

Perpetual Guardian Newsletter Summer 2015



Issue 3, Summer 2015

Welcome to Summer



Grant Kemble (left) and John McFetridge (right)

Kia ora koutou katoa,

These last few months have seen some positive changes for us as a business. In September, Grant Kemble was appointed to the new role of Chief Executive Officer, assuming responsibility for day-to-day management from Andrew Barnes. Andrew Barnes remains Managing Director, focussing on large-scale business innovation.

Grant brings with him extensive commercial and legal acumen, having previously worked for

Russell McVeagh, which he joined in 1992, and he is regarded as one of the premier corporate lawyers in Australasia. He is also a non-executive director of Airways New Zealand.

On stepping into the role, Grant says, "Andrew is an innovator and entrepreneur who has a clear and progressive vision for the fiduciary sector in New Zealand. The opportunity to contribute to the realisation of his vision for service was too good to pass up".

While Grant brings additional commercial and governance strength to the business, importantly he also brings a genuine interest and focus on enhancing the customer experience through the delivery of modern day service solutions that are accessible and affordable to the broader market.

We will be looking to share more about Grant's experiences and vision for the business in future editions of this newsletter.

Meanwhile, we are continuing to build upon our philosophy of giving back to the community and encouraging others to do the same. We have been expanding our philanthropic services through the Perpetual Guardian Foundation, as well as launching a new payroll giving scheme – which you can read more about in this issue.

We wish you and your loved ones a safe holiday season and a prosperous New Year,

What's been happening?

Birthday celebrations in Christchurch

On June 24, we hosted a morning tea in Christchurch to celebrate the opening of our brand new office. We are now at 329 Durham Street North, opposite the law courts, in a building developed by architect, Richard Peebles.

Many long-term clients of our company came along and we had one very special guest in attendance – June McMillan is a client of our agency service and it was her 102nd birthday on our opening day in April.

June led an independent life up until very recently, when she moved into a care home. We manage her finances, pay her bills, visit her often and generally keep an eye on her wellbeing.



June McMillan, a long-standing client, celebrated her 102nd birthday in April.

What makes our relationship with June even more special is the life-long association she has had with Perpetual Guardian. Her late husband, Hugh Stuart McMillan was the Christchurch Manager with our company when it was known as The Perpetual Trustees Estate and Agency Company of New Zealand in the sixties and seventies. Her brother, Frank, was the General Manager at the same time.

Client Manager, Kate Palmer (pictured above) has been looking after June's affairs since 2012 and says, "She's an absolutely delightful lady, always smiling".

June attributes her longevity to enjoying a glass of wine each night and not exercising. We hope you had a happy birthday June and here's to many more.



Markets update

**Tim Chesterfield,
Chief Investment Officer**

The other week, I received a phone call from a good friend. I always enjoy hearing from him, and after exchanging pleasantries, some light banter and all the important sporting statistics, we settled down to discuss the reason for his call – the current investment climate.

Events over the last few weeks have certainly been interesting and they remind us that investing is not risk-free – but are investors jumping at shadows? There is no straightforward answer and I will not try to answer it here, choosing instead to touch on a couple of the big-picture issues.

The Chinese stock market crash, the trials of Greece, intensifying civil war in Ukraine and Puerto Rico effectively being bankrupt (although not yet declared to be) are all issues weighing on sentiment and valuations.

So, what's behind the fall in Chinese equities? While the slowing of the Chinese economy has been touted as the reason, it seems to me that an economic hard-landing is unlikely. If so, it might be better to look at other forces at work. Since the end of 2014, brokerage accounts in China

have risen from around 3 million to more than 8 million, and many of these use margin lending to make ever-larger investments. I recently saw an interview with an investor who said they no longer worried about fundamentals but instead invested in companies which are popular and “going up”. While this strategy can work in rising markets, it can be catastrophic when prices begin to decline and is reminiscent of the dot-com bubble.

Elsewhere, the U.S. Federal Reserve is widely expected to raise interest rates – however the likelihood of this happening in September seems slim, and I am unconvinced given the U.S. economy shows signs of slowing down. The situation is similar in Europe, where there are murmurings of a deflationary threat that may see the European Central Bank step up its own easing initiatives.

Whilst this volatility is real and emotionally-draining, a paper loss

only becomes real when one is forced to sell. The recent turmoil in China and other global markets will not be the last, but overly focusing on the short-term may distract us from the bigger picture. On March 9, 2009, investor pessimism in the U.S. reached over 70%. The world's financial markets were on their knees and there seemed to be no end in sight to the turmoil – until 24 hours later when things changed. On March 10, Citigroup announced the bank was having its best quarter since 2007 and in response the US stock market soared over 6%, and by March 13 had risen almost 12%.

If the economic slowdown proves to be modest then it is possible that the worst of the declines are behind us – but, as always, we must remain vigilant.

