



Head Office and Administration
Level 3, Ideal House,
4 Gillies Ave, Newmarket,
Auckland, New Zealand

Investment Advisors' and Brokers Disclosure Statement

Pursuant to the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 this Disclosure Statement provides you with important information about Key Funds Ltd. This document was prepared in June 2009.

Disclosure of Key Funds Limited

Key Funds Limited is primarily a wholesale distribution agent for selected international and boutique New Zealand funds. In the general course of business Key Funds Limited and its directors/employees do not provide investment advice to potential investors, however distribute fund information to retail investment advisers on behalf of the funds it is contracted to represent. Key Funds Limited is 100% owned by entities associated with its directors and staff. Key Funds Ltd registered office is located at 1335 Victoria Street, Hamilton.

Range of Investment Advice Given

Key Funds Ltd may give investment advice on, but not limited to, the following services and securities; Distribution strategies in NZ, Australian and New Zealand Equities, International Equities, Public Offerings, International Bonds, New Zealand Government Stock, Kiwi Bonds, Local Authority Stock, Corporate Bonds and Capital Notes, Debenture Investments, Money Market, Managed Funds, Investment Trusts, Savings Plans, Unit Trusts, Private Equity, Fixed Interest, Investment Banking and Corporate Advice, Portfolio Services, Margin Lending, Foreign Exchange, at Call Investments and Funds Management.

Types of Services

Key Funds Ltd provides the following services; New Zealand distribution and distribution strategy advice for international and boutique NZ investment funds. In the course of its distribution work Key Funds Ltd may occasionally provide advice on Portfolio Strategy and Management, Retirement Planning and Superannuation, Investment Advisory, Custodial Services (via third parties), Foreign Exchange, Asset Allocation, Cash Management, Portfolio Lending, Research and such other services or products as may be associated with investment markets.

Dispute Resolution

If you have a dispute with your Investment Advisor or Key Funds Ltd in connection with any investment product distributed by Key Funds Ltd you should promptly (either in writing and or verbally) detail the particulars of the dispute to the Key Funds Ltd compliance manager:

The Compliance Manager
C/- Key Funds Limited
PO Box 109 524
Newmarket
New Zealand
Phone: +64 (0274) 501518

In the first instance the Compliance Manager will, in good faith, try to resolve the dispute.

Disclosure of Criminal Convictions

Neither Key Funds Limited, nor any directors, employee or staff of Key Funds Limited have, within the last 5 years:

- had a conviction under the Securities Markets Act 1988, or the Securities Act 1978 (as amended), or for a crime involving dishonesty (as defined in the Crimes Act 1961);
- been a director or principal officer of a Company convicted of any of the above offences;
- been adjudged bankrupt;
- been prevented by a court from taking part in the management of a company or business;
- been the subject of an adverse finding by a court in any proceeding that has been taken against the Investment Advisor or broker in the Investment Advisor or broker's professional capacity;
- been expelled from or been prohibited from being a member of a professional body

Key Funds Ltd has not within the last 5 years been placed in statutory management or receivership.

Other Interests and Relationships

Key Funds Ltd has the following relationship(s) with associated investment funds:

Relevant Organisation	Basis of Relationship
Life Settlements Wholesale Fund	Key Funds Ltd is contracted to provide distribution services in New Zealand.
Central Capital Regional Fund LP	Key Funds Ltd is contracted to provide distribution services in New Zealand. A Director of Key Funds Limited is also a founder of Central Capital

Key Funds Ltd receives revenue from the above organizations. Such revenue is paid by the promoters or managers of the relevant securities and is included in the fees and charges disclosed in the Investment Statement or Investment Memorandum for each relevant security or offering.

When a director or employee of Key Funds acts as an Investment Advisor, rather than as a wholesale distribution agent, they may have a direct or indirect pecuniary or other interest in giving investment advice to you. When acting in the capacity of being a client adviser Key Funds Limited may receive directly or indirectly, from a person other than yourself as an investor and in connection with the giving of investment advice to you or a transaction resulting from the giving of advice to you, remuneration that is reasonably likely to influence your Investment Advisor in giving advice to you.

An Investment Advisor who is an employee or director of Key Funds Limited may receive either a commission from Key Funds Ltd of up to 70% of the total gross revenue generated by the Investment Advisor, or a fixed salary. These are paid from fees, brokerage and margins earned by Key Funds Ltd which are included in the schedule to this Disclosure Statement. If Investment Advisors are also a shareholder in Key Funds Limited, they will receive any distributions paid by Key Funds Ltd to its shareholders.

Money Handling Procedures

Key Funds Limited does not receive any funds directly from investment advisors or clients. All money is paid to the investment manager of the relevant security or, alternatively, via a clients preferred and contracted custodial service provider or investment adviser.

Professional Indemnity

Key Funds Ltd maintains professional indemnity insurance, which is consistent with standard commercial terms, which covers all employees and members of Key Funds and is commensurate with the nature and scope of the business, which Key Funds Ltd conducts.

Remuneration & Fees Schedule

Key Funds Limited is primarily remunerated by retainers and override commissions received from the providers of the investment products we distribute. In rare instances, with direct clients, where specific investment advice is requested the following charges may apply:

- **Share Trading:** Transactional brokerage is charged on the purchase and sale of listed and unlisted securities, dependent on the value of the transaction, of up to 2.5% plus any stamp duties, trade levies and other agency charges. A minimum charge may apply.
- **Portfolio Monitoring and Management:** An annual fee of up to 1.5%, based on the market value of the portfolio, may be charged.
- **Superannuation and Funds Management:** Entry, Exit, Custodial and Management fees may apply, for specific details please refer to the providers product information.
- **Custodial Services:** An annual fee of up to 0.50%, based on the market value of your portfolio will be charged. Alternatively a fixed dollar charge per security held can be applied.

In the rare instances where a director or employee of Key Funds Limited is acting as an Investment Advisor an individual Adviser Disclosure Statement will be provided in advance of any advice being provided.

© June 2009. This disclosure statement is the property of Key Funds Limited and should not be copied or disseminated without the prior authorisation of Key Funds Limited.