

DISCLOSURE STATEMENT

This disclosure statement is prepared as at **11 July 2011**

Securities Markets Act 1988

Name of Investment Advisor: **Donald Grant Cowie**

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INTRODUCTION

The Securities Markets Act 1998 ("Act") requires disclosure of certain information by investment advisors and investment brokers. Savings & Investments Limited ("Savings & Investments") is an Issuer in terms of the Act and is not required to provide a disclosure statement. In the course of discussing certain investment products and securities issued by Savings & Investments may fall within the definition of "investment advisor" and/or "investment broker" as those terms are defined in the Act. The disclosure statement set out below is made pursuant to the Act.

1. EXPERIENCE

I have worked in the financial services industry for 25 years and have been an employee and consultant of Savings & Investments for 4 years.

Previously I worked for The National Bank of New Zealand for 22 years initially operating within the Banks Treasury. Thereafter providing corporate finance advisory services to the Banks clients. During the last five years held responsibility for the development of the Banks strategy

Savings & Investments Ltd has been operating since 2006. Savings & Investments Ltd provides a range of various investment products and securities for private investors, institutions, corporations and financial intermediaries.

2. MY QUALIFICATIONS

I hold the following qualifications which are relevant to the provision of investment advice:

- MBA from Otago University
- Bcom (Hons) from Otago University

I keep my qualifications up-to-date by ongoing job training, attending internal and external training seminars, attending daily research meetings and reviewing financial and investment related publications.

3. PROFESSIONAL BODIES

I am a member of the Institute of Directors.

4. PROFESSIONAL INDEMNITY INSURANCE

As a consultant, I do not have professional indemnity insurance in my own name; however I am covered by the professional indemnity insurance of Savings & Investments, which is in compliance with the Institute of Financial Advisers Code of Ethics. This insurance provides protection for clients for:

- any error or omission;
- defamation;
- employee dishonesty; and
- Includes full "prior acts" protection.

The underwriter for this policy is Lumley General Insurance.

As with all insurance, this cover has limitations and is subject to certain exclusions and terms and conditions.

5. DISPUTE RESOLUTION

If you have a complaint with the service you receive please contact me and I will make every effort to reach a satisfactory resolution with you as quickly as possible. Alternatively a dispute resolution process is available by contacting:

The Managing Director
Savings & Investments Limited
P.O. Box 71 019
Rosebank
Auckland 1348

6. DISCLOSURE OF CERTAIN CRIMINAL CONVICTIONS

I have not, within the last five years, been:

- convicted of an offence under the Securities Markets Act 1988; the Investment Advisers (Disclosure) Act 1996 or the Securities Act 1978, or for a crime involving dishonesty;
- a director or principal officer of a body corporate that has committed an offence against the Securities Markets Act 1988, the Investment Advisers (Disclosure Act) 1996 or the Securities Act 1978 or for a crime involving dishonesty;
- adjudicated bankrupt;
- prohibited by an Act or by a court from taking part in the management of a company or business;
- the subject of an adverse finding by a court in any proceeding taken against me in my professional capacity; or
- Expelled from, or prohibited from being a member of, a professional body.

7. FEES

I **do not** charge a fee for the advice I provide you.

I am employed by Savings & Investments on an annual contract and receive a salary as my remuneration for the duties I perform within this organisation. I do not receive any bonuses or commissions or other remuneration either directly or indirectly from Savings & Investments or any other company in the group or any company with which Savings & Investments does business.

Savings & Investments receives specific fees for the structuring of certain securities issued under prospectus and investment statements. These fees are outlined below and also outlined in the prospectus and/or investment statement for these relevant securities. A copy of these investment statements and/or prospectuses is available on

request and free of charge by calling our office on 0800 668 889 or visiting www.savingsandinvestments.co.nz.

Savings & Investments Limited				
	Distributor Fee – (Permal)	Management Fee	Performance Fee	Upfront Fee
Toru Units	0.75% p.a. paid quarterly	0.50 % p.a. paid monthly	Nil	1.30%
Kauri Currency Hedge Units		0.36% p.a. paid monthly up to 50m(minimum of \$8,000 per month) 0.25% p.a. over 50m		0.5%

8. OTHER INTERESTS AND RELATIONSHIPS

I also have relationships with:

- Savings & Investments Limited;
- S&I Financial Services Limited;
- Kauri Toru Trust
- Kauri Currency Hedge Unit Trust

The nature and extent of my relationship with each of these organisations is:

- Savings & Investments Limited – employee and shareholder.
- S&I Financial Services Ltd – 100% owned subsidiary of Savings & Investments Ltd.

My employer, Savings & Investments Limited, may from time-to-time place business with:

- S&I Financial Services Limited;
- Permal group of companies

Neither I nor an associate has any other financial or other relationship with any other person that would be reasonably likely to influence me in giving advice, except as described above.

9. AREAS OF ADVICE

Subject Areas:

I provide advice only in situations where I am selling products for my employer or associated relationships (outlined in clause 7 above). These products and their associated issuers are outlined as follows:

- Kauri Toru Units” issued under a registered prospectus and investment statement – Kauri Toru Unit Trust of which Savings & Investments Ltd is the manager.
- *Various Permal products available only to wholesale investors, institutions, corporations and non profit organisations. These products are not available to a member of the public.
- “Kauri Currency Hedge Units” issued under a prospectus and investment statement – Kauri Currency Hedge Unit Trust of which Savings & Investments is the Manager