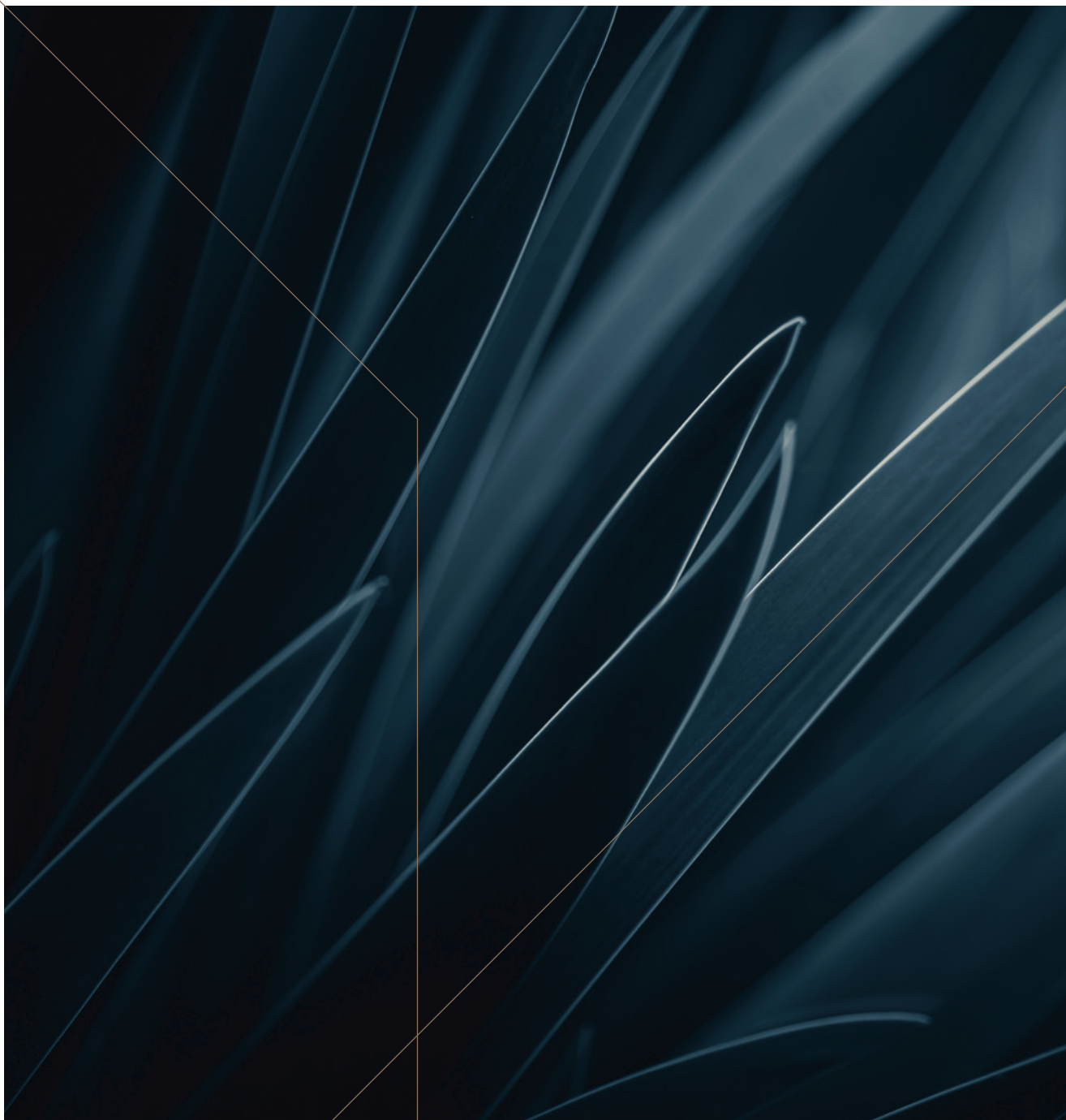


## Private Portfolio Management

Professional management of your investment portfolio within agreed parameters, supported by a comprehensive custodial service for your portfolio administration and reporting





Private Portfolio Management is a discretionary investment management service for those who want their investments managed for them day-to-day, but who also wish to determine the parameters of their investment portfolio.

