

Kia ora koutou

WELCOME TO THE WINTER EDITION OF PG PRESS.

To say that this year has been slightly unpredictable would be somewhat of an understatement. Although for the Perpetual Guardian team, I am happy to report that we were able to adapt quickly and have been able to continue to support our clients throughout this time. It is fair to say that both the good and the not-so-good have come from this experience, so we have a little of both to report on in this edition.

It is unsurprising that, as we adjust to the new normal, there is more of a focus on the Philanthropic sectors of our communities. During lockdown, not only did we play a role in the 'adjusted' RSA fundraising efforts, but we also set up a new fund to support our non-profit partners who were hit hard by the impacts of COVID-19.

With our newest family member (Givealittle) made official in April, we have actively used this platform to provide extra support to those in need and we continue to work hard in this area.

The financial markets have certainly weathered a storm over the past few months, and it may take some time before we can assess the full effects that COVID-19 has had on our economies. We take a look at the impacts so far, but do reach out to one of our team if you have concerns about your financial future.

As you have come to expect – there's more on the upcoming changes to the law as it applies to Trusts. This time we are dispelling some commonly held beliefs and offering our support to anyone looking to assess their own situation.

The good news is, with the shortest day now behind us, summer is not far away.

Ngā mihi, **Jen Tweed**
National Manager - Retail



Not to be FORGOTTEN

AFTER THE RETURNED AND SERVICES ASSOCIATION (RSA) MADE THE HARD CALL TO POSTPONE THE NATIONAL POPPY DAY APPEAL AND CANCEL ANZAC DAY SERVICES, PERPETUAL GUARDIAN DECIDED TO STEP IN AND HELP RAISE MUCH-NEEDED FUNDS FOR OUR SERVICE PEOPLE, YOUNG AND OLDER, ACTIVE AND RETIRED.

Complectus had acquired Givealittle in April 2020 as a new addition to our Philanthropy offering. So it was through Givealittle, that we sent out a rallying call to New Zealanders to support the RSA by donating to our 'Let's Not Forget' page.

To start the campaign, the Perpetual Guardian Foundation contributed \$25,000 on behalf of our generous donors and Perpetual Guardian itself donated \$1,500 towards the campaign. A valued client, Tax Management NZ, donated a further \$25,000.

A range of celebrities also got behind the campaign including Hilary Barry, Mike McRoberts, Sir Richard Taylor and Sam Neill. It was fantastic to see the public come on board and support the campaign resulting in \$277,000 of donations raised for the RSA to fund its critical work to support our military personnel, past and present.

A sincere thank you to all who supported this appeal for your generosity.

WWW.PERPETUALGUARDIAN.CO.NZ

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Giving is great in our time of crisis – BUT EXTRA ATTENTION TO DETAIL WILL PAY OFF

Author \ Kirsten Taylor - **Manager** Perpetual Guardian Foundation

IN PERIODS OF DISASTER, KIWIS HAVE AN URGE TO GIVE. EVEN IN 'NORMAL' TIMES, WE ARE SUPREMELY GENEROUS. THE NEW ZEALAND SUPPORT REPORT RELEASED IN FEBRUARY 2020 BY PHILANTHROPY NEW ZEALAND CALCULATED TOTAL PHILANTHROPY AND GRANT-MAKING AT AN ASTONISHING \$3.8 BILLION FOR 2018. NEW ZEALAND IS CONSISTENTLY RANKED IN THE TOP THREE OF THE WORLD GIVING INDEX.¹



As I write, good people all over the country are making calls for support and donations to important causes. It seems instinctive for generous Kiwis to be called to help others through tough times, and right now, charities need support to make up some of the significant fundraising loss caused by the cancellation of their usual fundraising events and collection drives.

As someone whose profession puts her at the epicentre of New Zealand philanthropy, I am duty-bound to offer some advice to those who want to use any of the digital and crowdfunding platforms available. Increasingly charities are seeking these platforms to help them to get through this time and to ameliorate the effects of COVID-19 on organisations who work to support communities. For any campaign, online or not, it is extremely important to be strategic and to check the parameters of giving before you start calling for donations. The case of Celeste Barber illustrates why.

