

- **Managed Portfolio Service**

Our premiere portfolio management service that offers a highly personalised approach to growing and sustaining your wealth through an ongoing partnership with your Investment Adviser.





## Who are we?

Craigs Investment Partners Limited is one of New Zealand's largest investment advisory and management firms, offering personalised investment solutions to private, corporate and institutional clients.

We have 17 branches throughout New Zealand, approximately 110 Investment Advisers and over \$5.5 billion in funds under management and administration. We are an accredited NZX Participant and NZX Trading and Advising Firm and therefore our business and advisers operate under the rules of the NZX.

### What do we do?

Our core business and expertise centres on investments. We are focused on helping clients meet their investment goals. Therefore we dedicate resource to market research, and have experienced and knowledgeable individuals who partner with clients in order to develop tailored investment solutions.

### Why do we do this?

We know that in today's crowded financial world it can be very difficult and time consuming for investors to make sound investment decisions.

That is why Craigs Investment Partners was founded – to provide a specialist investment advisory service designed to make it easier for our private investor clients to create and maintain their wealth.

### How we do this?

**Our commitment to sound and effective advice is based on two core beliefs:**

- **A clear investment philosophy**  
Our advice to clients is guided by our investment philosophy, which combines the best elements of investment theory with the real-life needs and goals of our clients.
- **Advice supported by fact-based research**  
Craigs Investment Partners research team is one of the largest in New Zealand providing extensive coverage on Australasian stocks. Complementing this we have access to global research and have extensive knowledge of the local and overseas markets. We take a disciplined, rigorous approach to research to help you build your investment strategy.

### Who are our clients?

We offer a comprehensive personalised investment advisory service to a wide range of private investor clients, trusts and businesses.

We provide guidance and advice for our clients whether they are already financially successful, well on the way to achieving financial independence or just starting out.

We also provide institutional research and investment banking services to wholesale corporate clients.

### What makes us different?

As a company, we are different in two key areas.

#### Valued partnerships

As expressed in our company name, we partner with clients. We are focused on building personal relationships, not on selling products. Teamwork and 'advised investing' are central to our service philosophy. Our advisers can work with you in a partnership to plan your financial future the way you want it, providing the right level of tailored advice, research and investment solutions to fit your financial and lifestyle goals. Our track record has been proven through the success of our clients.

#### Global-Local service

Our ownership structure and strategic alliance with the Deutsche Bank Group, means we offer our clients both international expertise combined with local market knowledge. You benefit from our investment approach, and the resources and strength of our alliance.

We are 17 branches strong, each branch with an advisory team that live and work in their local community. Your success is our success, so we take the performance of your investments personally.

**Above all, Craigs Investment Partners is about helping you to plan your financial future the way you want it to be.**

### at a glance

#### Craigs Investment Partners

A Full Service Investment Advisory and Investment Management Firm

Global Research, Local Market Knowledge

Share-broking and Custodial services

Strength by Ownership

Research-based Investment and Risk Management Strategies

Accredited NZX Participant and NZX Trading and Advising Firm

National Branch Network

# Our Premiere Managed Portfolio Service

The Managed Portfolio Service is our premiere service ideal for investors who value having more time, as well as superior investment advice. It offers a highly personalised approach to growing and sustaining your wealth through an ongoing partnership with your Investment Adviser.

Your Investment Adviser works with you to develop an investment strategy to meet your needs and, backed by extensive research and following our disciplined investment advisory process, will recommend the appropriate investments to help you achieve your financial goals.

**The Managed Portfolio Service is based on four principles:**

- A long-term relationship based on trust and confidentiality.
- Investment advice of the highest quality.
- Proactive management of your investments.
- You remain in control of any investment decisions affecting your portfolio.

You also benefit from a range of investment opportunities and research only available to our Managed Portfolio Service clients, our most comprehensive performance reporting service and freedom from the day-to-day monitoring and management of your investments.

As this is a non-discretionary service, we do not “take control” of your investments, and we only execute recommended transactions on your consent.