The service enables your dedicated Forsyth Barr advisory team to work with you in determining your investment objectives and the parameters for establishing and managing your portfolio.





## Forsyth Barr today

For over 85 years New Zealanders have trusted Forsyth Barr for personalised investment advice and service.

Whether you are an experienced investor or just starting out, we can help you achieve the best mix of investments for today and the future.

We provide a full range of investment services to meet different needs at all stages of our clients' lives. Those services are backed up by one of New Zealand's most highly regarded research teams as well as established international affiliates.

To find out more about professional, personalised and confidential advice, please contact us on 0800 367 227, visit us at [forsythbarr.co.nz](http://forsythbarr.co.nz) or call into any one of our offices.

## Our commitments

Forsyth Barr's reputation is founded on integrity, the highest standards of service and research-driven investment advice.

### **Our commitments underpin all aspects of our business:**

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We put our clients' best interests first

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We provide reliable advice based on market-leading research and market insights

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We deliver service and performance that builds long-term, trusted relationships

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We provide a full range of investment services to meet the unique requirements and expectations of each client

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We are committed to the New Zealand marketplace

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We provide global research for New Zealand investors through partnerships with leading international institutions

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## Proud locals

Forsyth Barr has been a highly respected name in the New Zealand financial services industry for over 85 years. We are 100% New Zealand owned with offices throughout the country.

Forsyth Barr Limited is a licensed financial advice provider. We are a Foundation Firm and accredited Market Participant of NZX Limited (NZX), which means we are bound by the rules, regulations and high standards associated with the industry.

## How does the Private Portfolio Management service work?

As a Private Portfolio Management client, we invest your money on your behalf in financial products like shares and fixed interest securities.

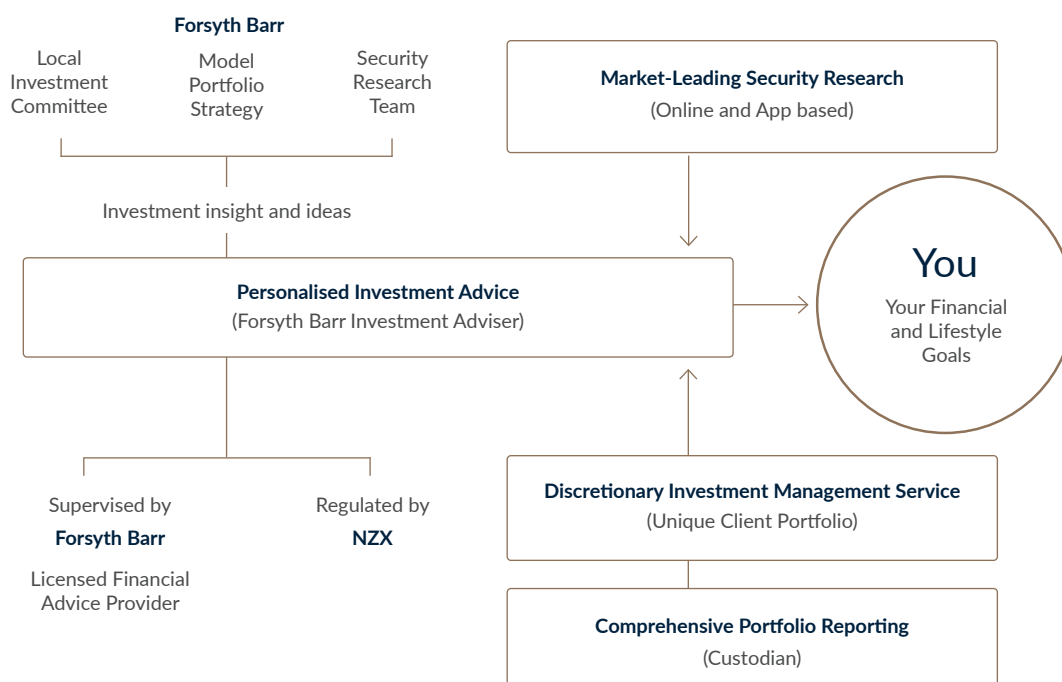
We provide this service through your Investment Advisers, who develop and implement the portfolio investment strategy and are responsible for the day-to-day management of your portfolio. Your Investment Advisers have been accredited by us to provide this service, and have access to Forsyth Barr and third party research, as well as the support of our internal processes and controls. We supervise your Investment Advisers' management of your portfolio and have overall responsibility for the Private Portfolio Management service.