Named the funniest woman on Instagram by Vogue magazine in 2018, Barber, an Australian comedian and actor, became a household name for her parodies of celebrity culture. Barber has amassed 7.1 million Instagram followers and 2.6 million Facebook followers for her posts of herself (and sometimes her husband) mimicking celebrities and models.

In late 2019, the catastrophic Australian bushfires prompted Barber to turn her social media platforms away from parody and towards philanthropy. She took to Facebook to create a fundraising campaign in support of all of the hard-working Australians who activated the support network needed to respond to the disaster.

Barber's surprise at the energetic response was palpable: she raised \$1 million within the first 24 hours, and a staggering \$52 million in a fortnight. But that's where things got complicated.

Having pledged all donations to the Trustee for NSW Rural Fire Service (RFS) and Brigades Donations Fund, Barber's campaign actually received donations intended by givers to support

all sorts of charitable undertakings related to the fires. The consequence is that the money was locked in a Trust under RFS rules that dictate donations must be spent on firefighting equipment and training only, not on further distribution to affected families or related charities. This was not what Barber or many of her donors, who thought the remit was wider, had intended. It was at this point that the lawyers became involved.

At Perpetual Guardian we manage the charitable intentions of over 600 charitable legacies, each with its own nuances. We know from experience that the desire to give comes from the heart, but the ability to make a difference with donations depends on sound thinking and careful planning.

Unfortunately, too few philanthropists and fundraisers include the necessary detail and precise language in their founding documents to ensure that they can fully realise their charitable intentions. While legal intervention means the funds raised by Barber are likely to be freed up for the purposes intended by her diverse set of donors, it is unlikely to be quick, and that is not what was intended.

It is important to note that online crowdfunding platforms provide a critically important channel for giving, especially during times when in-person fundraising events are not possible. They also have the advantage of providing a digital record of all activity, which is enormously useful for donors, charities and their supervising bodies.

They also allow people to explicitly communicate their funding intentions to donors. In order to protect all parties and ensure funds are available for their intended use, campaign leaders should seek advice on the appropriate framing and wording for a campaign, especially if it's intended to support a range of causes or entities connected to a crisis or serious event. Many campaigns will require a degree of leeway to achieve this, which must be communicated to would-be donors from the outset so they are informed and can confidently donate.

In this time of crisis, when we all wish we could give, despite our individual challenges and there are a myriad of inspired and compassionate calls to action, we are asking you to remember that we are here to help. Your Trustee can help you to create the legal and administrative structures needed to optimise and secure your own or other donor funds. This will ensure your philanthropic work can create ongoing successful results.

Finally, kudos to Celeste Barber for utilising her platform to raise a phenomenal \$52 million for the Australian bushfire relief. Here's hoping all the funds arrive at their intended destinations as soon as possible.

Supporting the COMMUNITY

Image courtesy of www.arjo.com

THE R G BELL CHARITABLE TRUST HAS APPROVED A GRANT TO SUPPORT STAFF AND PATIENTS IN THE COMMUNITY.

Burwood Hospital's Older Persons Health & Rehabilitation service was thrilled to be the recipient of a generous grant from the R G Bell Charitable Trust, proudly managed by Perpetual Guardian.

Funding was approved for the purchase of two Sara Stedy lifter devices. The Sara Stedy is a non-powered device that ensures patients can be positioned from sit-to-stand transfers safely, quickly and with ease.

The opportunity to support patients at home with this type equipment is greatly appreciated by the staff working in our health system.

"These devices will assist our staff to lift and transfer people in a safe and dignified manner and will promote earlier mobilisation. This will have a positive impact for patients who are recovering in their home environment," said Director of Allied Health, Claire Pennington.



Positive or negative?

ONLY TIME WILL TELL

THE IMPACT OF COVID-19 HAS BEEN MUCH PUBLICISED. GLOBAL MARKETS HAVE DISLOCATED WITH CONTINUING DEMAND AND SUPPLY SHOCKS DAMPENING THE GLOBAL ECONOMY. WHILST CONTROL OF COVID-19 IS LOOKING POSITIVE IN NEW ZEALAND, EUROPE AND THE USA HAVE YET TO REACH PEAK NUMBERS WITH INCREASING PRESSURE TO RE-OPEN FOR BUSINESS, CONTRARY TO WORLD HEALTH ORGANISATION GUIDELINES.

