

Private Portfolio Management



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



The Private Portfolio Management service is a discretionary investment management service intended for the investor who wants their investments managed on a day-to-day basis, but who still wishes to retain overall control over the parameters of their investment portfolio. Your financial circumstances allow you to take advantage of the privileges and opportunities available through a privately managed account that is exclusive to you.

Private Portfolio
Management service



Forsyth Barr today

New Zealanders have put their trust in Forsyth Barr for personalised investment advice and service for over 80 years.

Whether you are an experienced investor or just starting out, your Forsyth Barr Investment Adviser can help you to achieve the best mix of investments for your lifestyle today ... and tomorrow.

We are committed to providing a full range of investment services to meet the varied needs and expectations of clients through the different stages of their lives.

Providing quality research from our highly regarded research team and international affiliates is central to the provision of our advice.

We look forward to discussing how our investment services can work for you. Our Authorised Financial Advisers are available to give you professional, personalised and confidential investment advice.

To contact us, phone 0800 367 227, visit us at www.forsythbarr.co.nz or call into one of our offices.

Disclosure statements for Forsyth Barr Investment Advisers are available on request and free of charge.

Our values

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

Our values underpin all aspects of our business:

- We put our clients' best interests first
- We are committed to providing clients with informed advice based on research and market insights
- We are motivated to deliver service and performance to clients that builds long-term and trusted relationships
- We provide a full range of investment services to meet the unique requirements and expectations of clients
- We are committed to the New Zealand marketplace
- Through partnerships with leading international institutions we ensure we have global connections and research

Our credentials

With a history spanning over 80 years, Forsyth Barr is a highly respected name in the New Zealand financial services industry. We are proudly 100% New Zealand owned, with offices throughout the country.

The Private Portfolio Management service is provided by Forsyth Barr Investment Management Limited, which is part of the Forsyth Barr group of companies. Forsyth Barr Investment Management Limited is licensed by the Financial Markets Authority to provide discretionary investment management services.

What is the Private Portfolio Management service?

Under Private Portfolio Management, we invest your money on your behalf in financial products such as shares and fixed interest securities. We charge a quarterly portfolio fee for this service. You hold the financial products through a custodian. The types of investments that we can invest your money in, and the fees, are described in an Investment Proposal which we make available to you at the outset.

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

Your Investment Adviser works 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.

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 www.forsythbarr.co.nz/sds.

Who uses the Private Portfolio Management service?

Private Portfolio Management is a service where we provide the time, resources and experience necessary for professional management of your portfolio at a detailed level.

The investment decisions required and any further matters arising are attended to on a day-to-day basis by your Investment Adviser.

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

- Reviewing your existing investment options
- Approaching or in retirement
- Selling a property, farm or business
- Receiving a sum of money that requires investment
- Lacking the time necessary to adequately manage your investments
- Not wishing to be burdened by the paperwork associated with your investments
- Seeking a more professional approach to the management of your portfolio
- A Trustee with investment responsibilities

A note for Trustees

We determine with you, and document, your investment strategy. We provide a professional standard of day-to-day management supported by a complete administration and reporting service. Private Portfolio Management can assist you to fulfil the obligations and responsibilities you have as a Trustee.

Your portfolio

You determine the approach

We discuss your requirements and together we develop an approach that will suit your circumstances, which we document in your Investment Proposal. You can be assured that all subsequent investments will reflect the investment authority that you grant us.

Customised portfolio

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

Professional management

Your Investment Adviser provides the day-to-day management of your portfolio. This is undertaken within the parameters of the agreed investment authority as well as Forsyth Barr's internal investment guidelines and policies.

Research driven

Your Investment Adviser's 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 up from the paperwork and details that are a necessary part of sound investment management.

We report to you

At the end of each quarter, or as required, we provide you with a comprehensive set of reports regarding your portfolio, ensuring that you are fully informed at all times.

Determining your portfolio type

Your portfolio type is relevant to the overall asset allocation of your portfolio – that is, the proportion of your portfolio that is in “growth” assets such as shares as opposed to “income” assets such as fixed interest securities. Typically, “growth” assets are expected to have higher returns over time but are higher risk than “income” assets. As a result, asset allocation is one of the main determinants of the long-term performance of your portfolio and significantly influences the overall level of investment risk you are taking.

The main choices of Portfolio Type available under the Private Portfolio Management service are as follows:

Defensive investor

Your portfolio consists predominantly of “income” assets such as fixed interest investments with a small component (if any) of “growth” assets such as shares, intended to maintain a low overall level of volatility and to limit 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 a risk averse (defensive) portfolio may be eroded by inflation, over time.

“As a defensive investor, I want peace of mind in knowing that my Investment Adviser is focused on minimising any risk to my capital. Of course I want to be updated regularly on my investments, but this portfolio gives me the freedom to not have to worry and leaves me with time to go out and enjoy life.”