Your Investment Advisers work for Forsyth Barr Limited. Forsyth Barr Limited is a Foundation Firm and accredited Market Participant of NZX Limited (NZX), and is bound by the rules, regulations and high standards associated with the industry. Private Portfolio Management is provided by Forsyth Barr Investment Management Limited, which is a licensed provider of discretionary investment management services (DIMS).

We charge a quarterly portfolio fee for this service and you generally hold the financial products through a custodian. The types of investments we can invest your money in, and the fees, are described in an Investment Authority which is the formal agreement establishing your portfolio with us.

More information about the Private Portfolio Management service is available in our Service Disclosure Statement, a copy of which can be obtained from your Investment Adviser or at [forsythbarr.co.nz](http://forsythbarr.co.nz).

### How we deliver to you











## Who uses Private Portfolio Management?

**The Private Portfolio Management service could suit you if you are:**

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Reviewing your investment options

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Approaching, or in retirement

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Selling a property, farm or business

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Receiving a sum of money that requires investment

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Lacking the time to adequately manage your investments

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Not wishing to be burdened by the paperwork associated with your investments

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Seeking a more professional approach for the management of your portfolio

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A Trustee with investment responsibilities

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### **A note for Trustees**

The Private Portfolio Management service can help you fulfil your obligations and responsibilities as a Trustee. We can assist you in clarifying your investment strategy, ensuring it is well documented, and then providing professional day-to-day management supported by a complete custodial service for your portfolio administration and reporting.

## Your portfolio

### **You determine the approach**

Together we develop an approach that suits your circumstances, which we document in your Investment Authority. All subsequent investments will reflect the agreed parameters of this document, but will be undertaken at our discretion.

### **Customised portfolio**

Your portfolio is individual to you. With a privately managed account you own a range of specifically selected investments.

### **Professional management**

Your Investment Advisers provide the day-to-day management of your portfolio within the parameters of the agreed Investment Authority, as well as Forsyth Barr's internal investment guidelines and policies.

### **Research driven**

Investment decisions are based on quality research from our highly regarded research team and network of international affiliates.

### **Administration taken care of**

Our comprehensive administration and safe custody service frees you from the paperwork and detail that are an inevitable part of sound investment management.

