



Investment Adviser Disclosure Statement

Clinton B Macy

Company: *Diversified* Investment Strategies Limited

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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 **Clint Macy**, a Director of *Diversified Investment Strategies Limited* (*Diversified*) and also provides details about how *Diversified* operates, the services offered, my qualifications, how our company operates, and how we are paid.

Details of the Company

Diversified was formed in 1994 to provide Investment Advice with the primary objective of preserving value while achieving a competitive rate of return aimed at each client's individual objectives. Subsequently, *Diversified* merged with Legal & Professional Investment Services Ltd and Milton Macy & Co Ltd. In 2006 *Diversified* merged with Aspen Financial Management Ltd.

Diversified works via its Directors/Principals and via a number of contracted independent Advisers who use *Diversified's* proprietary investment strategy research and administrative systems in order to deliver a comprehensive investment service to clients.

Experience & Qualifications

Clint is a Director of *Diversified* along with Norman Stacey and Vicki Watson. Since leaving university in the United States with a bachelors degree majoring in Commerce (1973), he has always been involved with the financial services industry – doing financial advisory work as a member of the National Association of Securities Dealers (NASD) in the USA, then emigrating to New Zealand in 1979.

For his first 8 years in New Zealand Clint worked in senior management positions with a finance company – introducing systems and building an organization that even today continues to thrive and operate profitably. When the opportunity arose in 1988 he returned to the Financial Planning and Investment Advisory role where his career began. Clint still works with a number of clients that he first met in the late 1980's.

Clint is a member of the Institute of Financial Advisers (IFA) and has the internationally recognised mark of CFP^{CM} **Certified Financial Planner**. He keeps his qualifications and expertise up to date with ongoing study, attending industry conferences and events, reading financial material, and professional membership of the IFA.



How we Operate

After gathering information we formulate a written investment plan to meet the goals and objectives of our clients. Upon agreement this plan is implemented and then regularly reviewed on a quarterly basis. We utilise independent statutory custodial services for the efficiency and protection of our clients' assets.

Investment Advice

Diversified may place investments via the Independent Custodian with any investment provider and has no tied arrangements or 'quota' arrangements for levels of business with any product or service supplier. The field of our investment alternatives is not limited and may include:

- Direct Shares – Domestic and International
- UK Listed Investment Trusts
- Unit Trustsⁱ – Listed and Unlisted
- Group Investment Funds
- Term Deposits
- Bonds
- Alternative Assets – hedge funds, precious metals
- KiwiSaverⁱⁱ
- Superannuationⁱⁱⁱ

How your investments are managed

The *Diversified* Portfolio Service (DPS) involves the researched selection of various investments both locally and internationally and held in a variety of currencies. This service involves formal mark-to-market valuation, regularly benchmarking portfolios against research models in appropriate risk categories and against the investor's objectives, safe-keeping of securities; receiving, checking and accounting for distributions; accounting for tax; monitoring changes to structure or investments; and making or recommending changes as appropriate.

There are three parties working for the benefit of the investor in order to seek superior investment returns while limiting risks:

The Custodian - New Zealand Guardian Trust Co Ltd (NZGT) and/or Investment Custodial Services Ltd (Aegis) acts as the custodial trustee. All investment funds are directly paid to the Custodian and withdrawals are paid by them - no other parties have access to the funds.

The Adviser follows the recognised six step process of: gathering information, helps to define a client's goals and objectives, makes recommendations to meet those objectives, implements the agreed investment strategy, monitors portfolios quarterly and reviews the client's objectives regularly.

Diversified provides the research to develop the investment strategies, provides the portfolio reports, administration and information, and acts as a central point of reference, resource and coordination.

Other Information we Provide

- Various reports are provided on a quarterly basis and include portfolio valuations and performance reports.
- When recommending the acquisition of any particular security, a full description of the security will be provided along with a copy of the current investment statement or prospectus (if applicable) published by the security issuer.
- "*Diversified's* View" is published monthly and provided to clients with their reports.
- Comprehensive Tax reports.

Taxation & Estate Planning

We do not provide advice on Taxation, Wills, or Trusts except in general terms in relation to investments. Such advice should be obtained and/or confirmed from a qualified specialist.



