



*Diversified*



***Diversified Wealth Management  
Balanced Fund***

~ and ~

***Diversified Wealth Management  
Dynamic Fund***

**Investment Statement  
15 March 2011**

Cover: 'Kakariki' or 'Red-Crowned Parakeet' *Cyanoramphus novaezealandiae*. Approx 28 cm and weighing 80g. Once New Zealand's most common bird, Kakariki are now substantially restricted to offshore island and sanctuaries. Easily kept and readily bred in captivity. Another successful export, prevalent as cage-birds overseas including Europe. *Diversified* Wealth Management Limited supports a local, Red-Crowned Kakariki breeding programme.

# Important Information

*(The information in this section is required under the Securities Act 1978)*

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

## CHOOSING AN INVESTMENT

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

	Page
What sort of investment is this?	7
Who is involved in providing it for me?	7
How much do I pay?	10
What are the charges?	10
What returns will I get?	12
What are my risks?	17
Can the investment be altered?	18
How do I cash in my investment?	21
Who do I contact with enquiries about my investment?	21
Is there anyone to whom I can complain if I have problems with the investment?	22
What other information can I obtain about this investment?	22

In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

## CHOOSING AN INVESTMENT ADVISER

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you:

- Whether the adviser gives advice only about particular types of investments; and
- Whether the advice is limited to the investments offered by 1 or more particular financial organisations; and
- Whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement.

An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within 5 working days of your request. You must make the request at the time the advice is given or within 1 month of receiving the advice.

In addition:

- If an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

*Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.*

This Investment Statement is dated 15 March 2011 and was prepared for the purposes of the Securities Act 1978.

## GLOSSARY

A glossary of defined terms used in this Investment Statement is on page 24.

# *Diversified Wealth Management*

## **OVERVIEW**

For over 16 years, *Diversified* has been providing investors with leading investment strategies. The Company's proprietary methodology is based upon in-house analysis, comprehensive research sources, and the principals' experience in financial markets.

For the early years, *Diversified's* successful strategies were accessible only by private clients, via "Individually Managed Investment Portfolios". A decade ago the company was selected to provide its proprietary investment strategies and advice to a superannuation scheme – later a KiwiSaver Scheme. With the introduction in New Zealand of Portfolio Investment Entities (PIE Funds) in 2007, this tax regime enabled *Diversified* to offer its leading strategies as Managed Funds.

The *Diversified* Wealth Management Balanced Fund opened in March 2008, with a sequel, The *Diversified* Wealth Management Dynamic Fund commencing in November 2009.

These efficient Unit Trusts (PIE Funds) have removed the tax discrimination which managed funds previously suffered, compared to investing directly through "Individually Managed Investment Portfolios". In addition, the *Diversified* Wealth Management "Balanced" and "Dynamic" Funds deliver tax-paid returns to investors, simply and efficiently. Investors in the Funds are spared the obligation, expense and complexities of tax calculations and filing, required of most Investors who hold investments directly.

The following information outlines *Diversified's* methodology to investors; highlights key provisions of the New Zealand investment regime, and; clarifies the choice for investors between segregated ownership or utilising efficient PIE funds.

## **ABOUT US**

### *Diversified's Process*

*Diversified* Wealth Management Limited (DWML) works closely with *Diversified* Investment Strategies Limited. The latter was formed in 1994 to formulate superior investment strategies, backed by systems to allow those strategies to be delivered to Private Clients. A solid commitment to Investment expertise and in-house research, has distinguished the company from the outset.

*Diversified's* proprietary asset allocations are forward-looking; a basis on which to position investment strategies ahead of likely events. Tactical positions are formulated on a one-year to 18-month outlook for global, regional and national economic fundamentals, tempered by our proprietary view of market sentiment.

*Diversified's* strategies are fully implemented by the Funds. These recommended strategies, adhere to Modern Portfolio Theory, recognising that systematic diversification of asset classes is the best method to protect investor's assets from the unknown or unknowable.

Independence is paramount to the selection of actual holdings. Contenders are drawn from the broadest universe on which consistently available quality research can be obtained, irrespective of whether they are listed or unlisted, and domestic or foreign domiciled. There is no quota to any provider. Investments may be by direct holdings or via a managed fund where expertise can be identified. Resulting selections are closely monitored.

## OUR PEOPLE

### **Norman W Stacey – Director & Principal**

Norman has the primary responsibility for strategy formulation ably assisted by his fellow director, staff and Advisory Board. His education and training in economics, financial markets and science, honed by 20 years of experience in investment analysis both in New Zealand and offshore, befits the relatively sophisticated strategies *Diversified* pursues.

Norman undertook professional training in stock-broking practice at Simon Fraser University's Faculty of Bus. Admin. (1990), completed the Canadian Securities Institute Course (1986), a major in economics from SFU (1979), and a BSc from Auckland University (1974).



### **D Vicki Watson - Director & Principal**

Vicki has over 20 years of professional experience in the Financial Advisory sector, including a senior position with the global investment research company, Morningstar. She brings an additional 8 years experience in the tertiary sector, both lecturing and management.

Vicki attained an MBA with Distinction at Massey University (1997), majoring in corporate finance and holds additional qualifications at Masters Level in Advanced Investment Analysis and Business Finance. Vicki completed the Graduate Diploma in Business Studies (Personal Financial Planning) in 2004. Along with these qualifications Vicki is an Authorised Financial Advisor and a Certified Financial Planner.



### **Jessica Kerr – Marketing Manager**

Jess joined *Diversified* Wealth Management to take responsibility for Marketing & Communication and assist in the administration of the business. Jess has completed a NZ Diploma in Business (2003) and is near completion of a Bachelor of Business majoring in Marketing and Advertising.

She has held previous roles in administration and marketing and brings a strong service ethic and clear communication style to the business.



## Director's Statement - Socially Responsible Investing

The Directors of Diversified Wealth Management Limited have considered and adopted a formal internal policy governing Socially Responsible Investing by the Diversified Balanced Fund and the Diversified Dynamic Fund.

The policy forms part of the instruction to the Investment Manager. Inevitably, questionable issues or controversies of a secondary nature will arise. In any case where it is unclear whether a potential investment should proceed, the Investment Manager shall identify the nature and scope of the conflict, and seek guidance from the Board of Diversified Wealth Management Limited. In such case, directors retain the right to resolve the issue using their collective judgement, and having taken into account the policy and the merits of the particular investment.

***The Diversified Balanced Fund and the Diversified Dynamic Fund shall avoid investing in businesses that are, in the sole opinion of its Board and its Investment Manager, significantly involved in activities that are harmful to persons, to animals or to the environment. Specifically, this involves the use of a 'negative screen' which excludes investment in companies that primarily derive, or receive to a significant extent, revenues from the sale of armaments, tobacco, gambling, factory farming, destruction of the environment or exploitation of people. The funds' ethical guidelines do not exclude properly conducted mining.***



## What sort of investment is this?

This Investment Statement relates to the offer of units in:

- the Diversified Wealth Management Balanced Fund (the **Balanced Fund**)
- the Diversified Wealth Management Dynamic Fund (the **Dynamic Fund**).