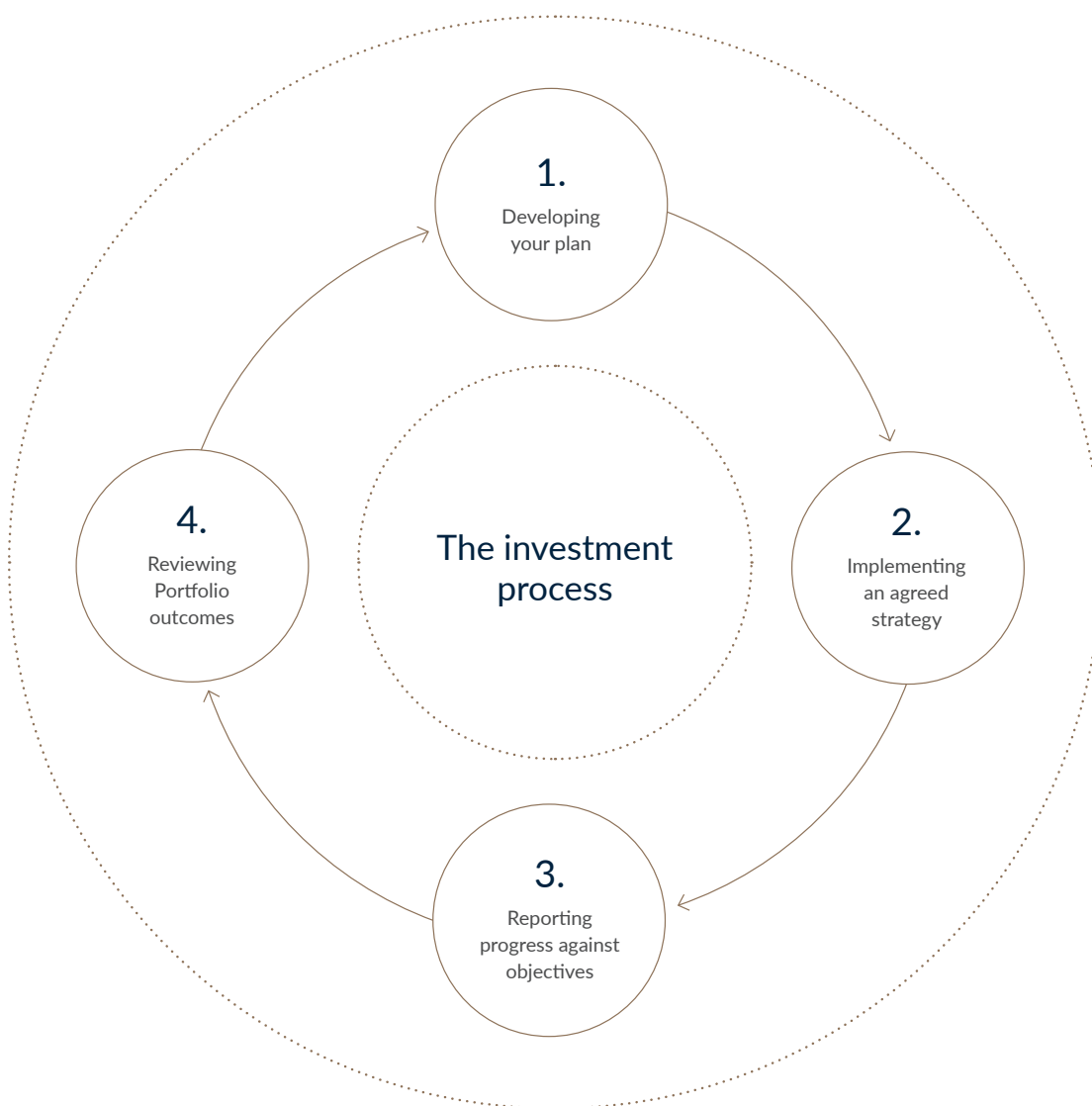
### **We report to you**

At the end of each quarter at a minimum, we provide you with a comprehensive set of reports regarding your portfolio, so you are fully informed at all times.

## Defining your objectives

Our investment process helps formulate your strategy and define your objectives.

Your Investment Advisers will guide you through our investment process to better understand your needs and requirements. Advisers are available at any point to refine and adjust your strategy.



## The investment process

We'll start by sitting down with you to learn about your investment requirements and to introduce you to our service. Investment requirements include your objectives, priorities and the level of risk you are comfortable with.

### 1. Developing your plan

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You can meet at any time with your Investment Advisers to discuss your investments

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### 2. Implementing an agreed strategy

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We will advise you on the best strategy to meet your investment objectives

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You will provide us with an Investment Authority to manage your portfolio on a discretionary basis

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We will regularly review your portfolio with you

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### 3. Reporting progress against objectives

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We will send you quarterly and annual reports

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Your Investment Advisers will be available to you at any time to discuss your portfolio

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### 4. Reviewing portfolio outcomes

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We will meet with you to ensure your investment objectives are being met

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## Determining your Portfolio Type

Your Private Portfolio Management service Portfolio Type will shape the overall asset allocation of your portfolio – that is, the proportion that is in growth assets such as shares as opposed to income assets like fixed interest securities.

