

INVESTMENT ADVISER AND INVESTMENT BROKER DISCLOSURE STATEMENT

Company Name: Investment Research Group Limited

Physical Address: Level 13
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AUCKLAND

Postal Address: PO Box 1314
Shortland Street
AUCKLAND 1140

Telephone Number: (09) 358-3883

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Introduction

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 Investment Research Group Limited. It provides details about:

- The services we can provide;
- How we operate our business;
- What investment products we are able to sell you;
- Which financial organizations we are able to place business with;
- How we are remunerated; and

This document was prepared as at 28 February 2008.

Experience and qualifications

Details of the company

Investment Research Group Limited (IRG) is part of the Viking Capital Group, a group of companies owned by Viking Capital Limited ("Viking"). Viking is listed on NZAX, the alternative market operated by New Zealand Exchange Limited.

IRG has its origins dating back to 1963, when Peter Saunders founded Investment Research Unit, a business that focused on providing sharemarket data, and which incorporated as Investment Research Unit Limited in 1977. In 1983, the business of this company was transferred to Datex Services Limited and grew to become New Zealand's largest provider of investment information through a variety of media avenues including books, CD Roms and the Internet.

In October 2002, Datex merged with investment advisers McEwen and Company Limited to form IRG, servicing a nationwide client base from offices in Wellington and Auckland. Viking acquired IRG in March 2007 and subsequently sold IRG's data division. Since then IRG has been entirely focused on helping investors improve their returns. Details of IRG's shareholder and directors are as follows:

Ownership: 100 % owned by Viking Capital Limited
Directors: Brent Douglas King
 David Elgar McEwen

IRG and its principals keep their knowledge up-to-date by attending industry related seminars and courses relevant to the investment advisory business.

No professional body membership

IRG is not a member of a professional body relevant to the giving of investment advice.

Professional Indemnity Insurance

In compliance with the Institute of Financial Advisers Code of Ethics, IRG has liability insurance which includes the following covers:

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

This insurance applies when IRG or its advisers 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.

The minimum level of cover is in compliance with the Membership Bylaws of the Institute of Financial Advisers.

The underwriter is Lumley General Insurance (NZ) Limited.

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

Dispute Resolution

Any potential complaints are best directed to IRG's Managing Director, David McEwen, in the first instance. If a satisfactory resolution cannot be found, then the Institute of Financial Advisers has a Complaints Resolution Procedure for your protection. They can be contacted on (04) 499-8062 at any time during normal business hours (8.30 am to 5.00 pm) or, PO Box 5513, Level 9, Willbank House, 57 Willis Street, Wellington.

No Criminal Convictions

Neither IRG nor any of its principal officers has been, within the last five years:

- Convicted of an offence under the Securities Markets Act 1988, the Securities Act 1978 or of a crime involving dishonesty,

- A director or principal officer of any body corporate that committed an offence under the Securities Markets Act 1988, the Securities Act 1978 or for a crime involving dishonesty,
- Adjudged bankrupt; or
- 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 them in their professional capacity; or
- Expelled from, or prohibited from being a member of, a professional body.

IRG has not, within the last five years, been placed under statutory management or receivership.

Fees

The fees you will have to pay IRG are set out in Appendix A

Other Interests and Relationships

IRG is able to place business with Investment Custodial Services Limited (Wrap Platform) with whom we have a contractual relationship and from time to time we will use First NZ Capital, Direct Broking, Macquarie Equities and ASB Securities, to place one off transactions for clients. Appendix B to this statement lists the remuneration payable by them to us.

IRG is a subsidiary of Viking, which is the parent company in the Viking Group, which includes Viking Capital Bonds Limited (“Viking Bonds”) as a subsidiary.

Both Viking and Viking Bonds may issue securities from time to time.

IRG may recommend that you invest in securities issued by Viking or Viking Bonds or any other member of the Viking Group.

The Viking Group (including Viking) and its associates, officers or employees may also have interests in financial products that your adviser recommends to you. For example, they may act in various roles including: investor, investment banker, underwriter, lender, director or adviser, and may receive fees or commissions for acting in that capacity. Where this is applicable to any particular recommendation that your adviser makes to you, your adviser will disclose it to you prior to giving advice.

Remuneration is payable by members of the Viking Group to us at the same rate as for other product providers listed in Appendix B.

Neither IRG nor any associate has any other financial or other relationship with any other person that would be reasonably likely to influence us in giving advice, except as described above.