The Funds were established under the Unit Trust Act 1960 and under a Master Trust Deed dated 19 March 2008 and Establishment Deeds dated 19 March 2008 (for the Balanced Fund) and 2 November 2009 (for the Dynamic Fund). The Trust Deed and the Establishment Deeds are entered into by The New Zealand Guardian Trust Company Limited (**Trustee**) as trustee and Diversified Wealth Management Limited (**Manager**) as manager.

Unitholders' money is held on trust and pooled within the relevant Fund and invested in Authorised Investments. The assets of the Funds are held in the name of the Trustee or its nominee, and are managed by the Manager within the investment policies applying to the Funds as described below.

The minimum initial investment amount applying for each Fund is \$2000. A minimum of \$200 applies for subsequent investments. If a Unitholder makes regular periodic investments, the minimum amount for the first and subsequent investments is \$200.

The Manager may vary such minimum amounts from time to time at its discretion. Units in a Fund are issued only on a date on which the value of the Fund is calculated, which is currently the last Business Day of each month (a **Valuation Day**). The Manager has an absolute discretion whether or not to accept any application without giving any reason.

Unit Prices for each Fund are determined by adding the market value of the investments (including any income earned) on the Valuation Day less liabilities, divided by the number of Units on issue in the Fund on that day.

The Unit Price for each Fund will fluctuate based on the changing values of the assets the Fund is invested in. Unit prices are calculated gross of PIE Tax. For more information please refer to the section "What Returns Will I Get?" on page 12.

A Unitholder wishing to withdraw from a Fund must give written notice of the Unitholder's wish to withdraw (a **redemption request**). Redemptions will only be paid to the Unitholder's bank account or other nominated account on their application form or as advised subsequently to the Manager in writing. Bank accounts provided to the Manager are to be confirmed by printed bank account deposit form in every case.

A redemption request, which is irrevocable, will be actioned in accordance with the terms set out under the heading "How Do I Cash In My Investment?" on page 21.

Investors should note that the Manager may suspend redemptions in exceptional circumstances which are also set out under the heading "What Returns Will I Get?".

All subscription amounts will be held on trust for subscribers in the bank account of Diversified Nominees Limited until the Units are allotted. Any interest earned on moneys in the bank account, less bank fees and charges, will be credited to the relevant Fund.

Listing of the Funds is not being sought.

## Who is involved in providing it for me?

The Funds offered in this Investment Statement are:

- the Diversified Wealth Management Balanced Fund
- the Diversified Wealth Management Dynamic Fund

The Manager of each Fund is Diversified Wealth Management Limited. The address of the Manager is Level 14, 36 Kitchener Street, Auckland 1010.

The Directors of *Diversified* Wealth Management Limited are:

Norman William Stacey of Auckland  
Dorothy Vicki Watson of Auckland

The Manager has the powers of investment, administration and management of the Funds under the Trust Deed. Accordingly, the Manager has the power to invest the assets in any Authorised Investments in accordance with the investment policy for the relevant Fund.

The Trustee of each Fund is The New Zealand Guardian Trust Company Limited. The address of the Trustee is Level 7, Vero Centre, 48 Shortland Street, P O Box 1934, Auckland 1140.

The Manager has delegated certain administrative functions to an administration manager. The Administration Manager of each Fund is MMC Limited. The address of MMC Limited is Level 13, 23 Customs Street, PO Box 106039, Auckland 1143.

The Manager has delegated the investment management function to an investment manager. The Investment Manager of each Fund is Diversified Investment Strategies Limited. The address of the Investment Manager is Level 14, 36 Kitchener Street, Auckland. 1010. The Investment Manager is a related party of the Manager.

The Manager has appointed MMC Limited as Registrar for each Fund and Public Trust as custodian of each Fund. The address of Public Trust is Level 35, Vero Centre, 48 Shortland Street, P O Box 1598, Auckland 1140.

None of the Manager, the Trustee, the Administration Manager, the Investment Manager, the Registrar, the Custodian or any other person guarantees the return of your investment Units, or any return from the Units, offered in a Fund.

## ACTIVITIES

### Balanced Fund

The Balanced Fund commenced business in April 2008. Since commencing business, the Balanced Fund has invested in accordance with its objectives and investment policy as follows.

The objective of the Balanced Fund is to provide medium and long-term investors with both a competitive rate of return, while also aiming to protect Unitholders capital over the longer-term, including increasing the purchasing power of that capital at least equal to the rate of inflation.

The Balanced Fund will generally hold a broad array of investments including some or all of Cash, Fixed Interest, Property, Equities and alternative assets - the latter may include hedge funds, commodities and precious metals. Investments may be domiciled in New Zealand or anywhere internationally and with earnings or valuations denominated in various currencies. Investments may be directly held securities, or held via managed funds. Equities or indices may be sold short in anticipation of gains when bought back at a lower price, or to reduce perceived risk in broad markets in which specific shares are held.

The benchmark and range for the Balanced Fund as at the date of this Investment Statement are:

Asset Class	Benchmark	Range
Cash & Fixed Interest	30%	0% to 100%
Listed Property	10%	0% to 30%
NZ & Australian Equities	30%	0% to 60%
Global Equities	30%	0% to 80%
Alternative assets	0	0% to 40%

The benchmark and range may be changed by the Manager from time to time without prior notification to investors.

All investments will meet a range of criteria covering issues such as volatility, investment return, credit risk and duration to ensure diversification with the objective of achieving capital growth and protecting the capital sum invested over the medium or longer-term. The Manager may also undertake currency hedging if deemed appropriate.

It is intended that the Balanced Fund will be a medium risk investment that will suit investors with a medium or long-term investment horizon and those accepting some volatility in pursuit of investment returns in excess of the risk-free rate, over the longer-term. Returns will vary and may be low or negative at times.

## Dynamic Fund

The Dynamic Fund commenced business on 2 November 2009. The Manager invests all monies received by the Dynamic Fund in accordance with the following investments and objectives:

The objective of the Dynamic Fund is to provide greater capital growth over the long-term, while accepting a higher degree of sharemarket volatility in the short and medium term, compared with typical 'Balanced' funds.

The Dynamic Fund will generally be dominated by equities and alternative assets, but with a variety of investments including some or all of cash, fixed interest, property, equities and potentially also including hedge funds, commodities, precious metals or derivatives. Investments may be domiciled in New Zealand or anywhere internationally and with earnings or valuations denominated in various currencies. Investments may be directly held securities, managed funds or derivatives of any sort. Securities may be sold short in anticipation of gains when bought back at a lower price, or to reduce perceived risk in broad markets or to effect tactical or trading positions.

The benchmark and range as at the date of this prospectus is:

Asset Class	Benchmark	Range
Cash & Fixed Interest	15%	0% to 100%
Listed Property	5%	0% to 40%
NZ & Australian Equities	30%	0% to 60%
Global Equities	50%	0% to 100%
Alternative assets	0	0% to 60%

The benchmark and range may be changed by the Manager from time to time without prior notification to investors.

All investments are selected for a range of criteria including ensuring a spread of industry, issuer, and geographical risks, the likely interaction of each holding with others in the portfolio, and their potential to respond to anticipated macroeconomic trends. The portfolio pursues capital growth through an allocation generally dominated by investments characterized by potential for capital growth, and a minority position to traditional fixed interest investments. The Manager may also undertake currency hedging if deemed appropriate.