Are investors jumping at shadows? Perhaps.

Tim Chesterfield has more than 20 years of experience in global financial markets, including 18 years as a Senior Global Equity Investment Manager.

Tim has been responsible for asset allocation and sector strategies to maximise client outcomes.

He has strong commercial and strategic acumen, with a focus on investment products and the delivery of scalable investment solutions.



Payroll Giving

Payroll giving was introduced in New Zealand in 2010 to make charitable giving more simple and attractive to a wider range of potential donors. The introduction of payroll giving to Perpetual Guardian was a natural fit given our company's commitment to new and innovative ways of encouraging giving. Managing Director, Andrew Barnes is committed to making regular charitable giving a social norm.

At Perpetual Guardian, Andrew Barnes has decided to match each employee's donation to the Perpetual Guardian Foundation

dollar for dollar. This scheme not only provides staff with a quick and tax-effective means of donating to charity, it also provides them with an opportunity to engage with their community and make a positive difference by uniting their donations in a staff-governed Fund under the umbrella of the Perpetual Guardian Foundation. Staff will be actively involved in donating and granting to causes close to their hearts. Talk to us today if your organisation would like to set up a dedicated Fund through which staff can be the keepers and protectors of their own legacy and vision.

According to a Nielsen survey, the benefits to an employer

of introducing a payroll giving scheme are:

- **94%** of New Zealanders believe it is a good idea for companies to support charities;
- **73%** of consumers would be prepared to change their preferred brand or service to a similar brand which supported a charity.
- **72%** of employees have a stronger sense of loyalty to their company when their company supports a charity; and,
- **65%** of consumers said even if prices were more expensive, they would be inclined to purchase products or services from a company which supports worthy causes.

Philanthropy Summit 2015

In April, we were proud to be a key sponsor of the Philanthropy Summit 2015 – an event designed to bring together local and global perspectives on giving. We found ourselves alongside the 'rock stars' of the philanthropy world, including Mae Hong, Vice President of the Rockefeller Foundation, and Tā Mark Solomon, Māori Tribal Leader. It was an excellent opportunity to share best practice and discuss effective ways of working together.

A major focus of the summit was the issue of income and inequality.

The challenge facing those in philanthropy is how can we create a positive impact in the world when there is so much inequality around us?

We put the spotlight on how we can make a difference through effective grant-making practices. We explained how there are distinctive benefits and drawbacks to different granting methods, and we discussed how we are moving from a conventional to a more catalytic practice. In other words, we don't want to undertake *ad-hoc* cheque writing – we want an engaged and sustainable giving process. We believe that an effective grant-making programme

can enable you to do anything, from building institutions to changing systems, or maintaining activities and services.

Every day the Perpetual Guardian team deliver on the dreams, passion and planning of our clients, ensuring their philanthropic legacy makes a real difference. We do this by working with individuals and organisations, and by attending forums such as the Philanthropy Summit. We are devoted to distributing funds in a way consistent with the original donor's intention, whilst keeping abreast of and sharing global trends.

Rescuing Ngaio Marsh House

Perpetual Guardian is the custodian trustee for the Ngaio Marsh House and Heritage Trust. The Trust maintains the former residence of New Zealand's best-known crime writer, Dame Ngaio Marsh, whose works include *Enter a Murderer*, *The Nursing Home Murder*, and *Death in Ecstasy*.

Dame Ngaio lived in her house at 37 Valley Road, Cashmere for 76 years and died there in February 1982 at the age of 86. Her beloved home has been preserved exactly how it was when she lived there, and it is listed as a Category 1 Historic Place.

The Ngaio Marsh House and Heritage Trust runs off limited income which is raised through tours of the house (which is open to the public), rental of part of the house as a one-bedroom flat, and donations. In addition to Perpetual Guardian, there are eight other trustees and a committee of volunteers.



Client Manager, Kate Palmer (centre) along with staff members from Heritage NZ.

In April this year, there was a flood in the lower part of the house, where Dame Ngaio had her studio and where she had written many of her books. According to Ngaio Marsh House trustee, Dr. Ian Lohead, the flooding was most likely caused by ground shifting in the earthquakes.

Christchurch-based Client Manager, Kate Palmer, organised an emergency task force to remove the books and furniture which were threatened by the damp and mud leaking into the area. Kate called

upon Heritage New Zealand who kindly came to the rescue, and six staff from our Christchurch office who volunteered to lend a hand.

As a result, the task was completed in a couple of hours. The endangered items were whisked away to the safety of an unoccupied flat at the top of the property. The drainage problem was fixed and Dame Ngaio's possessions were returned to the study, so tours could resume.