Conservative investor

Your portfolio consists predominantly of “income” assets such as fixed interest investments with a lesser proportion in “growth” assets such as shares, intended to maintain a low overall level of volatility while seeking to supplement portfolio returns with an element of capital growth. You accept that your portfolio may lose value at times, while wishing to limit 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 Adviser carefully managing any investment risks. I enjoy knowing that my requirements for ongoing income and some degree of capital growth are being actively managed.”

Balanced investor

Your portfolio consists of similar proportions of “growth” assets such as shares and “income” assets such as fixed interest investments, intended to moderate the overall level of portfolio volatility while seeking both growth and income related returns. You accept that your portfolio may lose value for variable periods of time, in the interest of seeking to preserve the ‘real’, inflation adjusted value of your portfolio over the minimum recommended investment period of 5 years.

“As a balanced investor, I don’t want to be too cautious on one hand or too aggressive on the other. I need a portfolio that is well spread and suited to varied market circumstances, but also with a process in place to manage the market highs and lows.”

Growth investor

Your portfolio consists predominantly of “growth” assets such as shares, with a lesser (or small) component of “income” assets such as fixed interest investments, and is able to tolerate the high level of portfolio volatility associated with investment in growth markets. You accept that your investments may lose value for extended periods in the course of seeking capital appreciation over the minimum recommended investment period of 7 years.

“As a growth investor, I want to know my Investment Adviser is seeking out investment opportunities and then capitalising on them over the long-term. I enjoy watching the performance of my portfolio over time and thinking about the options that will open up to me in future years.”

The investment process

1. Understanding your investment requirements

We begin by spending time with you to help us understand your investment requirements and to introduce you to our service offering. This enables us to record in your Investment Proposal your investment objectives, priorities and the level of investment risk you are comfortable with.

2. Professional management of your portfolio

Your Investment Adviser is regularly active in the markets, and will manage your portfolio within the investment authority agreed with you. This ensures we are able to respond as quickly as necessary in the complex and dynamic financial markets.

3. A comprehensive administration service

Our service provides you with safe custody of your investments. All the administration for your portfolio is attended to on your behalf. Cashflow management provides for regular drawings or one-off lump-sums as required.

4. Regular reporting and access to your Investment Adviser

With quarterly reporting you will be well informed about all aspects of your investments and their performance. You are able to meet your Investment Adviser at any time to discuss any details in relation to the management of your investment portfolio.

Our reporting to you

At the end of each quarter, you will receive a comprehensive set of reports that detail:

- The current market value of your portfolio
- Your current asset allocation, including currency exposures
- Each individual investment in your portfolio, its cost price and current market value
- All purchases and sales transacted during the quarter
- All cash movements during the quarter, including interest and dividend income

Your reports will be accompanied by market performance details and commentary so you can assess the progress of your portfolio on a regular basis.

You will also receive an annual report on your portfolio's returns, and any material changes to the investment strategy for your portfolio over the year.

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

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 yourself or reinvestment.

This provides you with a complete cash management service for you to:

- Deposit or withdraw sums
- Receive a regular income or have interest and dividends paid to you
- Invest in other currencies
- Settle the purchase of new investments

You can elect at any time to receive a regular income from your portfolio or to have a one-off payment made to you.

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 www.forsythbarr.co.nz/terms-and-conditions or from your Investment Adviser.

In addition to our at call facilities, we offer, through Westpac New Zealand Limited, term deposit facilities for terms of up to 2 years. Westpac's disclosure statement and a copy of the term sheet for Westpac term deposits are available at www.westpac.co.nz.

Portfolio fee

The portfolio fee provides for the daily management of your portfolio and the comprehensive administration, safe custody and reporting provided by this service.

The portfolio fee is discussed and agreed with you at the outset. In many situations this fee will be tax deductible.

- No establishment (account opening) fee
- We do not charge a fee for transferring investments into your portfolio
- The portfolio fee, paid quarterly, may be tax deductible
- Brokerage costs, at preferential rates, apply to transactions we undertake on your account

Administration and safe custody

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

What is a Custodian?

The purpose of a Custodian is to hold your investments on your behalf and to enable the administration of those investments. 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 Adviser.

Administration

The custodial service enables us to undertake the following administrative tasks:

- Recording all your portfolio investments, and changes to these
- Recording all movements in cash such as: payments to you or withdrawals from your portfolio; investments you buy or sell; fixed interest maturities and all portfolio income that you receive
- Processing corporate actions, including interest and dividend income and related withholding taxes and tax credit details
- Processing investment transactions
- Receiving and attending to investment mail and correspondence
- Quarterly and annual reporting

Taking the next step

You deserve to have your investments managed to your best advantage. You should be confident that your investment portfolio is working effectively for you both now and in the future. This will free up your time to do the things you most want to do.

We aim to make this whole process simple for you. We invite you to take the next step towards more successful investing – call us now to discuss the Private Portfolio Management service on 0800 367 227, visit us at www.forsythbarr.co.nz or call into any of our offices located 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 your investment that you do not understand, or if you have any queries, you are most welcome to contact us.

Contact us

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