It is intended that the Dynamic Fund will be a medium to high-risk investment, suited to investors with a long-term investment horizon, and who are willing to accept a high degree of volatility related to sharemarkets. Returns may vary by more than 10% from quarter to quarter, and may be negative for periods exceeding one year.

## How much do I pay?

Units may be issued for cash or, with the consent of the Manager, by the transfer of securities to a Fund.

The minimum initial investment amount applying for each Fund is \$2000. A minimum of \$200 applies for subsequent investments. If a Unitholder makes regular periodic investments, the minimum amount for the first and subsequent investments is \$200.

The Manager may vary such minimum amounts and the minimum amount or value of any holding from time to time at its discretion. Units are issued on each Valuation Day, which is currently the last Business Day of each month. The Manager has an absolute discretion whether or not to accept any application without giving any reason.

The amount to be invested must be paid either by direct credit to Diversified Nominees Limited at Westpac, account number 03-0104-0121894-00 or by cheque made payable to "Diversified Nominees Limited" and sent to the Manager at P.O. Box 105 – 142, Auckland Central, 1143.

The number of Units that a Unitholder will receive will depend on the Unit Price for the relevant Fund on the relevant Valuation Day and will be determined by dividing the Unitholder's investment amount, or the market value of securities to be transferred (as agreed between the Manager and the relevant applicant), by the Unit Price for the Fund on the Valuation Day on which the Units are issued. Failure to make applications before 2pm on a Valuation Day will result in the application being processed on the following Valuation Day.

There is no provision or requirement for payments on specified dates or any specified frequency of payment.

There is also no "cooling off" period for this investment.

Other than in relation to personal tax obligations, there are no circumstances in which you will be obliged to pay any further amounts. For more information on tax obligations, please refer to the section "What Returns Will I Get?" on page 12.

## What are the charges?

### ONGOING FEES

The Trustee's remuneration for carrying out the Trustee's functions as specified in the Trust Deed is an annual fee of up to 0.07% of the Gross Asset Value of each Fund, subject to a minimum fee of \$10,000 the Balanced Fund and \$5,000 for the Dynamic Fund.

In addition the Trustee is entitled to charge special fees for services of an unusual or onerous nature outside the Trustee's regular services. There is no limit to the amount of special fees that may be charged.

The Trustee's fees are payable from the relevant Fund and are paid monthly in arrears.

GST will be added to the Trustee's fee and is currently levied at 15.0% on 75% of the Trustee's Fee.

The fees payable to the Manager for management of each Fund are a monthly management fee of 0.16667% of the Gross Asset Value of the Fund. The Manager's fees are payable from the Fund and are paid monthly in arrears.

GST is currently levied at 15.0% on 10% of the fees payable to the Manager.

In addition, the Administration Manager, Investment Manager, Custodian and Registrar are paid fees for providing administrative, investment management, custodial and registry services respectively. These fees are paid by the Manager out of its own money.

The Trustee's and Manager's annual fees for a Fund cannot be increased above the amounts specified above unless the increase is approved by an Extraordinary Resolution of Unitholders of the relevant Fund.

## ENTRY AND EXIT FEES

Currently no fees are charged for issue of Units or redemptions from a Fund. If deemed appropriate, an entry fee and/or a redemption fee may be introduced by the Manager by giving three months notice to Unitholders of the relevant Fund.

All fees that are tax deductible will be offset against your PIE allocated income and can not be deducted in your personal tax return even where they are charged directly to you. Entry and exit fees (if any) are generally not tax deductible and will not be offset against your PIE allocated income.

## OTHER CHARGES

The Manager and the Trustee are entitled to be reimbursed from each Fund for all costs and expenses (including anticipated expenses) incurred by them acting as manager and trustee respectively. Generally the amount of these costs and expenses cannot be ascertained until they are incurred and will vary from time to time. These reimbursable costs and expenses may include, but are not limited to:

- all costs incurred with the purchase of any Investments;
- the fees and expenses of the Auditor;
- all taxes and duties paid;
- all interest and other costs associated with any borrowing;
- all costs of convening and holding meetings;
- any costs of third parties engaged by the Manager or Trustee;
- all costs of preparing, printing and distributing accounts, statements, cheques, offer documents and any other communications to Unitholders;
- costs incurred in running the Unit Register; and
- any other expenses reasonably incurred by the Trustee, Manager or any delegate of the Manager in carrying out their duties under the Trust Deed.

These costs and expenses, together with the Manager's and Trustee's fees, are taken into account when a Fund's net income is calculated and will affect returns to Unitholders. Certain fees, charges or expenses referred to in this Investment Statement are subject to GST. The rate of GST may change after the date of this Investment Statement.

The Manager may, on dates that it determines, redeem Units or make distributions from redemption proceeds or distributions to fund PIE Tax on income allocated to Unitholders.



## What returns will I get?

The returns to Unitholders from an investment in Units in a Fund will be derived from a combination of:

- Any distributions from the Fund, and
- Any increase or decrease in the value of the Units in the Fund (reflecting changes in the value of the underlying assets) that is realised by the Unitholder redeeming Units.

The Trustee, The New Zealand Guardian Trust Company Limited, is legally liable to make payment of any returns calculated by the Manager, to the extent of the available assets of the relevant Fund.

The Manager will adjust these returns for any tax payable on income allocated to Unitholders.



### KEY FACTORS THAT DETERMINE THE RETURNS

#### Distributions

Distributions from a Fund are made at the discretion of the Manager and may be from income the Fund has earned and the capital of the Fund. The Manager does not intend to pay distributions, however this policy will be reviewed periodically. Distributions (if any) would be paid in June. No prior notice to Unitholders is required of the Manager's decision.

#### Changes in Unit Price

In general, the value of the underlying assets of a Fund at any point in time will change with market movements. The value of your Units will change as the market changes. Units in each Fund are issued and redeemed at the Unit Price.

The Unit Price for a Fund reflects the current value of the Fund's underlying assets after deducting all liabilities of the Fund and making such provisions as the Manager or the Trustee thinks necessary or desirable for accrued or contingent liabilities or losses, including a provision for the costs of realisation of any Investments and redemption of Units. Pricing is gross of PIE tax.

If you want to know the current Unit Price for either Fund, contact the Manager at the address shown under "Who Do I Contact With Enquiries About My Investment?" on page 21.

The realisable value of your investment at any time is the number of Units you hold multiplied by the relevant Unit Price. This will be subject to adjustment for any PIE tax on income allocated to Unitholders.

The Unit Price for each Fund may fall as well as rise, and the performance of each Fund may vary.

The Manager is responsible for the selection of all investments made by a Fund, as well as the ongoing monitoring and management of assets in line with the investment policy set by the Manager for the Fund. The Manager has delegated this responsibility to the Investment Manager.

The performance of the investments forming the assets of a Fund will have an impact on returns. The ability of the Investment Manager to select securities, and manage the allocation between asset classes will also have an impact on returns.

Neither the Trustee nor the Manager nor any other person promises or guarantees any investment return amount in a Fund.