Your entire portfolio will be administered by a custodian (Custodial Services Limited), in order to ensure your assets are protected. This means that all paperwork for your portfolio, including corporate actions and tax reporting, is managed by the custodian to save you time and hassle.

## at a glance

### Managed Portfolio Service

Personalised Investment Strategy

Proactive service from a dedicated Investment Adviser

Disciplined Investment Advisory Process

Regular portfolio performance monitoring

Comprehensive portfolio administration

Detailed portfolio reporting

Priority access to new issues

Premium access to Craigs Investment Partners research and website material

# Key benefits of the Managed Portfolio Service

Service Feature	Benefit to you
Personalised Investment Strategy	<p><b>The Managed Portfolio Service offers an elite level of personalised service.</b> Your Investment Adviser will work closely with you to understand your financial situation, financial needs and goals, and tolerance for risk. This one-on-one discovery exercise is used to create your investment strategy. This is formalised in an Investment Policy Statement (IPS) or Statement of Investment Policies and Objectives (SIPO).</p>
Robust Advice	<p><b>Our advice is underpinned by fact-based research and a proven investment philosophy.</b> Craigs Investment Partners team of Research Analysts undertake research on an extensive range of domestic companies. Our strategic alliance with Deutsche Bank Group provides us with access to global research to support our clients' international investing activity. It all adds up to an extensive knowledge of both the local and global markets.</p>
Pro-active Portfolio Monitoring	<p><b>Your Adviser will monitor your portfolio and recommend adjustments according to market conditions and investment opportunities.</b> This is a highly pro-active service that is designed to deliver a superior investment performance, through the ongoing monitoring of your portfolio.</p>
Access to Research Reports and Resources	<p><b>Managed Portfolio Service clients will benefit from the market intelligence contained in our extensive range of research publications, including:</b></p> <ul style="list-style-type: none"><li>• Portfolio strategy reports (exclusive access)</li><li>• Daily and weekly market commentaries</li><li>• Research reports on New Zealand and Australian Companies, international Investment Trusts and a range of global securities.</li></ul> <p>You also have premium access to research on our website.</p>
Complete Administration	<p><b>Taking care of investment related administration can be time-consuming and complex. Remove the paperwork and have more time.</b> This service provides freedom from the day-to-day administration of your investments, with your portfolio being administered by a custodian (Custodial Services Limited). This means that all paperwork for your portfolio, including corporate actions and tax reporting, is managed by the custodian to save you time and hassle.</p>
Personalised Performance Tracking	<p><b>Formal quarterly reviews provide commentary and tracking of your portfolio performance and specific recommendations for appropriate changes.</b> This means you are regularly kept up-to-date with the performance of your investments and advised on recommended changes.</p>
Tax Reporting	<p><b>At the end of your nominated tax year, we will provide you with a consolidated tax statement to help you manage your tax obligations.</b> This will include details of any income you have received (in all currencies); imputation credits, resident withholding tax and other relevant information as required by your tax adviser for Inland Revenue Department returns.</p>
Seamless Transactions	<p><b>Settle transactions efficiently with Craigs Investment Partners Cash Management Accounts, included with your Managed Portfolio Service.</b> Craigs Investment Partners Cash Management Accounts facilitate smooth settlement of multi-currency transactions, while delivering competitive returns and flexible investing for your cash funds held in New Zealand dollars and major foreign currencies. Your Cash Management Account is a key component of your investment portfolio.</p>
Preferential Access	<p><b>Where appropriate for your portfolio, Managed Portfolio Service clients benefit from priority access to new issues that come to market.</b> In many cases this gives you an opportunity to purchase investments not generally available to the public.</p>

# Our Discover and Deliver approach to investing

## You and your Craigs Investment Partners Adviser.

At the heart of our Managed Portfolio Service is the relationship between you and your Craigs Investment Partners Adviser. Our Investment Advisers understand that the best investment recommendations are the ones that are appropriate for you. They also understand that earning your trust takes time.

