

**SECONDARY DISCLOSURE STATEMENT
(AUTHORISED FINANCIAL ADVISER)**



Name and registration number of Authorised Financial Adviser: David R G Ross (FSP 121825)

Address: Level 14 Morrison Kent House
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Trading name: Ross Asset Management Limited

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This disclosure statement was prepared on: 12 July 2011

This Secondary Disclosure Statement, together with the Primary Disclosure Statement, is provided to help clients make informed decisions about whether to use my services. It provides you with further information, including information about the types of services that I provide, the products that I provide services in relation to, the fees that I charge, and the financial benefits that I and Ross Asset Management Limited may receive.

1. Qualifications

- I am Authorised Financial Adviser (AFA).
- I graduated from Victoria University in 1977 with a BCA with a major in accounting.
- I have been a Chartered Accountant (C.A.) since 1996, and prior to this I was a member of the New Zealand Society of Accountants (A.C.A.).
- I hold a current Sharebroker's Licence pursuant to the provisions of the Sharebroker's Act 1908 and its amendments.
- I am currently a member of:
 - Financial Services Institute of Australasia (FINSIA) as a Senior Associate "S.A. Fin"

- New Zealand Institute of Chartered Accountants (NZICA) as a Chartered Accountant "C.A."
- Institute of Financial Professionals New Zealand (INFINZ) as a Certified Securities Analyst Professional "CSAP".

2. Types of financial adviser services I can provide

I will provide you with discretionary investment management services and financial advice in relation to only:

- Domestic shares;
- International shares;
- Fixed interest products; and
- Cash products.

3. Fees

Ross Asset Management Limited will charge you fees solely for the discretionary investment management services provided to you as a contracted client. Ross Asset Management Limited does not charge for the initial consultation.

Fees are based on the quarter end market value of your portfolio and charged quarterly in arrears. The actual fees payable will be agreed with you and will depend on the size of the portfolio and any additional requirements you have, such as reporting requirements (see Schedule 1). Generally, a portfolio with a market value of less than \$100,000 will incur fees of 1.50% per annum, and a portfolio with a market value of more than \$100,000 will incur fees of 1.00% - 1.50% per annum. Performance (or success) based fees of one third of any return above an agreed target return can also be arranged in certain circumstances. Detailed information is available on request.

If you decide to use my services, I will give you an estimate of the fees payable by you.

The fees are automatically deducted by Ross Asset Management Limited from the portfolio each quarter and this does not require client authorisation.

Ross Asset Management Limited's fees do not include any costs, charges or expenses incurred in respect of any agent, nominee, custodian or adviser whose services are incidental to the administration, management or investment of the portfolio. If and when these charges are incurred, they will be deducted from the portfolio and shown as separate transactions in the quarterly investment report.

4. Relationships, interests and remuneration

I am an employee, shareholder and director of Ross Asset Management Limited and receive remuneration (including a salary as an employee and dividends as a shareholder) from the company. The remuneration that I receive is not directly related to any particular portfolio that I manage.

I also manage portfolios for myself and certain members of my family through Ross Asset Management Limited.

Ross Asset Management Limited may, in the course of managing a portfolio:

- effect transactions with you or on your behalf where it, or one of its associated persons or agents, has a material interest in the transaction or where the transaction may give rise to a conflict of interest;
- purchase or sell for its other clients or for Ross Asset Management Limited's own account any of the products in your portfolio; or
- have banking relationships with companies whose securities are held, purchased or sold for your portfolio.

Neither I nor Ross Asset Management Limited have any other interests, relationships or associations that a reasonable client would find reasonably likely to materially influence me when providing the financial adviser services.

Management of conflicts of interest

As an AFA, I am obliged by the Code of Professional Conduct for Authorised Financial Advisers to place the interests of my clients first and act with integrity. As a CA, I am also bound by the Code of Ethics of the New Zealand Institute of Chartered Accountants.

The remuneration that I receive is not directly related to any particular portfolio that I manage.

Ross Asset Management Limited also takes steps to manage any conflicts of interest. If Ross Asset Management Limited has a financial interest in a contract that it enters into on your behalf, it will disclose that interest to you as soon as possible after entering into the contract (unless to the best of its knowledge you are already aware of its interest).

Declaration

I, David Ross, declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed:



SCHEDULE 1: ADDITIONAL CHARGES

Additional Reports: \$ 7.50

These are any copies of quarterly, taxation detail, and other reports that are sent to accountants and third parties. Please note this does not include reports sent to multiple owners of a portfolio who may live at different addresses.

Replacement Reports: \$ 7.50

It is your responsibility to keep all quarterly reports, taxation detail reports and correspondence sent. We will charge for replacing lost or damaged reports.

One-off Reports: \$12.50

These are mid-quarter reports sent when an update is requested by the client.

Withdrawal Fees: 0.25% on the amount withdrawn

This excludes regular automatic payments, portfolio closure and profit share portfolios. As most portfolios are structured for long term capital growth and do not service any withdrawals, these particular fees will not affect the majority of clients.

Please note that all fees will be automatically debited to the portfolio. No invoices will be issued.