Research

Diversified formulates leading and independent investment strategies, based on our gauging of economic trends and tempered by a proprietary view of market valuations. The company makes a major commitment to investment research, and gathers fundamental information utilising internationally recognised research providers. *Diversified* is a proponent of *Tactical Asset Allocation* to add value and reduce risk by adjusting investment levels to the various sectors in response to changing economic indicators, in a context of systematic diversification in accordance with Modern Portfolio Theory. Positions are formulated with a one-year to 18-month horizon and are formally reviewed quarterly. Our *Diversified* Portfolio Service (“DPS”) facilitates efficient application of our *Tactical Asset Allocation* advice.

Remuneration

As a Director/Shareholder of *Diversified*, Clint is paid a salary and receives dividends from *Diversified*'s profits.

All professional fees to clients are paid to *Diversified* and are based on the portfolio management and advice provided – and these can vary according to each client's situation. Along with the investment plan we will provide a full breakdown of the specific fees involved and no fees will become payable unless agreed beforehand.

All entry and exit fees payable on account of recommended investments are rebated, i.e. commissions received (if any) are directly rebated back to the investor. All fees charged are detailed in the clients cash account held within their portfolio and a statement of the cash account is provided quarterly or more frequently upon request. *Indicative* rates for the establishment and management of a *Diversified* portfolio are:

Type of Fee	Maximum fee payable
Investment Entry Fees	Nil (Rebated to client if applicable)
Planning and Implementation	by arrangement – quoted in advance
Monitoring Fee per quarter	0.5% (on first \$250,000) 0.4% (on the next \$250,000) 0.3% (on the next \$500,000) 0.2% (on the balance)
All Custodial costs are included in the above fees. If there are any additional costs, for example: transactional fees, these will be fully disclosed and outlined in your cash account. Plus GST as applicable.	

Commissions & Other Benefits

Diversified may in rare instances receive “trail commissions” from the managers of “retail” Unlisted Unit Trusts in which clients have invested. Such investments do not often feature in *Diversified* portfolios unless there is a perceived investment advantage for their inclusion. Such trail commissions are generally small in value and where they apply they will be fully rebated if practical, or disclosed to clients at the time of recommending such investments.

Clint, along with his fellow Directors and other Advisers contracted to *Diversified* may at times attend briefings, courses, and seminars conducted by investment product providers. Such functions are generally aimed at the exchange of information; but meals and other items of negligible value might be provided and accepted.

Professional Indemnity

All *Diversified*'s advisers are covered under a Professional Indemnity insurance policy. This insurance provides for: errors or omissions; defamation; employee dishonesty; and includes full "prior acts" protection. Our cover exceeds the minimum level of cover required by the Institute of Financial Adviser's Membership By-laws. The underwriter is **QBE** Insurance.



Dispute Resolution

A dispute resolution facility is available by contacting The Directors, *Diversified* Investment Strategies Ltd, L8, Tower 2, 55-65 Shortland Street, PO Box 105142, Auckland. Should a mutually agreeable outcome not be achieved contact can be made to the Institute of Financial Advisers, PO Box 5513, Level 9, Willbank House, 57 Willis Street, Wellington 6145.

Agencies, Powers of Attorney, Custodial Services

Specific details with regard to arrangements relating to the provision of custodial services or agency or powers of attorney including any disclaimers relative to the services will be provided to you in writing if applicable.

Declaration

To the best of our knowledge and belief we are not aware of any other existing or potential conflicts of interest, which could impair our objectivity as advisers or providers of professional services.

We declare that this document when completed and signed incorporates the standards of disclosure required in terms of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 when accompanied by the fee schedule for the investment advisory services to be provided.

***Diversified* Investment Strategies Limited**

Clinton B Macy 

Date:.....

Interests Register

Clint is a:

Director and shareholder of *Diversified* Investment Strategies Limited

Director and shareholder of *Diversified* Wealth Management Limited

Director of Legal & Professional Investment Services Limited

Director of Aspen Financial Management Limited

ⁱ *Diversified Wealth Management Limited* manages the *Diversified* Balanced Investment Fund and may recommend this fund to clients.

ⁱⁱ *Diversified* provides investment advice and support services to the Law Retirement KiwiSaver Scheme.

ⁱⁱⁱ *Diversified* provides investment advice to the Law Retirement Plan.

^{iv} Legal & Professional Investment Services Limited is the 'Promoter' of the Law Retirement KiwiSaver Scheme and the Law Retirement Plan and provides administrative services to each.