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This brochure provides information about the qualifications and business practices of Diversified Investment Strategies LLC. If you have any questions about the contents of this brochure, please contact us at 615-767-3257 or [mikehughes@diversifiedinvestmentstrategies.net](mailto:mikehughes@diversifiedinvestmentstrategies.net) . The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Diversified Investment Strategies also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

"Registered", in the name Registered Investment Advisor, does not mean that you have any special training or skills.

Please do not approve until January of 2015.

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## **I Advisory Business**

Diversified Investment Strategies is an investment advisory firm created in July of 2014. The principal owner is William Michael Hughes.

It is our goal to provide clients with a roadmap to retirement as well as sustaining existing retirement. We will do that by diversifying asset classes such as stocks, bonds, mutual funds, and commodities in a way that provides for the type of return that best fits the clients risk profile whether it be in a Roth IRA, IRA, or other tax exempt vehicles.

We sit down with our clients and ascertain their specific situation and come up with a plan that meets their needs. The plan will then be carried out by investing in the decided upon asset classes which will be monitored and modified from time to time due to changes in the marketplace. If retired, then disbursements will be set up on a monthly, quarterly, or annual basis. The client has the right to impose restrictions on investing in certain securities or types of securities. As of November 07, 2014 Diversified Investment Strategies is managing \$ 315,000 in Non-Discretionary assets.

## **II. Fees and Compensation**

We at Diversified Investment Strategies are compensated on a fee based platform. Our charges are a percentage of total assets under management or (AUM). The difference in charges are as follows:

Client Assets Under Management	Fee
\$ 25,000 to \$ 100,000	% 1.5
\$ 100,001 to \$ 500,000	% 1.3
\$ 500,001 to \$ 1,000,000	% 1.0
\$ 1,000,001 and up	% .85

If an advisory contract account is under \$ 25,000 AUM then a mutually agreed upon annual upfront fee will be charged to the client. If the client decides to withdraw before the end of the year then the fee will be returned on a pro-rated basis. For example, if a fee of \$ 400 is charged and there are 3 months left out of 12 then \$ 100 will be refunded to the client.

These fees will be taken out over the course of the year on a quarterly basis. 25% of the fee per quarter.

Other fees that are charged have to do with transactions and Mutual fund fees. Transaction fees will be charged to the client to execute a trade. For example, if we sell 100 shares of a

stock and the Broker-Dealer charges \$ 20 to execute that transaction then this will be passed onto the client with no mark-up. The fee will be taken out of cash.

If a mutual fund charges a fee then that fee will be taken out of the assets a client has within that mutual fund.

### **III. Performance – Based Fees and Side-By Side Management**

Not applicable.

### **IV. Types of Clients**

Diversified Investment Strategies will have individuals as clients.

### **V. Methods of Analysis, Investment Strategies and Risk of Loss**

Diversified Investment Strategies uses different methods and investment strategies in order to maximize gains and mitigate losses.

We use a top down strategy by which we choose the sectors that will be most helped by Federal Government policy and/or demographic shifts. We drill down and study the companies in these sectors and invest not only in the market leaders today but also the ones that are producing good dividend growth. We will then allocate the percentage of capital decided upon within these sectors with no more than a 9% position in an individual company or mutual fund.

In order to protect clients from market fluctuations we will use dollar cost averaging over a period of weeks or months in order to complete the necessary position. When we feel like the product life cycle or industry life cycle is fully priced and mature then we will start dollar cost averaging out of certain stocks or sectors. Of course there could be news that changes things and speeds up the buying or selling.

We will discuss with the customer that there is always a chance they can lose money in the short and medium term but that our asset allocation model will be diversified to the point that will mitigate the loss as much as possible. The market goes up and down but over the long term it has historically gone up but there is no guarantee of that. Japan has proven that.

## **VI. Disciplinary Information**

There have been no instances where any misdemeanors or federal offenses have been acted out by Diversified Investment Strategies.

## **VII. Other Financial Industry Activities and Affiliations**

Not Applicable

## **VIII. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Do not have code of ethics adopted.

## **IX. Brokerage Practices**

Diversified Investment Strategies currently uses E-Trade as the broker-dealer to execute the transactions and be the holding company for client assets. Their charges for transactions are in line with industry standards and those charges come directly out of clients brokerage account. The transaction fees are not marked up by Diversified Investment Strategies

E-trade provides Diversified Investment Strategies with an electronic platform that can be used via stand-alone computer, laptop and smartphone. They provide access to the necessary securities, mutual funds, bonds, ETF's, and Commodity asset classes to perform my duty of diversifying their portfolio while at the same time mitigating the risk of loss as much as possible.

They also provide banking services which allows the client to access their funds whenever needed. They also handle automatic disbursements to their checking account from and IRA, Roth, or other account.

Aggregating, or trading the same stock for multiple accounts at the same time, is not being done at Diversified Investment Strategies.

## **X. Review of Accounts**

Diversified Investment Strategies conducts client reviews on a quarterly basis unless the client deems this too much. This review is done by William Michael Hughes. These reviews are done to update customers on where we are in their written investment plan and to discuss any changes that may be needed due to market conditions.

The reports will contain data such as beginning and ending balance of the account as well as Fees and disbursements taken out throughout the course of the quarter. If any changes are to be made then they will be documented in the plan and in the next quarterly report.

#### **XI. Client Referrals and Other Compensation**

Not Applicable

#### **XII. Custody**

E-Trade will have custody of the clients assets and they will receive monthly account statements from them. The clients will be reminded to review these statements carefully in order to check for accuracy.

#### **XIII. Investment Discretion**

All accounts are Non-Discretionary

#### **XIV. Voting Client Securities**

Not Applicable

The clients will receive proxies directly from the companies. Therefore I will have no authority to vote on these proxies. Clients will be welcome to contact me if they have questions on the proxies they receive.

#### **XV . Financial Information**

Not Applicable since there are no Discretionary Accounts.

## **XVI . Requirements for State-Registered Advisers**

William Michael Hughes – Owner and Principal Officer

- Graduated from Middle Tennessee State University with a BBA in 1992
- Own a credit card processing business. Have owned this for over 3 years and plan to sell it within the next 3 months.
- Worked at Morgan Stanley as an Investment Advisor from March of 2013 through the end of February 2014.