From decades of experience we have developed our own client relationship process called 'Discover and Deliver.' This is a highly consultative approach which enables our Investment Advisers to discover your needs and goals and then deliver appropriate investment solutions for both now and the future. It is an ongoing process designed to take into account your needs as they change over time.



**DISCOVER**

Establish your goals and identify your financial needs.



**CREATE**

Develop your personal investment strategy.

### Step one: Discover

#### Establishing your goals and identifying your financial needs

We believe in getting the basics right, so we start by understanding you and your investment needs. Often overlooked, this is the most important step in the entire investment process. This analysis of your needs, your appetite for risk and your short and long-term objectives, is the basis for our advisory service.

The better your Investment Adviser knows you and what you want to achieve, the better he or she will be able to deliver the most suitable investment solutions.

### Step two: Create

#### Developing your personal strategy for investing

At this stage we help you structure a portfolio of investments to meet your specific objectives.

**In most cases a portfolio would be spread across a selection of investments in the following asset classes:**

- Direct shares or listed investment trusts.
- Fixed interest securities.
- Property through listed property trusts.
- Cash held on-call.

The way your assets are split between these four main asset classes will largely determine the risk and return profile of your portfolio. This is known as the asset allocation. The natural requirement to maximise returns needs to be balanced with your tolerance for risk and volatility in the value of your portfolio.



**DELIVER**

Implement and maintain your strategy.

Step three: **Deliver**

### Implementing and maintaining your strategy for investing

Only after formulating the most appropriate asset allocation for you will your Investment Adviser consider the specific investments to be included in your portfolio. Like asset allocation, the structure of your portfolio is customised to suit your requirements. Your Investment Adviser will regularly review your investments to ensure that they are in line with your overall strategy and personal objectives.

**An investment review would usually cover:**

- Understanding any changes in your personal circumstances, which may affect your investment needs and goals.
- Confirming your risk profile.
- Reviewing your asset allocation and rebalancing your portfolio if it has moved away from the desired allocation.
- An assessment of the performance of your portfolio against benchmarks.
- Making recommendations for change if necessary, and implementing your decisions.



**REVIEW**

Continue the commitment to reaching your goals.

Step four: **Review**

### Continuing the commitment to reaching your goals

Your Investment Adviser will be in regular contact with you, providing you with timely information and information advice as well as promptly resolving any questions you may have. At all times, you will be dealing with a trained professional who is committed to providing ongoing expertise and meeting your investment requirements.

Your Investment Adviser will also review your personal financial circumstances together with you and consider any implications this may have on your portfolio.

# Portfolio reporting

## Keeping your investments on track

In addition to the ongoing monitoring of your investments by your Investment Adviser, each quarter, or as agreed with you, you will receive a formal review of your portfolio. This review will provide you with a commentary on the performance of your portfolio and specific recommendations for changes, if any.

**The Portfolio Summary Report, which you will receive as part of this review shows:**

- A summary of contributions and withdrawals to/from your portfolio.
- Your current asset allocation.
- An estimate of the gross annual income.
- The internal rate of return of the portfolio.
- A detailed report of all the assets in your portfolio at quarter-end.

A 'Statement of Holdings' is included as part of your review, and is also available for you via our website, [www.craigsip.com](http://www.craigsip.com), updated daily.

There is a range of additional reports available which you may elect to receive in addition to your Portfolio Summary Report. Your Craigs Investment Partners Adviser can provide you with sample reports to help you decide which ones would be most useful.