In the near term (as evidenced below) we have witnessed a 'bounce' of sorts in risk asset prices since mid-March. A 'v' shaped recovery is now considered by all (but Mr Trump) to be extremely unlikely. Interest rates and inflation are at all-time lows and income from most investments is under downward pressure.

It is unfortunately too early to make any estimates as we approach the half-year earnings reporting season, but it is safe to say that the income you may have received from your investments last year is going to be lower over the remainder of this year, and possibly beyond.

How long a sustained recovery will take is impossible to predict accurately. We do not know when or how steep or what shape the curve might be and each investment sector has its own characteristics that will react differently to events as they unfold. We do however believe that there is no short term easy fix and that as countries emerge from this crisis, the road to recovery will be long and slow. Rebuilding supply chains and inventory will take time and restoring confidence will not happen overnight. The longer term outlook for unemployment should also not be discounted. Traditionally, this is the most difficult part of a broken economic jigsaw to fix. Numbers are

currently being 'masked' by government support packages around the world. We should expect numbers to rise as this support is scaled back and unemployment will ultimately determine the length of the COVID-19 tail.

On a more positive note, new trading relationships and fresh opportunities will present themselves as we emerge from this global crisis. Amidst all the doom and gloom and negative headlines, there are some encouraging signs. There are many ways we can now think about the future and ask, what is the new normal? Businesses are redefining themselves and thinking about more sustainable ways to manage their people, the environment and their contribution to well-being, and of course the sustainable delivery of profits. Air quality around the planet appears to have fared incredibly well as we reduce our draw on fossil fuels.

Here at Perpetual Guardian, our concentration and conviction to quality remain, as we constantly remind ourselves that our investment disciplines will be rewarded – we know this from experience. It is our policy not to panic, and as long term investors, we stay the course continuing to monitor and adjust where appropriate.

We have remained open for business as usual in these most unusual times. If you are concerned about your financial future, then we are always here if you wish to consult or seek guidance from one of New Zealand's longest trading and trusted investment practitioners.

GLOBAL STOCKS RALLY FROM MARCH LOWS

Performance over 12 months (rebased)

— FTSE All world
— S&P 500
— Euro Stoxx 50



Welcoming OUR NEW ARRIVAL



NEW ZEALAND'S MOST LOVED CROWDFUNDING PLATFORM IS OFFICIALLY A MEMBER OF THE PERPETUAL GUARDIAN FAMILY! YOU MAY HAVE HEARD THAT GIVEALITTLE WAS ACQUIRED BY COMPLECTUS IN APRIL 2020, AND ON MARCH 6TH, THE GIVEALITTLE TEAM OFFICIALLY MADE THE QUEEN STREET OFFICE THEIR HOME.

Despite the COVID-19 lockdown, New Zealand showed incredible generosity by donating \$2.83m in April. This is well above the usual \$1.9m monthly donations, due in part to some high profile pages on the platform, notably the RSA's annual ANZAC day 'Lest We Forget' campaign. When we heard that the RSA could not run their usual Poppy Day fundraiser on Anzac Day, Perpetual Guardian led the charge to fundraise for the RSA. The campaign raised a total of \$248k to support RSA's important work supporting past and current service personnel.

The Givealittle team also showed their adaptability to the new virtual fundraising environment by working with The Funding Network in an agile fashion to quickly create its first online live crowdfunding event "Help From Home". This featured live presentations from Asylum Seekers Support Trust, The Kindness Institute, and Aviva Charitable Trust. Over \$110k was raised for these three great organisations.

We're now developing the Givealittle platform to bring even more opportunities to grow generosity.

Some interesting Givealittle Stats...