## Taxation

**The following statements in relation to taxation are of a general nature only and are based on current tax legislation which may change. The impact of taxation will vary depending upon each person's individual circumstance. Unitholders are encouraged to seek professional tax advice. The Manager and the Trustee do not take any responsibility for the taxation liabilities of investors. Returns to Unitholders are likely to be affected by taxation.**

**The taxation rules applying to each Fund are set out below. The explanation is based on each Fund being and remaining a Portfolio Investment Entity (PIE) under taxation legislation which came into effect on 1 October 2007. Should a Fund cease to be a PIE, the taxation rules applying to the Fund may alter.**

Each Fund has elected to become a PIE. As a PIE, a Fund will allocate all its taxable income (or losses) between its investors based on the number of Units held by them. The Manager will then calculate tax payable on such income allocated to each investor at their nominated Prescribed Investor Rate. Tax is then paid as described under the "Tax-paying investors" heading below.

**Each investor must notify the Manager of their IRD number and applicable Prescribed Investor Rate when they join a Fund, and when these details change. Investors who do not notify both their IRD number and Prescribed Investor Rate will be taxed on income allocated to them by a Fund at the default rate of 28%. The Manager will seek reconfirmation of these details annually.**

The Prescribed Investor Rates (from 1 October 2010) are as follows:

**10.5% and 17.5%:** New Zealand resident individual investors have the following Prescribed Investor Rates dependent on their taxable and PIE income in one of the two previous income years:

Taxable income	Taxable + PIE income	Prescribed Investor Rate
\$0 – \$14,000	\$0 – \$48,000	10.5%
\$0 – \$14,000	\$48,000 – \$70,000	17.5%
\$14,001 – \$48,000	\$0 – \$70,000	17.5%

New Zealand resident trusts (excluding unit trusts) can elect to be taxed at **17.5%**. Some New Zealand resident trusts (i.e. testamentary trusts other than charitable trusts) can elect to be taxed at **10.5%**.

**28%:** This rate applies for all other New Zealand individuals, all non-residents and all New Zealand resident trusts (excluding unit trusts and charitable trusts) who have elected to be taxed at this rate.

**0%** (or “zero-rated”): This rate applies to New Zealand resident entities such as companies, unit trusts, other PIEs, charities, superannuation funds trusts that have not elected the **17.5% or 28%** rates, and nominees and wrap providers that elect to become PIE proxies (such as Custodial Services).

The Manager is required to provide every investor in a PIE with an annual tax certificate, which will include the PIE income allocated to each investor and the amount of tax paid at their Prescribed Investor Rate.

### **Tax-paying investors**

Investors with a Prescribed Investor Rate of greater than 0% are referred to as “tax-paying investors”. A Fund’s tax liability on PIE income allocated to its tax-paying investors will be deducted at the earliest of the following times:

- At the end of the income year (following 31 March);
- Upon any full or partial withdrawal or transfer.

Tax will be deducted by cancelling Units (but the Manager reserves the right to also deduct from distributions if need be) equal to the value of the tax liability. A refund of tax will be provided to a Fund to compensate for any PIE tax losses or excess tax credits relating to tax-paying investors, which is then allocated to such investors by issuing additional Units.

If the correct tax rate has been elected, the tax paid on income allocated to tax-paying investors will be a final tax and no obligation to file a tax return (in respect of this investment) will arise as a consequence. Nor will it impact on family assistance eligibility, student loan repayment obligations or child support payment obligations.

Tax-paying investors must advise the Manager if their Prescribed Investor Rate changes - increases. Failure to advise, or providing a lower rate than that applicable, will mean the investor is personally liable to pay any resulting tax shortfall including penalties and interest and may be required to file a tax return. The Manager can not retrospectively change a Unitholder’s Prescribed Investor rate.

Similarly, tax-paying investors should advise the Manager if their Prescribed Investor Rate reduces. PIE tax is a final tax and no credit or refund is available if too much tax has been paid.

Where the value of a tax-paying investor’s Units is not regarded as sufficient, or likely to be sufficient, to fund the PIE tax liability on income allocated to that investor, the Units will be redeemed to fund that liability.

If a Unitholder transfers Units prior to April in any year, the transferor will bear the cost of PIE tax on income allocated to those units from the beginning of the income year to the date of transfer.

### **Zero-rated investors**

Investors with a Prescribed Investor Rate of 0% are referred to as “zero-rated investors”. These entities must return the PIE income/(loss) and pay tax themselves. These entities will have a tax liability in respect of the PIE income allocated to them, regardless of whether a Fund makes any distributions to them. A Fund will not cancel any Units or otherwise adjust the interests of its zero-rated investors for PIE tax, as the Fund does not pay tax on the income allocated to such investors. Zero-rated investors will be entitled to claim their share of excess credits or PIE tax losses directly. They may also claim as a credit any PIE tax paid by a Fund on income allocated to them at the default rate of 28%.

### **Joint investors**

For joint investors, income is allocated based on their notification to the first named person in the register only. Any joint investor can be selected if the Prescribed Investor Rates are the same, but if they are different joint investors must select the investor with the highest Prescribed Investor Rate. If no notice of election is received income will be allocated to the first named person at the default rate of 28%.

Redemption gains and distributions (if any) from a Fund will not be taxable to the investor. Withdrawals will be made by way of redemption of Units.

## CALCULATION OF INCOME

Gains or losses made by a Fund on New Zealand resident companies or Australian resident listed companies (aside from stapled securities) on an Australian Stock Exchange approved index with franking accounts will not be taxable or deductible. The PIE regime is designed to 'pass through' these benefits where funds invest in entities that are also PIEs. Foreign equities (including units in offshore funds but excluding the Australian listed equities described above) held by a Fund will generally be taxed under the Fair Dividend Rate method. Under this method, a Fund is deemed to derive taxable income equal to 5% of the average daily opening market value of its offshore equity investments for the relevant income year. Dividends are not taxed separately. Losses on foreign equities are not deductible but foreign tax credits may be available for offset against tax payable.

Foreign equities offering guaranteed or fixed rate returns; or which are non-redeemable preference shares; or interests in a foreign entity that has assets of 80% or more invested in financial arrangements or fixed rate shares either denominated in or hedged to New Zealand dollars (including where the hedging is undertaken by a Fund); or determined by Inland Revenue to be debt in economic terms, are taxed under the comparative value method, i.e. annual change in market value plus distributions.

Debt securities, derivatives, foreign exchange contracts, CFD's (contracts between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time), swaps and energy contracts held directly are taxed under the financial arrangement rules.

PIEs have restrictions on the percentage of Units any one investor, and associated parties holding interests of 5% or more can hold. The Manager may redeem or void Units exceeding the permitted threshold so as to ensure PIE status can be maintained. If Units are voided the Unitholder will receive a refund of subscription moneys but any additional compensation is at the discretion of the Trustee in consultation with the Manager.





## **SUSPENSION AND DEFERRAL OF REDEMPTIONS**

The Manager may suspend the processing of all redemption requests in a Fund if, by reason of:

- the suspension of trading on any securities exchange; or
- financial, political or economic conditions applying in respect of any financial market; or
- the nature of any Investment held by the Fund; or
- a redemption request is received or a series of redemption requests have been received within a period of three months that in aggregate relate to more than 5% of the number of Units on issue in the Fund; or
- the occurrence or existence of any other circumstance or event relating to the Fund, or generally,

the Manager shall form the opinion that it is not practicable, or would be materially prejudicial to the interests of any Unitholders in the relevant Fund, for the Manager to give effect to redemption requests. The Manager may determine that such Units may be progressively redeemed by instalments with effect from one or more Valuation Days falling in a period determined by the Manager or in total at the expiration of a period determined by the Manager and in any such case the Unit Price is to be calculated at the Valuation Day or Days on which Units are redeemed.

