist advice in these two areas I recommend that a qualified accountant is consulted for tax advice and a specialist Trust Company is consulted for Trust and Estate Planning advice.

During the process of providing advice to ex-UK residents we provide generic advice on currency exchange between the UK and New Zealand. For the purposes of providing specific currency exchange advice to each individual we would advise that a specialist currency dealing company is consulted.

PROCEDURES FOR HANDLING INVESTMENT MONEY

The Aegis Ltd system is used for receiving client monies held in their Investment Administration Service (known as a Wrap service). For the protection of client monies, the Wrap service is provided via an independent custodian which holds investments collectively on behalf of the client. All money that is to be invested (payable via cheque or direct bank transfer) is payable directly to the custodian of the wrap service and is applied to the client's account.

Neither Henderson Advisory Services, Broadbase International Ltd nor Broadbase Immigration Ltd holds clients' money and does not operate a trust account. In no circumstances do any of these companies use clients' money for the benefit of any other person. This applies to monies that are to be invested. Monies that are paid to the Company as fees (as agreed in advance with you the client) are used to pay business overheads, expenses and personal remuneration.

LINKS TO SUPPLIERS

I am able to recommend any financial product and am not tied to any one company or supplier.

DECLARATION

I declare that the information in this statement was materially accurate and up to date when it was provided to you. I also declare that when completed and signed that it complies with all the requirements of the Securities Markets Act 1988.

Jeremy Henderson, Cert PFS (UK)



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APPENDIX 1

To maintain complete impartiality, I am free to recommend any provider and product. However the Company's preferred suppliers and products, based upon internal and external research, are listed below.

UK Pension Transfers

NZ schemes used to receive UK Pension Transfer monies are chosen based upon their approval by the UK's HMRC as required by UK law as a Qualifying Recognised Overseas Pension Scheme, along with their individual suitability to meet client requirements.

These are:

- Pegasus Investment Fund from Perpetual Trust Ltd
- Investor Choice Superannuation Scheme from Sovereign Select Wealth Management.
- Macquarie Investor Choice Superannuation Scheme from Macquarie Group Limited.
- ING's Private Portfolio Service

Although these companies are the Company's preferred providers for this type of business, should a client's individual requirements dictate that another provider be used, I am able to use any provider in the market.

KiwiSaver

KiwiSaver providers are selected to recommend based upon internal and external research with each provider used to meet specific client circumstances and requirements and I am able to use any provider in the market.

Insurance (Risk Protection)

For Personal Insurance (life cover, disability income protection, trauma cover, health insurance, living insurance, mortgage protection and Total Permanent Disability) I may recommend any of the following companies with whom the Company has detailed agency agreements in place:

- American International Group (AIG)
- Asteron Life Ltd
- AXA New Zealand
- Fidelity Life Assurance Company Ltd
- ING Life Ltd
- Sovereign Assurance Ltd
- Tower Health & Life Ltd
- Southern Cross Ltd

Although these companies are the Company's preferred providers for this type of business, should a client's individual requirements dictate that another provider be used, I am able to use any provider in the market.

The Company also works with several specialist insurance brokers.

Lump Sum Investments and Regular Savings

I may advise clients to use any security recommended by independent research (see research providers below).

Investment custody, administration and management services

I may advise clients to use any security recommended by independent research (see research providers below). Default suppliers for these services are:

- Aegis Ltd – Wrap Account facility
- ASB Securities – brokerage on shares and fixed interest

Cash and enhanced cash

- Aegis call account with ASB Bank – cash and term deposits

- AXA Cash Management Fund – enhanced cash
- PM Capital Enhanced Yield Fund – enhanced cash

Currency Exchange

Provided by HiFX Group, which is an internationally recognised leader in the provision of currency exchange services.

Investment Property

I offer advice and assistance on residential property investment through several different providers. The Company may receive an introducers fee which is not an additional cost imposed upon the client.

Research

Supplier	Type	Notes
Morningstar	Economic views and specific security research	
ASB Securities	Shares and Fixed Interest	
Hamilton Hindin Greene	Shares and Fixed Interest	
Perpetual Trust Ltd	Investment	I have access to Perpetual Trust's internal investment research.
ING (NZ) Ltd	Superannuation funds	Funds with ING's Personal Portfolio Service are independently researched.
JMIS Ltd	Investment	Independent investment consultant for Sovereign Select.
Macquarie Group Ltd	Shares and Fixed Interest	I have access to Macquarie's internal investment research.



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APPENDIX 2: REMUNERATION SCHEDULE – FEE AND COMMISSION DISCLOSURE

1) NOTES:

Actual fees and commissions are detailed with advice provided to each individual client. Where commission is or may be received the Company may use it to reduce fees that would otherwise apply.

The Company's fees may be based on a percentage, a contract rate, an hourly rate plus costs or a combination of these but will always be agreed in advance with the client and before any work commences.

The Company does accept commission for insurance, KiwiSaver (if payable) and some shorter term investment products.

This schedule covers fees payable to Henderson Advisory Services (the Company). Products or services I assist you with have their own costs, explained in the relevant documentation. Please ask me if you are unsure about these.

I will advise you in writing of any change to the Fee Schedule and provide 30 days notice of such changes.

2) INITIAL FEES

The following fees are based upon an investment portfolio being constructed within the Aegis administration system. If investments are held outside of this platform, the fees the Company receives will be dependent upon the individual investment purchased and would be disclosed to you as such.

For the provision of generic information and answering questions, the Company does not charge clients a fee. The Company does however reserve the right to apply a fee based upon the hourly rate shown below should ongoing work to provide this general information and advice exceed one hour of our time. You would be advised in advance of any fee of this nature being applied.