Dame Ngaio Marsh

- Ngaio Marsh was born on 23 April 1895 in Christchurch and attended the School of Fine Arts at Canterbury University College.
- In 1948, in recognition of her high achievement in the fields of drama and writing, she was awarded an OBE. She was made a Dame in 1966.
- In 1978, she was awarded a Grand Master Award by the Mystery Writers of America, for her lifetime achievement as a detective novelist. Other recipients include Truman Capote, Roald Dahl and Daphne du Maurier.



Our Team

Tanaz Sigantoria, Client Manager, Remuera

My role is extremely varied which makes it exciting and challenging at the same time. You know you are part of a client's family when your name is discussed regularly at their dinner table. Perpetual Guardian has supported me through my career development over the years as I moved through different roles to climb the corporate ladder. We have a great team environment where we work together supporting each other and have few laughs as well.

I am quite active in my local community as I serve as a trustee on a local Charitable Trust. I also volunteer with Age Concern and for several other projects in the community. Yoga forms a major part of my life along with weekend walks around the eastern beaches. I am currently trying my hand at photography as I move around with my new toy, learning and capturing scenic New Zealand through my lenses.



Gary Anderson, Client Manager, Christchurch

I am responsible for a number of large Family Trusts, estates, and some prominent Charitable Trusts. Throughout my time with the company I have focused on establishing long-term relationships with clients to ensure that they have peace of mind and know that their financial future is secure.

The best part of my role is that it is so diversified. On a day-to-day basis, I look after the management and growth of my client base – this means the administration of client files, contact with clients and professionals, and providing a service which exceeds the needs of existing and prospective clients.

I am an avid sports fan having a keen interest in most sports, in particular EPL soccer. Despite not achieving much in recent years, I remain a loyal Liverpool supporter. I enjoy going for a run and spending time with my family.



Gracie Choo-Thocolich, Mobile Manager, Auckland

I help clients by advising them on their estate planning needs and finalising their instructions. The first thing I do each day is check my diary – on a busy day I will be running from one client meeting to the next. I read my emails and keep myself informed by catching up on the latest industry articles. I like having the freedom to set my own work schedule.

The best part of my work is meeting new people, and my clients come from all walks of life. I take great pride in my ability to offer practical solutions in a courteous and efficient manner. I also enjoy my work environment and I am privileged to be surrounded by hard-working and brilliant professionals.

In my spare time, I am an avid reader. I also like playing cards, dining out and going tramping in the National Parks.



“Life is what happens to you while you’re busy making other plans”.

– Allen Saunders

People who meet Gail Stevens for the first time are sometimes a little overwhelmed at the energy she radiates. An experienced Perpetual Guardian Client Manager, who secretly takes pride in the strong relationships her clients admire her for. Her clients also describe her as a strong-willed and tenacious individual who ‘never gives up at finding the best possible outcomes’ for them.

One may describe the day that Gail and Sarah* met, as almost serendipitous. Gail recalls, “I remember meeting Sarah around a year ago. She struck me as a young at heart, middle-aged independent woman. Sarah would take life by the horns and brush off her problems with a wicked sense of humour”. The relationship started back in 2003 when Sarah’s parents died, she and her brother Matt* were encouraged to set up Trusts with Perpetual Guardian. As part of both Trusts, Perpetual Guardian also ensured Enduring Powers of Attorney (EPA) would be arranged, as well as Wills for

both. Part of the service included managing the Trust’s assets and the purchase of a property within Sarah’s Trust. Then fate stepped in for Sarah with a bit more than any one person could manage.

Life happens

Sarah’s health started deteriorating and she required extra care which was being funded by her Trust. The cost of care soon escalated to a point where the Trust couldn’t foot the bill from existing liquid assets and the trust property would need to be sold, Gail explains, “At this time, I was trying to find a suitable retirement facility that would cater for Sarah’s needs but allow her to continue to be independent”.

But then life happened, “So, at the beginning of this year, Sarah had an accident which saw her in hospital for a few months”, continues Gail. This compounding incident made Gail realise that she would not be able to continue with her current lifestyle. Around this time, Sarah was moved from hospital into a rehabilitation centre. She couldn’t stay at the centre forever but also couldn’t move to an apartment anymore.

Planning weathers providence

Gail had to scout for a suitable care facility to provide Sarah the care she needed. “We found her a suitable retirement village which also offered hospital care”, says



Takapuna Client Manager, Gail Stevens

Gail. Because Sarah had an EPA with Perpetual Guardian as well as her Trust, Gail was able to assist Sarah with this and arrange the necessary transfers from rehabilitation to the rest home. “The money from the sale of the trust property is sitting in the Trust and as Trustee, Perpetual Guardian is now considering an investment strategy that will best fit the requirements for Sarah’s care and lifestyle, as well as the circumstances of the other beneficiaries”, explains Gail.

“Since Sarah is currently wheelchair-bound, I’m relieved to admit that my only concerns for her these days, are which library books to get her before our visits,” says Gail with a cheeky grin on her face.

** The names of the clients in this article have been changed to protect the privacy of the parties involved.*

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