\$144m
IN ALL TIME DONATIONS

6,000+
PAGES ACTIVE AT ANY ONE TIME

3,700
PAGES CREATED SINCE JANUARY 2020

Myths you need to know ABOUT YOUR FAMILY TRUSTS

WE ARE HURTLING TOWARDS THE LANDMARK DATE OF 30 JANUARY 2021, WHEN THE TRUSTS ACT 2019 WILL COME INTO EFFECT AND VAST NEW OBLIGATIONS WILL BE IMPOSED UPON THOSE INVOLVED IN THE ADMINISTRATION, MANAGEMENT AND TRUSTEESHIPS OF FAMILY TRUSTS. THIS MEANS THAT NOW IS THE PERFECT TIME TO BUST SOME OF THE WIDELY HELD MYTHS SURROUNDING TRUSTS.

Myth 01

SET-AND-FORGET TRUSTS

Many Kiwis have had a tendency to treat Trusts as 'set and forget' tools. In fact, they are living vehicles that require regular attention. All Trusts, even simple ones containing few assets (like a house trust), require administration, management, meetings and advice on a consistent cycle to be compliant.

Myth 02

SOMEONE ELSE WILL BE PROACTIVE FOR ME.

Someone else will alert me to whatever I need to know about my Trust, I don't have much responsibility. Yes, if your Trust is managed by Perpetual Guardian, we will make sure it is compliant ahead of January 2021 and that you are appropriately involved in the process. But everyone who has set up or is a trustee of a Family Trust has major responsibilities that cannot be passed off to anyone else, and the idea that one trustee can make unilateral decisions without involving co-trustees is a big and potentially risky assumption.

Myth 03

THERE WILL BE TIME AFTER JANUARY 30, 2020 TO GET MY TRUST SORTED.

Another major myth or misunderstanding is that there is some flexibility in the 30 January deadline. In fact, there will be no grace period. That date is not the start point for work on your Trust, it is the deadline for its completion. It would be dangerous to assume that you won't suffer the consequences of non-compliance by the due date – and courts will be ready to handle cases of non-compliant Trusts, some of which may be brought by Trust beneficiaries who will have more rights under the new law.

We don't want anyone involved in a Family Trust to make a mistake, miss out on information or run afoul of the law. Believe us, when it comes to Trusts there are no dumb questions. If Perpetual Guardian is involved in your Family Trust you will be hearing from us regularly. If not, we are happy to hear from you to talk through your specific situation and your Trust.

Giving back WHEN IT'S NEEDED

MANY OF OUR PHILANTHROPIC CLIENTS AND PARTNERS ENTRUST US TO WALK ALONGSIDE OR ON BEHALF OF THEM, IN STEWARDING THEIR PHILANTHROPIC FUNDS TO THOSE IN NEED. SO FROM THE OUTSET OF THE COVID-19 PANDEMIC, PERPETUAL GUARDIAN WAS WORKING ALONGSIDE ITS CLIENTS, PARTNERS, THE GOVERNMENT AND PHILANTHROPY SECTOR LEADERS, TO TRAVERSE THE UNPRECEDENTED CHALLENGES PRESENTED BY THE GLOBAL PANDEMIC.

Right across the board, communities asked that we act with urgency to support our non-profit partners, as well as the people and communities hit hardest by the impacts of COVID-19. Throughout April, on behalf of its generous partners and clients, Perpetual Guardian sought applications from charitable organisations in New Zealand providing essential and critical services in response to the pandemic.

In collaboration with those on the front line, the Response Fund offered untagged grants designed to enable charitable

organisations to respond as needed. Grants for capacity, operational expenses and salaries were encouraged. Funding that is ordinarily notoriously difficult for organisations to find.

The fund was formed by a coalition of legacies, trusts and philanthropists, whose wishes were honoured at the forefront of \$1,000,000 in grants paid out through the quick response fund. The design of which was to remove any further burden on organisations, already struggling to provide critical services and support.

At Perpetual Guardian, we know that philanthropy can play an important role in addressing both the immediate and long-term implications of any crisis. As a steward, advisor and passionate manager of philanthropic funds, we continue to closely monitor the situation surrounding the COVID-19 pandemic, to help identify the roles that philanthropy can play, now and into the future, and to provide resources to our clients and the non-profit sector alike.

Talk to us today if you are interested in giving back, no matter the size of your generosity.