Growth assets are typically expected to deliver higher returns over time, but are also riskier than income assets. Asset allocation is one of the main determinants of your portfolio's long-term performance and significantly influences the level of investment risk in your portfolio.

Here are the main choices of Portfolio Type available under the Private Portfolio Management service:

### Defensive

Your portfolio is mainly income assets such as fixed interest investments with a small component (if any) of growth assets like shares. The goal is to reduce volatility and minimise the risk of the portfolio losing its original dollar value over the minimum recommended investment period of 2-3 years. You accept that the real, inflation adjusted, value of your portfolio may be eroded by inflation over time.

*"As a defensive investor, I want peace of mind, knowing my Investment Advisers are focused on minimising risk to my capital. Of course I want to be updated regularly on my investments, but this portfolio allows me to go out and enjoy life without worrying too much about market ups and downs."*

### Conservative

Your portfolio is mainly income assets such as fixed interest investments, but also includes growth assets such as shares. The goal is reduce volatility while experiencing some capital growth. You accept that your portfolio may lose value at times, but wish to minimise the risk of it losing its original dollar value over the minimum recommended investment period of 3-4 years.

*"As a conservative investor, I want to know I can achieve my financial goals with my Investment Advisers carefully managing any investment risks. I enjoy knowing that my requirements for ongoing income and some degree of capital growth are being actively taken care of."*

## Balanced

Your portfolio is split more or less equally between growth assets like shares and income assets such as fixed interest investments. You aim to manage portfolio volatility while seeking both growth and income-related returns. You recognise that your portfolio may lose value over some periods, but seek to preserve its real, inflation adjusted value over the minimum recommended investment period of 5 years.

*"As a balanced investor, I don't want to be too risk-averse on the one hand or too aggressive on the other. I need a portfolio that is well spread and suited to varied market conditions, but also with a process in place to manage the market highs and lows."*

## Growth

Your portfolio is made up mainly of growth assets such as shares, with only a small component of income assets like fixed interest investments. You are comfortable with the high level of portfolio volatility associated with investment in growth markets. You accept that your investments may lose value for extended periods as you seek capital appreciation over the minimum recommended investment period of 7 years.

*"As a growth investor, I want to know my Investment Advisers are seeking investment opportunities and capitalising on them over the long-term. I enjoy monitoring the performance of my portfolio over time and thinking about the options that will open up to me in future years."*

## Growth-Plus

Your portfolio will comprise a very high proportion of growth assets such as shares and a small component of income assets, and is able to tolerate a very high level of portfolio volatility. You accept that a portfolio with a very high proportion of growth assets may lose significant value. Potentially, this may result in substantial loss of investment capital. The minimum recommended investment period is therefore greater than 7 years.

*"As a growth-plus investor, I want to pursue investment opportunities which give me the greatest potential for capital gain over the long-term and I'm not concerned if my initial capital loses value in the short-term. I understand that financial markets can experience periods of high volatility and I'm comfortable with this, should it occur."*

## Client Specified

You specify that we invest in one particular asset class: fixed interest, or property securities, or New Zealand only equities, or Australian only equities, or global equities (excluding New Zealand and Australia). In addition to the asset class specified, your portfolio may also hold cash to a maximum of 10% of the total market value of the portfolio. In selecting this Portfolio Type, you appreciate that investment risk may be higher and that adverse events in your selected asset class may have a material impact on the value of your portfolio.

*"As a client-specified investor, I want to complement my overall investment strategy with a specific focus on one investment sector. As I have other assets outside of this portfolio, I consider that this investment will help me to achieve my objectives by adding diversity to my total asset allocation."*

## Our reporting to you

At the end of each quarter, we will send you a comprehensive set of reports.

### These reports will detail:

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The current market value of your portfolio

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Your current asset allocation, including currency exposures

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Each individual investment in your portfolio, its cost price and current market value

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All purchases and sales transacted during the quarter

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All cash movements during the quarter, including interest and dividend income

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These reports may be accompanied by written commentary, from your Investment Advisers, allowing a quarterly assessment of your portfolio.

