

Class Service Agreement - 2020

Chris Lee & Partners (CLP) provides *Class Service (Financial Advice)* to clients for an annual fee of \$495 plus GST. (Brokerage may occur on transactions). If you wish to receive *Class Service* advice please read the following, then sign and return this agreement to us.

Financial advice is defined as 'A person gives financial advice if they make a recommendation or give an opinion in relation to acquiring or disposing of (including refraining from acquiring or disposing of) a financial product.'

You are required to define an Investment Policy setting from the following group (see descriptions on next page)

| CAPITAL PRESERVATION | CONSERVATIVE | BALANCED | GROWTH | AGGRESSIVE | SELF DEFINED |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> |

The defined asset allocation risk weightings across Fixed Interest, Property and Shares for these labels are displayed on page two of this agreement. Your portfolio report from us will compare actual investments against the investment policy setting selected. We recommend that you review your investments regularly. We are happy to assist, when asked. We encourage you to read our website articles and quarterly newsletters as part of your review process.

We will provide the following services for our Class Service clients:

- *Financial Advice* (defined above) to recommend items consistent with your investment policy settings;
- Access to all new investment offerings;
- Buying and selling of all securities (shares, stocks, bonds, notes, preference shares, convertible notes etc);
- Providing information (for example, the cost or terms and conditions of financial products);
- Free client appointments and Free twice weekly newsletters (email or website www.chrislee.co.nz);
- Access to our restricted web page and printed newsletters for clients receiving a *Financial Advice* service only;

A *Class Service* allows a financial adviser to provide *Financial Advice* without the requirement of a full suitability analysis. We are obliged to highlight the limitations of a *Class Service*, specifically that requirements of Code Standards relating to suitability analysis and basis of service will not be applied. To be clear, this means CLP will never provide a Personalised Service to a client who chooses a *Class Service* and thus the Financial Advice will not factor in their personal financial situation and goals (any one, or more, of them), or be based on personal financial knowledge that we may hold.

I acknowledge the paragraph above and instruct Chris Lee & Partners, plus its AFA staff, to provide me with *Class Service* financial advice. I further acknowledge that if I do not pay a service fee, when due, that my service level will be recognised as a Broker Service from that point.

Please note that a *Personalised Service* is available to clients, following suitability analysis and payment of an annual fee (currently \$1,250 plus GST). A copy of the Code of Professional Conduct is available on our website.

I understand that all investment involves the risk of loss and that there is a relationship between risk and reward.

I confirm that I have received, and understand, your disclosure statements. I understand the scope of business on offer.

Payment of \$569.25 has been arranged to Chris Lee & Partners (ANZ 01-0731-0182987-00)
(A receipt will be forwarded upon receipt of payment. This fee may be tax deductible)

Name of Client: _____

Address: _____

Email: _____

Date: _____

Signed: _____

Class Service Investment Policy Definitions

These definitions that may evolve over time:

| | Fixed Int. % | Property % | Shares % | Max. Holding % |
|---------------|--------------|------------|----------|----------------|
| Cap. Preserve | 100 | 0 | 0 | 5 |
| Conservative | 70 | 15 | 15 | 5 |
| Balanced | 50 | 20 | 30 | 5 |
| Growth | 30 | 25 | 45 | 7 |
| Aggressive | 10 | 25 | 65 | 10 |

Choosing 'Self Defined' requires you to advise us of your specific investment policy targets. If we do not receive a selection then your current portfolio in our system (as we know it) will become the policy setting.

We may ask supplementary questions during conversations with you.

Other Risks that should be considered and can be covered with Financial Advisers:

Fixed Interest

Default Risks of borrowers (deposits and bonds);
Terms and conditions when lending (senior, subordinated, convertible, definitions of default etc);
Range of maturities (diversity across time);
Liquidity (ability to sell mid-term);
Return offered based on the risks above.

Property

Diversity across investment entities;
Diversity across sectors (commercial, industrial, retail, residential);
Liquidity (ease of exit).

Shares

Specific entity or diverse fund;
Exchange listed, or unlisted investment;
Income or growth focus;
Diversity across various sectors;
Essential service, dominant business or new and yet to prove long term success;
Liquidity (ease of exit); and
Diversity across geographic regions (NZ will remain the initial preference).