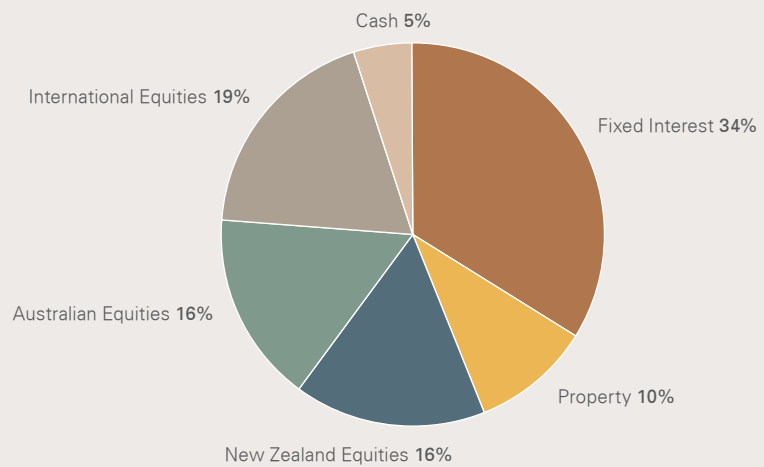
### **Tax Reporting**

At the end of your nominated tax year, we will also provide you with a consolidated tax statement to help you manage your tax obligations.

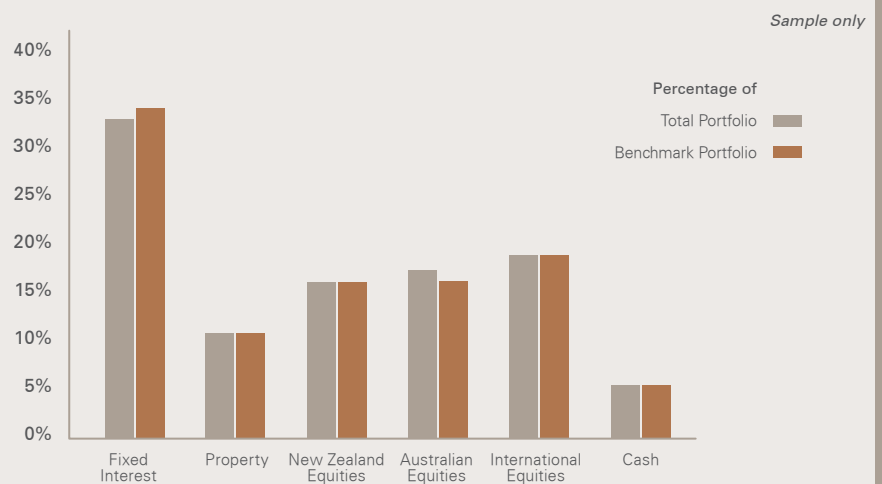
This will include details of any income you have received (in all currencies); imputation credits, resident withholding tax and other relevant information as required by your tax adviser for Inland Revenue Department returns – details which otherwise would have to be laboriously tracked down.

# Example

## Asset Allocation Summary



## Asset Allocation Benchmark Comparison



## Income Estimate (Gross)

*Sample only*

Based on holdings at 30 June

Asset Class	% Assets	Estimated Annual Income (NZ Dollars)
<b>Supervised Assets</b>		
Fixed Interest	27.5	\$ 11,212
Property	17.2	\$ 5,943
Equities	53.4	\$ 8,687
Cash	1.9	\$ 433
<b>TOTAL: Supervised Assets</b>	<b>100.0</b>	<b>\$ 26,275</b>
<b>TOTAL PORTFOLIO</b>	<b>100.0%</b>	<b>\$ 26,275</b>

The charts and tables shown here are illustrative only. Craigs Investment Partners does not recommend the above Asset Allocations or income estimates.

## Custodial Services

Along with the personalised advice you receive from your Craigs Investment Partners Adviser, the Managed Portfolio Service includes a comprehensive administration service provided by a custodian – Custodial Services Limited (Custodial Services).

### Custodial Services Limited

Acts as a bare trustee and holds your investments in trust for you

You retain beneficial ownership of your investments at all times

Custodial Services collects and maintains your investments and ensures appropriate action is taken for corporate actions

Full administration service

### ● Custodial Services Limited

Custodial Services Limited (CSL) is a wholly owned subsidiary of Craigs Investment Partners Limited. Acting as a bare trustee, the company holds your investments in trust for you.