At the end of each financial year, you will receive a statement of income earned, tax paid and fees incurred. This provides you with the portfolio information you need to prepare your tax return.

Once annually, you will also receive an Annual Portfolio Report. This report provides portfolio performance information, a description of your investment strategy (including your investment objectives) and any material changes to these over the past year.

## Cash Management and investment income

Included within your Private Portfolio Management service account is a Forsyth Barr Cash Management facility.

This facility receives all interest and dividend income, sale proceeds or investment maturities, for distribution to you or for reinvestment.

### This is a comprehensive cash management service for you to:

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Deposit or withdraw money

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Receive a regular income or have interest and dividends paid to you

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Invest in other currencies

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Settle the purchase of new investments (including those which may not be part of your Private Portfolio Management service account)

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Funds in Forsyth Barr Cash Management are held by Forsyth Barr Cash Management Nominees Limited as bare trustee on your behalf, and are pooled with other funds held in the service and invested on call with a registered bank. We receive a management fee from Forsyth Barr Cash Management Nominees Limited for administering the Forsyth Barr Cash Management service. The terms of the Forsyth Barr Cash Management service are available at [forythbarr.co.nz/terms-and-conditions](https://forythbarr.co.nz/terms-and-conditions) or from your Investment Advisers.



## Portfolio fee

The portfolio fee covers the daily management of your portfolio and comprehensive administration, safe custody and reporting.

We will agree the fee with you at the outset and note that it may be tax-deductible in many cases (please ask your Tax Adviser for advice in this regard).

### Key features include:

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No establishment (account opening) fee

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We do not charge a fee for transferring investments into your portfolio

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The portfolio fee, paid quarterly, may be tax deductible

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Brokerage costs, at preferential rates, apply to transactions we undertake on your account

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## Administration and safe custody

The custodial service for your portfolio is provided by Forsyth Barr Custodians Limited.

Your investments are generally held through Forsyth Barr Custodians Limited on your behalf, and in some cases in your own name.

### What is a Custodian?

The purpose of a Custodian is to hold your investments on your behalf and to enable their administration. The Custodian (or a sub-custodian appointed by the Custodian) is the legal owner of the investments, but you continue to be the beneficial owner at all times.

### What protections are in place?

The Custodian is a separate legal entity from Forsyth Barr, its Board has a majority of independent directors, and its only activity is to hold investments on behalf of clients. We maintain a comprehensive control environment for our custodial services, which are subject to annual assurance reviews by a qualified auditor. You may request a copy of the most recent assurance report from your Investment Advisers.

A full description of our Custodial service, structure and control process is available on request, or can be found on our website at [forsythbarr.co.nz/custodial-overview](https://forsythbarr.co.nz/custodial-overview).

### Administration

The custodial service enables us to undertake certain administrative tasks.

#### These administrative tasks are as follows:

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Recording all your portfolio investments and changes to them

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Recording all movements in cash such as payments to you or withdrawals from your portfolio; investments we buy or sell; fixed interest maturities; and all income that your portfolio receives

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Processing corporate actions, including interest and dividend income and related withholding taxes and tax credit details

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Processing investment transactions

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Receiving and attending to investment mail and correspondence

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Quarterly and annual reporting

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## The next step

The Private Portfolio Management service enables you to establish your investment goals and parameters with your Investment Advisers and then authorise Forsyth Barr to do the rest. You can be confident that your investment portfolio is working effectively for you, now and in the future.

With all administration and reporting requirements managed for you, your time is freed up for you to enjoy.

Our goal is to make the whole process simple for you. We invite you to take the next step towards more successful investing.

Call us now to discuss Private Portfolio Management on 0800 367 227, visit [forsythbarr.co.nz](http://forsythbarr.co.nz) or call into any of our offices throughout New Zealand.



We pride ourselves on maintaining strong and trusted relationships with clients and on providing detailed information that is transparent and understandable. If there is anything about the Private Portfolio Management service that you do not understand, or if you have any queries, please get in touch.

Call us on 0800 367 227  
Visit us at [forsythbarr.co.nz](http://forsythbarr.co.nz)

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