

Scope of Service



Private Portfolio Management

Effective 1 January 2018

Welcome to Forsyth Barr

This document describes our **Private Portfolio Management** service. The description is general in nature and is provided to help guide you towards the type of service that best suits your requirements. For a comparison of our range of private client services, see our **Comparison of Investment Services** document.

This service is provided by Forsyth Barr Investment Management Limited. Investment advice and portfolio management under the service is provided by your Forsyth Barr Investment Adviser, who will be an Authorised Financial Adviser (AFA). You can also discuss this document with your Investment Adviser. Your Investment Adviser's disclosure statement is available free on request.

What is Private Portfolio Management?

Private Portfolio Management allows you to determine your investment parameters without being involved in the day-to-day management of your investments.

Under this service, your investment portfolio is held in our custodial service and managed by your Investment Adviser based on agreed investment objectives. You have access to Forsyth Barr and third party research on selected investments, and receive quarterly portfolio reporting and year-end tax reporting on your portfolio. Any cash in your portfolio is held in the Forsyth Barr Cash Management service – please see our separate flyer. For more information about Private Portfolio Management, please see our Service Disclosure Statement at www.forsythbarr.co.nz/sds.

What kind of investment advice can I get?

Private Portfolio Management is principally an investment management service. However, there is also an advice element to the service: we can offer you advice on the investment objectives for your portfolio and whether Private Portfolio Management is suitable for you. We provide this advice based on your overall financial situation and goals. The investment objectives cover things like the overall level of risk you want for your portfolio, your investment timeframe, any anticipated needs for income from (or access to capital in) your portfolio, and any areas of investment you want to avoid.

The Forsyth Barr and third party research available to you under this service is also a form of advice. However, it is general in nature and does not take account of your specific circumstances in any way.

Limitations on our advice

Under this service, we don't make recommendations for transactions in specific investments. Instead, we manage your investment portfolio for you.

We also don't advise on tax or estate planning, budgeting or other financial planning, or insurance or legal issues.

Who makes the investment decisions?

Once you've made the decision to open a Private Portfolio Management account, we make all of the investment decisions for your investment portfolio.

Principal benefits and risks of advice

Our advice under this service helps you decide if Private Portfolio Management is suitable for you, and (if so) the investment objectives for your portfolio. We take care to ensure the suitability of the advice we provide, in light of the nature and scope of this service, when required by the Code of Professional Conduct for Authorised Financial Advisers.

If you do not give us full information about your overall financial situation and goals, there is a risk that our advice would have been different if we had had the full information.

There is also a risk that your investment needs and preferences will change over time, and that the investment objectives on which your portfolio is based have become out-of-date. Each year we will contact you to for an annual review to re-confirm your investment objectives and our other arrangements with you. However, if your circumstances change it is your responsibility to contact your Investment Adviser so that your investment objectives and other arrangements can be reviewed and updated as soon as possible.

One of the benefits of Private Portfolio Management is that you do not need to be involved in the day-to-day management of your investment portfolio – we take care of that for you, ensuring investment decisions made are consistent with the agreed investment objectives for your portfolio. However, if you like to be involved in day-to-day investment decision-making, this service may not be suitable for you.

Please see our **Service Disclosure Statement** for more information about the risks of using this service.

For more information about the basis on which we provide advice and the principal benefits and risks of investing, see our terms and conditions at www.forsythbarr.co.nz/terms-and-conditions.

What fees do I pay?

You pay a regular portfolio fee, based on the value of your portfolio. Brokerage and other fees apply to any transactions you enter into. For the Forsyth Barr Cash Management service, we also receive a management fee from the custodian for administering the service. Where you invest in a Forsyth Barr managed fund, we will receive a management fee as the manager of that fund. Your Investment Adviser will receive remuneration from Forsyth Barr based on these fees. For more information about fees, see our **Service Disclosure Statement** and your **Investment Proposal** or your Investment Adviser's disclosure statement.

How do I open an account?

You can apply to open an account by signing and returning the **Investment Proposal** that your Investment Adviser prepares for you. See our **Service Disclosure Statement** for more information about how to apply. Your Investment Adviser can provide you with more information about how to apply.