Also, if a redemption request is received or a series of redemption requests have been received within a period of 3 months that in aggregate relate to more than 20% of the number of Units on issue in a Fund, the Manager may suspend the right of the Unitholders of that Fund to make redemption requests on the following conditions:

- the Manager must notify the Trustee of its intention to suspend the right of Unitholders to make redemption requests; and
- the Manager must immediately call a meeting of Unitholders of the relevant Fund to consider the winding up of the Fund or such other action as the Unitholders deem appropriate.

In the above circumstances, there is no express limit on the period of deferral or suspension.

## What are my risks?

There are two principal risks faced by investors in Units – not recovering the money paid for Units in full and not receiving the returns referred to in the “What returns will I get?” section on page 12.

Other than the Unit Price paid for Units and any money required to be paid in relation to personal tax obligations, there are no circumstances in which Unitholders will be liable to pay any further money to a Fund.

The value of the investment in Units will fluctuate and you may not receive the returns you expect. It is reasonably foreseeable that you may not recover in full the initial amount of money you pay for your Units.

Some examples of the risks that may produce this result and that are involved in an investment in a Fund are set out below:

- **Market conditions:** Investment markets in all countries are affected by many factors, including economic and regulatory conditions, market sentiment, political events, and environmental and technology issues;
- **Investment specific risk:** The performance of individual companies within markets may be affected by unexpected changes in that company’s operations or its business environment;
- **Interest rates:** Changes in interest rates can have a negative impact directly or indirectly on all types of equity and debt securities (including property based securities);
- **Currency:** The Fund may hold investments that are denominated in other currencies or may use foreign exchange contracts to exchange New Zealand dollars for other currencies. This will expose the Fund to foreign currency movements that can have an adverse effect on the New Zealand dollar value of its investments;
- **Investment managers:** The Investment Managers will make investment decisions based on the factors described above that will affect the returns received by the Fund;
- **Investment risk:** The risk of a result of negative returns on the Fund investments, or that the returns for the Fund are insufficient to meet the applicable expenses.
- **Liquidity risk:** The risk associated with an inability on the part of the Fund to meet monetary obligations in a timely manner.
- **Regulatory risk:** The risk of future changes to legislation or applicable regulations which could affect the operation of the Fund or Unitholders’ distributions or the level or nature of returns from the Fund.
- **Administrative risk:** The risk of technological or other failure impacting on the Fund or financial markets in which the Fund invests.
- **Derivative Risk:** Derivatives can accentuate the gains and losses in a Fund. Derivatives traded on recognised markets or with strong counter-parties such as major trading banks, may be used to counter perceived risks arising in the portfolio, to capture prices spreads or effect rapid trading positions, or to hedge currency. It is not the Manager’s intention to use derivatives to leverage the overall portfolio.
- **Tax Risks:** If PIE status is lost due to an event such as the number of Unitholders reducing to below 20, the Fund would be taxed as a widely held unit trust at 28% (from April 2011) rather than at an investor’s Prescribed Investor Rate.

Refer to the Taxation section on page 13 for details of the risk of tax being deducted by cancelling Units where the value of your remaining Units is not regarded as sufficient to fund your tax liability.

PIEs have restrictions on the percentage of Units any one investor and associated parties holding interests of 5% or more can hold. Generally no investor, together with such associates can hold more than 20% of a Fund (although this restriction does not apply to investors who are other PIEs or fall within a narrow class of other specified entities). The Manager may redeem or void Units exceeding the permitted threshold

so as to ensure PIE status can be maintained. If your units are voided you will receive a refund of your subscription moneys, but any additional compensation is at the discretion of the Trustee in consultation with the Manager.

An investor advising a lower Prescribed Investor Rate than that applicable or not advising a change to a higher rate, is obliged to pay the tax shortfall plus any interest and penalties, and may be required to file a tax return. If an investor advises a higher rate than that applying the excess tax paid cannot be claimed back as PIE tax is a final tax. Zero-rated investors may however obtain a credit for any PIE tax paid on income allocated to them

A trust that elects a Prescribed Investor Rate of 28% will be unable to provide the PIE income to beneficiaries at rates lower than 28%.

Refer to the Taxation section on page 13 for details of the manner in which joint investors are allocated income to one investor only, which may impact on that investor's ability to retain a lower Prescribed Investor Rate.

Any future change in taxation legislation could impact on a Fund's returns

Unitholders should be aware of these risks when investing and that not all risks can be foreseen.

None of the Trustee, Manager or any other person associated with the offer of these Funds guarantees the performance of a Fund, any particular rate of return, or the return of your application moneys.

Past performance is no guarantee of future performance.

Other than in relation to personal tax obligations, there are no circumstances in which you will be obliged to pay any further amounts. Tax-paying investors will have adjustments made to their Units to reflect tax paid or payable on their behalf by a Fund and provide an indemnity for tax paid (and any related penalties or interest) on PIE income allocated to them. This indemnity would only apply if the Unitholder's interest in a Fund was less than the PIE tax liability at the Unitholder's Prescribed Investor Rate on income allocated to them.

For more information on tax obligations, please refer to the section "What Returns Will I Get?" on page 12.

### **Insolvency of a Fund**

Money invested in each Fund is held by the Trustee separately from the Manager's and the Trustee's assets, and would be unaffected by any insolvency of the Manager or the Trustee.

If the Manager becomes insolvent, is put into liquidation or has a receiver appointed, the Trustee is able to remove the Manager if the Manager does not retire, and may appoint another Manager.

Unitholders will not be liable to pay money to any person as a result of the insolvency of a Fund. In the event of a Fund being wound up or put into liquidation, creditors of the Fund (including the Manager, Trustee and Administration Manager) will rank ahead of the claims of Unitholders. Unitholders will rank equally amongst each other.

## **Can the investment be altered?**

### **CHANGES TO INVESTMENT POLICY**

The Manager may change the investment policy for a Fund where Unitholders of the Fund have been given one month's prior notice and the opportunity to withdraw their Units before the variation takes effect.

Any investment policy change may only take effect once all redemption requests relating to the change in policy have been actioned.

Alternatively the Manager may change a Fund's investment policy where the variation has been approved by

Extraordinary Resolution of Unitholders of the Fund.

## REDEMPTION OF UNITS

Unitholders may withdraw their investment from a Fund by requesting that their Units be redeemed. See “How do I cash in my investment?” on page 21 for details. The Manager may, on dates that it determines, redeem Units or make deductions from redemption proceeds or distributions to fund PIE Tax on income allocated to Unitholders.

The Manager may also redeem or void Units if the number of Units held by a Unitholder and its associated persons (as defined in the Income Tax Act 2007) in a Fund would cause the Fund to lose its status as a PIE.

## CHANGES TO THE TRUST DEED AND ESTABLISHMENT DEED

The Trustee and Manager may make an amendment to the Master Trust Deed or an Establishment Deed relating to a Fund where the amendment is:

- in the Trustee’s opinion necessary to correct a manifest error or is of a formal or technical nature;
- in the Trustee’s opinion necessary or desirable for the more convenient, economical or advantageous working, management or administration of the Fund or to safeguard or enhance the interests of the Fund or Unitholders of the Fund and is not, or not likely to become, materially prejudicial to the general interests of Unitholders of the Fund;
- authorised by an Extraordinary Resolution of Unitholders of the Fund; or
- if after a change in any law affecting unit trusts, required to make any provision of the Trust Deed consistent with such law.