2.1) Planning fees

Should you require a written Plan or require advice on an ongoing basis then the Company will apply planning fees based upon the hourly rate shown below. I will provide an estimate of these costs before commencing work and if actual costs are likely to exceed our estimate due to unknown circumstances at the time the estimate was given, then I will advise the client of this as soon as possible.

2.2) Investment Implementation fees

Should a client wish to establish an investment portfolio the Company's fee to do so is as shown in Table 1.

- i. The Company does not charge to establish cash investments that are not part of a longer term client portfolio.
- ii. Fees charged for arranging and implementing a UK Pension Transfer are treated separately and are not part of the cumulative value of an investment portfolio. This is due to the considerable extra work involved in arranging a UK Pension Transfer.

Please note that the Investment Implementation Fee will be confirmed in writing to you before any investment is placed.

2.3) UK Pension Transfer Fees

A standard fee of up to 2.5% of the transferred funds is charged to arrange a UK Pension Transfer. This fee covers all work needed to arrange and implement the transfer and to establish the NZ receiving Superannuation Scheme. This fee also covers the setup of the investment portfolio once the transfer monies are received.

3) ONGOING FEES

The following fees are based upon an investment portfolio being constructed within Aegis. If investments are held outside of this platform, the fees the Company receives will be dependent upon the individual investment purchased and would be disclosed to you as such.

Fees are charged for ongoing advice and portfolio management and are as shown in Table 1.

These fees accrue daily and are deducted from the client portfolio monthly in arrears except in the case of a full withdrawal when fees for the final month (based on the number of days funds were invested) are deducted as part of the withdrawal process.

The Ongoing Annual Fee will be confirmed in writing to you before any investment is placed.

The Company reserves the right to recover travel costs and expenses in respect of annual review meetings should this be necessary and would advise of these costs in advance.

The percentages set out below are of the funds invested except where stated otherwise.

TABLE 1 – Fee Schedule for investments held in Aegis

Initial Implementation Fee	Ongoing Annual Fee per annum
0% - 2% of invested amount	0%- 1.54%

Notes to Table 1:

- i. The exact fees charged will be dependent upon the exact nature of the work involved and investment amounts, and will be agreed with clients on an individual basis. The amount agreed will be confirmed in writing before any work is undertaken.
- ii. The ongoing annual fee is inclusive of all Aegis fees

4) HOURLY RATES

The current hourly rate for Jeremy Henderson's time is \$250 per hour.

5) SPECIFIC PROVIDER FEES/COMMISSIONS AND DIRECT SUPPLIER COSTS

5.1) UK Pension Transfers

NZ Provider	Names of Scheme	Transfer Fee* (as a % of funds transferred)	Ongoing Fee
Perpetual Trust	Pegasus Investment Fund	For the first \$250,000, 2.5%.	Up to 0.45%pa paid quarterly**
Macquarie Group Ltd	Investor Choice Superannuation Scheme	From \$250,001 up to \$500,000, 2.0%.	Up to 1%pa***
Sovereign Select Wealth Management	Investor Choice Superannuation Scheme	From \$500,001 up to \$1 million, 1.5%.	1%pa paid monthly of the average balance****
ING (NZ) Ltd	Private Portfolio Service	For the balance over \$1 million, 1.0%	

* The fee shown is the fee referred to in section 2.3 above and is not an additional fee.



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** The Perpetual Trust and Macquarie Group ongoing fee payable to the Company is included within their normal annual management fee and is not charged to the client as an additional fee by the Company. Perpetual Trust and Macquarie Group's annual management fee would not be reduced if the above fee was not paid to the Company.

*** The Sovereign Select ongoing fee payable to the Company is in addition to the administration and investment management fee.

**** The ING ongoing fee payable to the Company is included within their normal annual management fee in the same way as is the Perpetual Trust fee. ING do not allow the Company to refund any of this fee to enhance a client's portfolio value.

5.2) Investments outside of Aegis

If investments are to be held outside of the Aegis Wrap the fees will be:

Security	Range
Fixed Interest, Managed Funds, PIE Funds, Unit Trusts and KiwiSaver	0%- 3.0%

5.3) Investment Custody, Administration and Management services provider costs

Supplier	Type	Commission	Direct Supplier Cost to Client
Perpetual Trust Ltd	Aegis Wrap Account to support Pegasus Investment Fund	Nil	1.65% in total inclusive of the Company's fee of up to 0.45%, the supplier's annual management fee & the Aegis administration fee.
Macquarie Group Ltd	Aegis Wrap Account to support Macquarie Investor Choice Superannuation Scheme	Nil	
ASB Securities	Brokerage on shares & fixed interest	Nil	0.35% on purchase. An additional 0.25% is charged for overseas securities.
Hamilton Hindin Greene	Brokerage on shares & fixed interest	Nil	0.6% on purchase. An additional 0.4% is charged for overseas securities.

5.4) Currency Exchange

The Company is paid by HiFX Group an introducer fee of 10% of the margin made by HiFX Group on the currency deal obtained and based on applicable exchange rates at the time of purchase. This is not charged by the Company as a direct fee or commission.

5.5) Insurance

If the Company places business with a provider with whom we have an agency agreement we will receive a commission. The amount of such commission varies between providers and is dependent on the business placed. The Company can advise the client of any commission's payable once the business has been placed.

5.6) Home Equity Release

For home equity release products the Company is paid a commission of 2.25% initial commission or 0.7% initial and 0.3% per annum of the drawn down amount.

5.7) Mortgages

The Company is paid a commission of up to 1% of the drawn down amount.