

# Scope of Service



## Investment Advisory Service

Effective 1 January 2018

### Welcome to Forsyth Barr

This document describes our **Investment Advisory Service**. The description is general in nature and is provided to help guide you towards the type of service that best suits your requirements. For a comparison of our range of private client services, see our **Comparison of Investment Services** document.

This service is provided by Forsyth Barr Limited. Investment advice under the service is provided by your Forsyth Barr Investment Adviser, who will be an Authorised Financial Adviser (AFA). You can also discuss this document with your Investment Adviser. Your Investment Adviser's disclosure statement is available free on request.

### What is the Investment Advisory Service?

Under the Investment Advisory Service, you can:

- buy or sell listed securities and other investments
- access Forsyth Barr and third party research on selected investments
- use the Forsyth Barr Cash Management service – please see our separate flyer
- get advice on your investments when you ask for it, based on the investment profile you select.

### What kind of investment advice can I get?

The advice available under this service is a limited form of personalised advice. Our advice will generally be in the form of recommendations for transactions in shares, fixed interest investments and/or managed funds. The recommendations that we provide will be based on our understanding of your current investments and the investment profile you select (as made known by you to us). Our recommendations can also take into account any preferred or excluded investment sectors or investments that you tell us about.

You can select the investment profile based on a standard questionnaire that asks about your investing experience, investment horizon and attitude to risk. Or, you can just choose the investment profile based on your personal view of the appropriate level of risk for your investments. Your Investment Adviser can provide more information on how to select your investment profile. Alternatively, you can go to [www.forsythbarr.co.nz/investmentprofile](http://www.forsythbarr.co.nz/investmentprofile) and follow the instructions there.

You can ask us for advice on your investments at any time. If you have money you'd like to invest or realise from your investments, you can also ask us for advice on that.

The Forsyth Barr and third party research available to you under this service may also contain security recommendations. However, these are general in nature and do not take account of your specific circumstances in any way. Please note that access to research may be subject to transaction levels.

## Limitations on our advice

Under this service, we don't advise you on the appropriate investment profile for your investments. It is up to you to select the investment profile that you feel is most appropriate. The advice we provide depends on the investment profile you select. The advice would very likely be different if you chose a different investment profile. Under this service, we don't ask for information on, or take into account:

- your income, debts, assets (other than your current investments), family circumstances or overall financial situation, or
- your future investment or expenditure plans, income needs, or overall financial goals.

For this service, we don't take any such information into account even if we have it (for example, if you have previously provided it to us in connection with another account). Our advice could be different if we took account of that additional information.

**If you need advice on the appropriate investment profile, or advice that takes account of additional information of the kind referred to above, this service may not be suitable for you.** In that case, please ask your Investment Adviser for more information about our other private client services. We are happy to discuss the level of service that best meets your needs.

In addition, we will only make recommendations on shares, fixed interest investments and managed funds where we have access to information that provides us with a reasonable basis for our advice. If you have existing investments where we don't have access to that information, we won't be able to advise you on those investments. We also don't advise on investment opportunities other than shares, fixed interest investments and managed funds, or on tax or estate planning, budgeting or other financial planning, or insurance or legal issues.

You are also responsible for monitoring your investments – we don't monitor or formally review your investments as part of this service. We will generally only offer recommendations for your investments in response to a request for advice from you.

## Who makes the investment decisions?

**You do.** Before acting on any advice or recommendations, you should always consider the appropriateness of the advice or recommendations, having regard to your specific circumstances.

## Principal benefits and risks of advice

### *Benefits*

Financial advisory services provide benefits including professional service, advice, recommendations, opinions and research regarding your investments. We also take care to ensure the suitability of the advice we provide, in light of the nature and scope of this service, when required by the Code of Professional Conduct for Authorised Financial Advisers.

### *Risk of choosing inappropriate investment profile*

As noted above, when advising you under this service we don't advise you on the appropriate investment profile for you or your investments, or take your overall financial situation or goals into account (even if we have that information). Instead, our advice is based only on the investment profile you select, the current composition of your investments and your preferred or excluded investments or sectors.

As a result, there is a risk that the investment profile you choose is not the one we would recommend, and that our advice would be different, if we took account of your overall financial situation or goals. In particular, there is a risk that, if you choose an investment profile that is not a good fit with your overall financial situation or goals, our advice would be different if you had selected a more appropriate investment profile. For example, if you choose a defensive investment profile but your investments are weighted towards risky investments, we may advise you to sell those investments and buy lower risk investments. However, if your other assets included significant low risk investments and you had little or no debt, a defensive investment profile may not be appropriate. Our advice would very likely have been different if you had selected a different investment profile.

### *Risk that advice becomes out-of-date*

We don't monitor or formally review your investments as part of this service. As a result, there is a risk that advice we have previously provided you becomes out-of-date - for example, because changes in the investment markets mean that investments that we have previously recommended are no longer suitable for you.

There is also a risk that your investment needs and preferences will change over time and that your selected investment profile has become out-of-date when you seek our advice. Each year we will contact you to remind you of your selected investment profile and the limited scope of this service, but it is your responsibility to ensure these remain appropriate for you.

For more information about the basis on which we provide advice and the principal benefits and risks of investing, see our terms and conditions at [www.forsythbarr.co.nz/terms-and-conditions](http://www.forsythbarr.co.nz/terms-and-conditions).

## What fees do I pay?

There is no fee for our advice under this service. Brokerage and other fees apply to any transactions you enter into. For the Forsyth Barr Cash Management service, we also receive a management fee from the custodian for administering the service. Where you invest in a Forsyth Barr managed fund, we will receive a management fee as the manager of that fund. Your Investment Adviser will receive remuneration from Forsyth Barr based on these fees. See your Investment Adviser's disclosure statement for more information about fees.

## How do I open an account?

You can apply to open an account by completing our application form and agreeing to our terms and conditions. Your Investment Adviser can provide you with more information about how to apply.