### Other changes

The Manager may change the minimum investment amounts, the minimum number or value of Units that must



be maintained in a Fund after a redemption or transfer and the minimum redemption or transfer amount. See the “How do I cash in my investment?” section below for details.

### **Termination of the Funds**

The Manager may resolve to terminate a Fund at its discretion. Should this occur, Unitholders of the Fund will be given not less than 30 days’ notice of termination.

In addition a Fund may be terminated by an Ordinary Resolution of the Unitholders of the Fund.

If a Fund has not been terminated earlier, the Fund will terminate 80 years less 2 days from the date of the Trust Deed.



# How do I cash in my investment?

## REDEMPTIONS

Unitholders may request to withdraw amounts of \$2,000 or more from a Fund by writing to the Manager at the address set out under “Who do I contact with enquiries about my investment?” on page 21.

Unitholders can invest for any period and Units are redeemable on any Valuation Day. Please note that withdrawals will be made only to the bank account advised on the Unitholder’s application form, and subsequent amendments advised to the Manager in writing. Bank accounts provided to the Manager are to be confirmed by printed bank account deposit form or equivalent in every case.

A withdrawal request (a **redemption request**) is irrevocable, and under normal circumstances will be actioned with effect from the first Valuation Day following the day which is at least 5 days after the redemption request is received. The Manager may in its sole discretion redeem Units on an earlier Valuation Day

On receipt of a written redemption request by the Manager, but subject to the Manager’s right to defer redemption in certain circumstances (refer to “Suspension and Deferral of Redemptions” under the heading “What Returns Will I Get?” on page 12), the Manager is obliged to redeem Units and the Manager will pay to the Unitholder the Unit Price of the relevant Units usually within 14 Business Days.

The Manager requires information regarding the investments held by a Fund every Valuation Day to determine the Unit Price for the Fund. Should delays occur in the receipt of this information, redemptions will be paid as soon as possible following the confirmation of the relevant Unit Price.

## TRANSFERS

Unitholders can transfer all or part of their investment to another party currently free of any charge.

To transfer Units to another party, Unitholders must use a security transfer form or a form approved by the Manager. The transferee may be required to provide identification under the Financial Transactions Reporting Act 1996. A transfer is complete as soon as the new investor is recorded on the register of Unitholders. Refer to the Taxation section on page 13 for the tax consequences on transfer for tax-paying investors.

The Manager has the right to decline a transfer if it would result in the loss of PIE status for the relevant Fund.

In the Manager’s opinion, there is no established secondary market for the trade of Units in the Funds.

# Who do I contact with enquiries about my investment?

Enquiries about the Units can be made by writing to:

*Diversified* Wealth Management Limited  
Level 14  
36 Kitchener Street  
Auckland 1010  
Telephone in Auckland 09 366 7380, or Toll-free on 0800 55 8811  
Email: [admin@diversified.co.nz](mailto:admin@diversified.co.nz)

To calculate the value of your investment, multiply the number of Units you own by the most recent Unit Price for the relevant Fund. If you are a tax-paying investor, the withdrawal value of your investment could be less than this figure as a consequence of the Fund’s obligation to deduct tax on income allocated to you. It is also possible that the amount could be more than this figure should the Fund receive tax rebates which are allocated to you as additional Units.

## Is there anyone to whom I can complain if I have problems with the investment?

Complaints about the Units can be made to:

The Directors  
*Diversified* Wealth Management Limited  
Level 14  
36 Kitchener Street  
Auckland 1010

Telephone in Auckland 09 366 7380, or Toll-free on 0800 55 8811

or to:

The New Zealand Guardian Trust Company Limited  
Level 7, Vero Centre  
48 Shortland Street  
P O Box 1934  
Auckland  
Telephone (09) 377 7300  
Attention: Relationship Manager, Corporate Trusts

If an explanation is not satisfactory and a deadlock is reached, you may contact:

Insurance & Savings Ombudsman Scheme  
PO Box 10-845,  
Wellington 6143

## What other information can I obtain about this investment?

All of the currently available material information relating to the Funds and an investment in Units is contained in the registered prospectuses containing the offers to which this Investment Statement relates, and in the Trust Deed.

Other information about the Units, the Funds and the Manager is contained in the financial statements for each Fund.

Further information about the Funds and an investment in Units is available by writing to the Manager at the address above. The registered prospectuses, the Master Trust Deed and the Establishment Deeds and the financial statements (when available) are filed on a public register at the Companies Office of the Ministry of Economic Development, and are available for public inspection, on request and payment of the relevant fee, by telephoning the Companies Office Contact Centre on 0508 266 726 and quoting company reference 1976717.

The documents are also available on the Companies Office's website [www.companies.govt.nz](http://www.companies.govt.nz) under the Manager's reference.

Following the issue of Units, the Manager will within one month send you a confirmation of your investment setting out the details of your investment in the relevant Fund.

A Unitholder may make a written request for the Unit Price at the last Valuation Day. This will be provided within seven days.

A statement setting out the distributions paid to the Unitholder and the Net Asset Value of the relevant Fund will be sent to Unitholders within three months after the end of each financial year. A summarised copy of the annual accounts for the relevant Fund and a copy of the Auditor's report in respect of the annual accounts only, shall be forwarded to each Unitholder within five months of the financial year end.

Unitholders have the right to inspect and obtain a copy of that part of the Unit Register that relates to the Units of that Unitholder. Unitholders also have the right to inspect a copy of the Master Trust Deed and the Establishment Deeds for the Funds at the office of the Manager, which is located at Level 14, 36 Kitchener Street, Auckland.

Unitholders may also request from the Manager, free of charge, a copy of this Investment Statement and the registered prospectuses, the Master Trust Deed and the Establishment Deeds.

## **PRIVACY**

The Manager collects and holds personal information about applicants for Units for the purposes of administering the investment. Unitholders may request access to any personal information the Manager holds about them, by writing to the Manager at Diversified Wealth Management Limited, Level 14, 36 Kitchener Street, Auckland.

You may also request correction of any personal information the Manager holds about you. Depending on the nature of your request, the Manager may impose a charge for providing you with or correcting any personal information. Failure to provide the requested information could cause your application for Units to be declined.



## GLOSSARY

The following capitalised terms used in this Prospectus have the following meanings. Some of these terms are summaries of definitions in the Trust Deed. For complete definitions, reference should be made to the Trust Deed.