Investment Product Providers

IRG may place investments with almost any investment provider. Investment products will have the normal supplier/intermediary relationship that does not entail a detailed agency agreement to be signed. Appendix B to this statement lists those companies which IRG places investments with, as well as the remuneration payable by them to us.

Securities about which advice is given

IRG gives advice in relation to the following types of products:

Savings and Investment Products

- Corporate bonds
- Term deposits
- Cash management funds
- Unit trusts
- Group investment funds (GIFs)
- Direct equities and fixed interest securities

Wrap Service

- Aegis

Extent of Service

IRG only gives advice on products as shown above and provides only general advice on legal and tax matters as part of the investment planning process, referring these areas of inquiry onto suitably qualified persons for specific advice. Investment plans are written in good faith based on information supplied by the client.

Procedures for handling investment money or investment property

The money handling procedures followed by IRG can be outlined as follows:

1. For wrap account clients

The wrap account is provided via an independent custodian, which holds investments collectively on behalf of the client and other clients.

All money that is to be invested (payable via cheque or direct bank transfer) is payable directly to the Investment Custodial Services Limited (ICSL), and not to either IRG or its principals.

2. For clients whose investments are held outside a wrap account

Funds for investment are paid directly to the issuer of that investment or their nominee, and crossed “not transferable” or “account payee only”.

No monies are handled by or paid directly to IRG apart from fees, which are agreed between the client and IRG or its advisers before investment advice is given (therefore, except for payment of fees, no monies are received by IRG on behalf of a client, whether on trust or otherwise, and therefore IRG cannot use client monies). The payment of fees for the preparation of an investment plan will be via cheque or direct payment made payable to IRG at its address as detailed at the front of this statement. IRG receives commissions which are earned from product suppliers in the normal course of business as described under “Fees” and “Other Interests and Relationships” above.

Records that are kept which relate to the investment of money are:

- a) A photocopy of the completed cheque and application form/Transaction Authorisation Form, is kept in the client's personal file. These records are maintained in either hardcopy or electronically.
- b) The details of the investment are entered onto the relevant portfolio reporting system immediately after an investment is made.
- c) During normal working hours (8.30 am – 5.00 pm Monday to Friday), all clients have access to their personal file should they wish to check the accuracy or correct the information contained therein.

Declaration

Investment Research Group Limited declares that the information in this statement is accurate and up-to-date as at the date of this statement.

Appendices: Fees (A)
Other Interests and Relationships (B)

Client acknowledgement

I / We, _____ acknowledge receipt of the disclosure statement for Investment Research Group Limited.

[signature]
[insert client name]

[insert date]

Appendix A - Fees

Plan Fee

Investment Research Group Limited ("IRG") will prepare a comprehensive investment plan for the cost of \$650 including GST.

Cost of service via the Aegis system

Ongoing fees will also be charged for investments via the Aegis system as outlined below:

| Types of fees | Maximum percentage including Aegis admin fee of 0.35 % GST inclusive* |
|---|--|
| Entry fee | NIL |
| Adviser annual monitoring fee (scaled) | Up to \$300,000 1.85 % \$300,001 to \$500,000 1.60 % \$500,001 to \$1,000,000 1.35 % > \$3,000,000 1.10 % |
| Other fees | As negotiated and agreed upon |

Appendix B - Other Interests and Relationships

Investment Research Group Limited

IRG is eligible to receive commissions on the following products. Please note that these are the maximum commissions payable and in many instances these may be discounted, particularly if a client is investing large sums of money.

| Product | Product provider | Maximum initial brokerage as a % | Ongoing commission per annum as a % of total value of investment |
|---|----------------------------------|----------------------------------|--|
| Direct shares and bonds | First NZ Capital | 0.4 % | NIL |
| | Direct Broking | 0.4 % | NIL |
| | ASB Securities | 0.4 % | NIL |
| | Macquarie Equities | 0.4 % | NIL |
| | ANZ | 0.75 % | NIL |
| Fixed interest investments (Rated) | First NZ Capital | 1 % | 0.35 % |
| | Direct Broking | 1 % | 0.35 % |
| | ASB Securities | 1 % | 0.35 % |
| Managed funds | LM Investment Management Limited | 0.7 % | NIL |
| | Platinum International | 0.7 % | NIL |
| | PM Capital | 0.7 % | NIL |
| Wrap Account | Aegis | NIL | NIL |

| Subscription Fees | Fees per annum including GST |
|--------------------------|------------------------------|
| McEwen Investment Report | \$331.87 |
| McEwen Yield Report | \$219.37 |
| Online Research | \$281.25 |

Periodically, IRG may receive certain non-monetary benefits from product providers. This could include items 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.