Although Custodial Services takes over the title of your assets for you, you retain beneficial ownership of your investments at all times. Custodial Services becomes responsible for collecting all income and entitlements resulting from your investments and ensures that appropriate action is taken when a corporate action affects your portfolio.

Custodial Services will receive all correspondence relating to your investments and process the associated paperwork on your behalf.

As this is a non-discretionary service, we do not “take control” of your investments, and we only execute recommended transactions on your consent.



## Managing your cash investments and administration

### Cash Management Accounts

Competitive returns

Tiered interest rates

Monthly compounding interest for on-call deposits

On-call account in NZD and a range of foreign currencies

Electronic settlement of your share and fixed interest transactions

Direct crediting of dividends and interest coupons

No entry, exit or transaction fees\*\*

### ● Cash Management Accounts

Craigs Investment Partners Cash Management Account should be a key component of your investment portfolio.

You can settle any purchase or sale of shares and bonds that you make or receive investment income into multiple currencies through Craigs Investment Partners. This eliminates the hassle of sending cheques, setting up direct debits or converting investment income back into New Zealand dollars.

It is an ideal alternative to your bank savings accounts, as you can deposit cash in competitive and convenient on-call Pooled Cash Management Accounts, both in New Zealand dollars and a range of major foreign currencies.\*

\*CIP Cash Management Nominees Limited will hold funds as bare trustee on your behalf in Pooled Cash Management Accounts with a registered bank. The amounts held on your behalf will be recorded by us in an account in your name.

\*\*Certain third party fees may be passed on at cost - including fees of the registered bank where the Pooled Cash Management Accounts are held.

## Who uses the Managed Portfolio Service?

The Managed Portfolio Service is likely to be right for you if:

- You are seeking advice from someone with expertise in the financial markets, who will understand your investment needs and goals and actively monitor your investments, offering you sound, highly-personalised investment advice.
- You are too busy to attend to the administration associated with your investments, or you would simply prefer it be taken care of by professionals.
- The responsibility of record-keeping and decision-making associated with the investment paperwork has become a burden for you.
- You wish to simplify your affairs for estate-planning purposes. This service is a simple way for you to prepare for the future.
- You are a trustee and need the comfort of regular reviews and oversight to meet your legal responsibilities under the Trustee Act (1956).
- You are a trustee and want to simplify the operation of your investment portfolio so that you no longer need to get all of the Trustees' signatures for the endless stream of investment documentation.
- You travel frequently or live overseas and want to know that your investments are taken care of while you are away.

## What are the costs?

There is no establishment fee for the Managed Portfolio Service and no charges for transferring existing investments to Custodial Services.

### **Brokerage**

Brokerage charges will apply for any new investments added to your portfolio or investments sold.

### **Management Fee**

A quarterly management fee is calculated on the value of the portfolio at the end of each quarter. This fee recognises the value of the proactive monitoring of your portfolio and the ongoing advice provided by your Investment Adviser – as well as the administration of your portfolio.

Quarterly fees are generally fully tax-deductible for most clients, making the Managed Portfolio Service very cost effective. We advise you to check with your accountant to confirm your particular situation.

The fees currently applicable to this service are available from your Craigs Investment Partners Adviser. Any charges are automatically deducted from available funds in your Craigs Investment Partners Cash Management Account.

The benefits of Managed Portfolio Service are that it is a personalised service tailored to meet your financial goals having regard to your financial position. If your Investment Adviser does not have all relevant information concerning your financial situation, needs and goals as well as your tolerance for risk then the advice that your Investment Adviser provides may not be suitable to you. The Investment Adviser's analysis of your circumstances is based on the information you provide and any changes to your circumstances may impact on the suitability of that advice.

The fees associated with this service reflect the ongoing nature of the portfolio monitoring, administration and premium service levels. These fees are deducted from the value of your portfolio and should be taken into consideration when determining which service level is appropriate to you.

## BRANCH DIRECTORY

### HEAD OFFICE

#### TAURANGA

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A Disclosure Statement is freely available on request visit [www.craigsip.com](http://www.craigsip.com)