Act	The Unit Trusts Act 1960.
Administration Manager	MMc Limited.
Auditor	The auditor of the Funds.
Authorised Investments	In respect of a Fund, the category of investments which may be held by a Fund.
Balanced Fund	The Diversified Wealth Management Balanced Fund.
Business Day	Any day on which banks are open in Auckland for business.
Custodian	Public Trust.
Distribution Date	The last Business Day of June, or such other day which the Manager may determine by 1 month's written notice to Unitholders.
Dynamic Fund	The Diversified Wealth Management Dynamic Fund.
Establishment Deed	Each of the Establishment Deed dated 19 March 2008 between the Manager and the Trustee relating to the Balanced Fund and the Establishment Deed dated 2 November 2009 between the Manager and the Trustee relating to the Dynamic Fund.
Extraordinary Resolution	A resolution passed by Unitholders by a majority of 75% or more.
Fund	Each of the Balanced Fund and the Dynamic Fund.
Gross Asset Value	In respect of a Fund, the aggregate of the market value of the Investments, any income accrued or payable but not included in such market value and, if the Manager so determines, any deferred tax assets of the Fund.
Investment	In respect of a Fund, each investment or other asset held by the Fund.
Investment Manager	Diversified Investment Strategies Limited.
Manager	Diversified Wealth Management Limited.
Master Trust Deed	The Master Trust Deed dated 19 March 2008 between the Manager and the Trustee.
Net Asset Value	In respect of a Fund, the Gross Asset Value of the Fund less all liabilities of the Fund determined on an accruals basis and such other provisions as the Manager or the Trustee thinks necessary or desirable for accrued or contingent liabilities or losses, including a provision for the costs of realisation of any Investments and redemption or repurchase of Units.

Ordinary Resolution	A resolution of Unitholders passed by a majority of more than 50%.
PIE	A portfolio investment entity as defined in the Income Tax Act 2007.
PIE tax	Tax payable by a Fund, the Trustee, or the Manager (whether deferred or current) which is determined by reference to Prescribed Investor Rates of Unitholders or is otherwise determined by the Trustee or the Manager to be attributable to income allocated to Unitholders.
Prescribed Investor Rate	The rate a Unitholder has or may elect under the Income Tax Act 2007 in relation to income allocated to them by a PIE.
Registrar	MMc Limited.
Trust Deed	Together the Master Trust Deed and the Establishment Deed.
Trustee	The New Zealand Guardian Trust Company Limited.
Unit	In respect of a Fund, a unit in the Fund.
Unitholder	The registered holder of a Unit.
Unit Price	In respect of a Fund, the price at which Units are issued or redeemed, being the Net Asset Value of the Fund divided by the number of Units on issue in the Fund at the date of valuation
Unit Register	The register of Unitholders.
Valuation Day	The last Business Day of each month



# How to invest

The instructions for completing the application form are set out below:

## INVESTOR DETAILS

Provide your full name(s) and address. Supply your IRD number and your Prescribed Investor Rate as determined in the section “What Returns Will I Get?” on page 12.

## INVESTMENT DETAILS

Enter the amount you wish to invest in a Fund. The minimum investment amount for each Fund is \$2000. A minimum of \$200 applies for subsequent investments in the same Fund. If a Unitholder makes regular periodic investments in a Fund, the minimum amount for the first and subsequent investments in that Fund is \$200. If you wish to invest by transferring securities to a Fund, please contact the Manager.

## VERIFICATION OF IDENTITY

The Financial Transactions Reporting Act 1996 requires verification of the identity of all new investors to a Fund.

You will need to provide either a form of identification that has your photo and signature (your passport, for example), or two other forms of identification that have your signature. A printed bank deposit slip or equivalent is also required to verify your nominated bank account.

## COMPANIES

We will require a copy of the Certificate of Incorporation

## TRUSTS AND ESTATES

If there are three or fewer than three trustees, identification is required for each trustee. Where there are more than three trustees, the principal Unit Holder must be noted on the application form, and identification is required only for that person.

**In all cases, you can either produce originals to your Adviser or send certified copies.**

A list of authorised signatories (if any) should be attached with any new application.

## COMPLETE APPLICATION FORM AND CHEQUES

Complete the application form and make your cheque payable to “Diversified Nominees Limited” crossed “Not Transferable”.

Send the application form, cheque, any verification of identity documents and the bank deposit slip to The Manager, *Diversified* Wealth Management Limited, P.O. Box 105-142, Auckland Central, 1143.

# Diversified Wealth Management Limited



## APPLICATION FORM

Please mail this application form, together with you cheque and any other relevant documentation to:

Diversified Wealth Management Ltd – Trust Account  
PO Box 105 142 Auckland.

(Please make cheques payable to: Diversified Nominees Ltd. Other payment options overleaf).

Office Use Only / /
Unit Holder Number

**COMPANY/TRUST NAME (Please list names of Trustees, Directors etc below)**

### INDIVIDUALS/TRUSTEES

Title	Surname	First Names
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Date of Birth	IRD Number	Evidence of Identity Provided
<input style="width: 100%;" type="text"/>	<input style="width: 100%; text-align: center;" type="text"/>	<input style="width: 100%;" type="text"/>

Title	Surname	First Names
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Date of Birth	IRD Number	Evidence of Identity Provided
<input style="width: 100%;" type="text"/>	<input style="width: 100%; text-align: center;" type="text"/>	<input style="width: 100%;" type="text"/>

### INVESTMENT ON BEHALF OF A MINOR/THIRD TRUSTEE

Title	Surname	First Names
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Date of Birth	IRD Number	Evidence of Identity Provided
<input style="width: 100%;" type="text"/>	<input style="width: 100%; text-align: center;" type="text"/>	<input style="width: 100%;" type="text"/>

Relationship to Investors (Please specify)	
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

### POSTAL ADDRESS

Please tick if the address for service is via your adviser.

	Post Code:	
--	------------	--

Home Phone	Business Phone	Fax
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

Mobile	Email
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

### TAXATION INFORMATION

Please refer to the section on Taxation to determine your applicable rate.  
In the case of joint application, please use the applicant with the highest PIR.

IRD Number

Prescribed Investor Rate (PIR):  (Refer to PIR)

Advisor Stamp
---------------

**PLEASE SELECT WHICH FUND OR PERCENTAGES YOU WISH TO INVEST IN**

Please see page 8 for information on the funds

*Diversified* Wealth Management BALANCED Fund

*Diversified* Wealth Management DYNAMIC Fund

\* If no selection is indicated your proceeds will be invested in the Balanced Fund.

**INVESTMENT DETAILS**

Single Investment (minimum \$2,000)	Regular Investment Amount (minimum \$200 per month)	Regular Investment Start Date
\$	\$	20 / /
	Regular Withdrawal Amount	Regular Withdrawal Amount Start Date
	\$	20 / /

**BANK ACCOUNT FOR REGULAR WITHDRAWALS**

Please include a printed bank deposit slip for verification which is required as redemptions must be paid to your nominated account.

Name of Account

Account

**PAYMENT OPTIONS**

- Option 1: Please make your cheque payable to: *Diversified* Nominees Limited
- Option 2: Payment by Direct Deposit. Application money to be deposited into the bank account: *Diversified* Nominees Ltd, Account Number: 03-0104-0121894-00

**REGULAR INVESTMENTS**

Please complete the direct debit authority provided in the Investment Statement.

**THE PRIVACY ACT**

This statement relates to the personal information that you are providing to the Manager by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by the Manager and the Trustee (and related entities thereof) for the purposes of enabling the manager to arrange and manage your investment, and to contact you in relation to your investment. The Manager will provide you (on request) with the name and address of any entity to which information has been disclosed. You have the right to access all personal information held about you by the Manager. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide personal information on behalf of the applicant and evidence of this authority is provided (in the case of a parent/guardian/other providing information about the applicant). You agree that your/each of your names and addresses may be used by *Diversified* Wealth Management Limited to provide you with newsletters and other information about the fund and other products and services.

**EMAIL USE**

I consent to receiving financial statements, and other documents which the Trustee or the Manager are required to send to me electronically at the email address on this form, or another email address supplied to the Manager.

**DECLARATION**

I/We have read and retained a copy of the attached investment statement dated **15 March 2011** and agree to be bound by the terms and conditions of the Trust Deed. I/We agree to the terms outlined above in relation to the Privacy Act and the supply of personal information. I/We understand that the fund is for long term investing and is liable to fluctuations and may rise and fall from time to time. I/We understand the manner in which the fees will be deducted from the fund.

Signature of Applicant, Trustee or Director  Date

Signature of Applicant, Trustee or Director  Date

Signature of Applicant, Trustee or Director  Date

Signature of Advisor  Date

# Diversified Direct Debit Authority



Investor Name: \_\_\_\_\_

Regular Investment Start Date: 20 /    /   

Regular Investment Amount: \_\_\_\_\_

I/We have read and retained a copy of the attached investment statement dated 2 November 2009 and agree to be bound by the terms and conditions of the Trust Deed.

Unit Holder Number (if known)
----------------------------------

## BANK INSTRUCTIONS

### ACCOUNT DETAILS

Name of Account

Customer (Acceptor) to complete Bank, Branch, Account Number and suffix of Account to be debited

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

Bank

Branch

Account Number

Suffix

### AUTHORITY TO ACCEPT DIRECT DEBITS

(not to operate as an assignment or agreement)

Authorisation Code:

0	3	1	6	3	4	8
---	---	---	---	---	---	---

## TO: THE BANK MANAGER

(Print full postal address clearly for window envelope)

Bank & Branch

Address (PO Box)

I/We authorise you until further notice in writing to debit my/our account with all amounts which

### *Diversified* Nominees Limited

(hereinafter referred to as the Initiator), the registered Initiator of the above Authorisation Code, may initiate by Direct Debit.

I/We acknowledge and accept that the bank accepts this authority only on the conditions listed on the reverse of this form.

## INFORMATION TO APPEAR ON MY / OUR BANK STATEMENT

(to be completed by the Initiator)

D	I	V	E	R	S	I	F	I	E	D
---	---	---	---	---	---	---	---	---	---	---

Payer Particulars

Authorised Signature/s

Authorised Signature/s

N	O	M	I	N	E	E	S			
---	---	---	---	---	---	---	---	--	--	--

Payer Code

<input type="text"/>	<input type="text"/>	/	<input type="text"/>	<input type="text"/>	/	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	---	----------------------	----------------------	---	----------------------	----------------------	----------------------	----------------------

Date

<input type="text"/>	<input type="text"/>	/	<input type="text"/>	<input type="text"/>	/	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	---	----------------------	----------------------	---	----------------------	----------------------	----------------------	----------------------

Date

## FOR BANK USE ONLY

Approved  1634 04/08	Date Received	Recorded By	Checked By	Bank Stamp
-------------------------------	---------------	-------------	------------	------------

Original – Retain at Branch. Copy – Forward to Initiator if requested

### **Conditions of this Authority to accept Direct Debits**

#### **1. The Initiator**

- a. Undertakes to give notice to the customer of the commencement date, frequency and amount at least 10 calendar days before the first Direct Debit is drawn (but no more than 2 calendar months). This notice will be provided either:
  - i. In writing; or
  - ii. By electronic mail where the Customer has provided prior written consent to the initiator.
- b. Where the Direct Debit system is used for the collection of payments which are regular as to frequency, but variable as to amounts, the initiator undertakes to provide the Customer with a schedule detailing each payment amount and each payment date.

In the event of any subsequent change to the frequency or amount of the Direct debits, the initiator has agreed to give advance notice of at least 30 days before changes come into effect. This notice must be provided either:

  - i. In writing; or
  - ii. by electronic mail where the Customer has provided prior written consent to the Initiator.
- c. May, upon receiving an "authority transfer form" (dated after the day of the authority) signed by me/us and addressed to a bank to which I/we have transferred my/our bank account, initiate Direct Debits in reliance of that transfer form and this Authority for the account identified in the authority transfer form.

Or

- a. Will not initiate a Direct Debit on my/our account unless authorisation is received from me/us in accordance with the terms and conditions agreed between me/us and the Initiator of each amount to be debited from my/our account.
  - b. Has agreed to send notice of the net amount of each Direct Debit and the due date of debiting after receiving authorisation from me/us under clause (a) but no later than the date the Direct Debit will be initiated. This notice must be provided either:
    - i. In writing; or
    - ii. By electronic mail where the Customer has provided prior written consent to the Initiator.The notice will include the following message: "The amount \$..... was direct debited to your bank account on (initiating date)."
  - c. May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.
- #### **2. The Customer may:**
- a. At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.
  - b. Stop payment of any Direct Debit to be initiated under this Authority to the Initiator by giving written notice of termination to the Bank prior to the Direct Debit being paid by the Bank.
  - c. Where a variation to the amount agreed between the Initiator and the Customer from time to time to be direct debited has been made without notice being given in terms of clause 1(a) above, request the Bank to reverse or alter any such Direct Debit initiated by the Initiator by debiting the amount of the reversal or alteration of a Direct Debit back to the Initiator through the Initiator's Bank PROVIDED such request is made not more than 120 days from the date when the Direct Debit was debited to my/our account.
- #### **3. The Customer acknowledges that:**
- a. This Authority will remain in full force and effect in respect of all Direct Debits passed to my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of the Authority until actual notice of such event is received by the Bank.
  - b. In any event this Authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
  - c. Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the bank except in so far as the Direct Debit has not been paid in accordance with this Authority. Any other dispute lie between me/us and the Initiator.
  - d. Where the Bank has used reasonable care and skill in acting in accordance with the Authority, the Bank accepts no responsibility or liability in respect of:
    - i. The accuracy of information about Direct Debits on bank statements; or
    - ii. Any variations between notices given by the Initiator and the amounts of Direct Debits.
  - e. The Bank is not responsible for, or under any liability in respect of, the Initiator's failure to give written advance notice correctly nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In such situation the dispute lies between me/us and the Initiator.
  - f. Notice given by the Initiator in terms of clause 1(a) to the debtor responsible for the payment shall be effective. Any communication necessary because the debtor responsible for the payment is a person other than me/us is a matter between me/us and the debtor concerned.
- #### **4. The bank may:**
- a. In its absolute discretion, conclusively determine the order of priority payment by it of any moneys pursuant to this or any other authority, cheque or draft properly executed by me/us and given to or drawn on the Bank.
  - b. At the time terminate this authority as to future payments by notice in writing to me/us.
  - c. Charge its current fees for this service in force from time to time.
  - d. Upon receipt of an "authority to transfer form" signed by me/us from a bank to which my/our account has been transferred, transfer to that bank this Authority to Accept Direct Debits.





*Diversified*

***Diversified* Wealth Management Limited**

Level 14, 36 Kitchener Street, PO Box 105-142, Auckland Central 1143, New Zealand

Tel: 09 366 7380 or 0800 55 88 11

[diversified.co.nz](http://diversified.co.nz)