Sign of the TIMES

FOLLOWING THE IMPLEMENTATION OF COVID-19 RESTRICTIONS, SUCCESSION PLANNING WAS LEFT WITH QUESTIONS AS TO HOW WILLS COULD RETAIN THEIR EFFECT AND ENFORCEABILITY, GIVEN DOCUMENT SIGNING WAS NO LONGER ABLE TO BE PHYSICALLY WITNESSED.

The signing and witnessing requirements of Wills in New Zealand is governed by the Wills Act 2007. Section 11 states that in order for a Will to be legally valid, it must be signed in the physical presence of two independent witnesses over the age of 18.

The dilemma was, if face-to-face meetings were unable to take place under COVID-19 restrictions, how can Wills be validly executed?

When issuing the COVID-19 Epidemic Notice, the New Zealand government also passed an Immediate Modification Order to modify the Wills Act. The Order provides that while the COVID-19 Epidemic Notice is still in force, a Will-maker can sign their Will and have it witnessed via audio-visual communications, such as Zoom or Skype. The two witnesses

must also sign a copy of the Will in front of the Will-maker via the audio-visual link.

The following requirements also apply:

1. The document holder must have scanned or photographed copies of the signed Will.
2. There must be specific wording on the Will which indicates that signing occurred via audio-visual communications.

Extreme care must be taken to ensure that the Will has been signed in accordance with the Modification Order. This is because Wills that have been signed and witnessed via audio-visual communications will likely be under closer scrutiny by the courts when applying for Probate.

Ultimately, the best option will always be if a Will-maker can comply with Section 11 of the Wills Act 2007. However, our law-makers have implemented some temporary measures to provide those with urgent estate planning needs some comfort that their wishes will be recorded in a legally valid document, provided they have complied with the new requirements.

Perpetual Guardian can assist you with your estate planning needs during this complicated time. Please do not hesitate to contact us.

Small Sculpture AWARD FOR 2020

JULY 26 SAW THE AWARD CEREMONY FOR THE SMALL SCULPTURE PRIZE 2020, HELD AT THE WAIHEKE COMMUNITY ART GALLERY. THIS IS THE SECOND YEAR THAT PERPETUAL GUARDIAN HAS BEEN INVOLVED IN THIS EVENT AND THE CALIBRE OF ENTRIES DID NOT DISAPPOINT.

The Small Sculpture prize is a National Award for an original free-standing or wall sculpture up to 800mm (in any direction) in size. Perpetual Guardian was joined by Te Motu Wines in supporting the award, and it was our absolute pleasure to be involved for 2020.

The event had been scheduled to take place earlier in the year but had been postponed (for obvious reasons), so as one of many post lockdown celebrations, it was a breath of fresh air to be part of such an auspicious community event.

The winning sculpture was entered by Gail Barratt (of Waiheke Island), marking the first time that someone from the Island has ever won. Gail's submission, entitled 'Ecosystem Crisis' was chosen as the winner by selector and judge, Len Bell, Associate Professor, Art History Auckland University.

On the night National Manager Retail, Jen Tweed commented that 'art has the ability to unite and connect in times of crisis and it is nights like this that bring us together, helping us to celebrate and reflect. Philanthropy is at the core of all we do at Perpetual Guardian and so is our commitment to supporting the Art community of New Zealand'.



PICTURED -
Top / Jen Tweed,
Perpetual Guardian and
Gail Barratt, winner
of the 2020 Small
Sculpture Award.
Right / Gail's winning
sculpture - Ecosystem Crisis



Queens honour

CONGRATULATIONS TO MRS MEHAR SINGH WHO WAS AWARDED A QUEEN'S SERVICE MEDAL IN THE QUEEN'S BIRTHDAY HONOURS LIST FOR 2020.

Mrs Singh was recognised for her services to seniors and community, having volunteered in the aged care sector and the wider community for the past 20 years.

We are honoured to have her as a long standing client of Perpetual Guardian and send her the warmest congratulations.



Volunteering AT PERPETUAL GUARDIAN

Image courtesy of www.redcross.org.nz

ALTHOUGH IT WAS CERTAINLY NOT A REQUIREMENT, SOME OF OUR DEDICATED STAFF STILL MANAGED TO GET OUT INTO THEIR COMMUNITIES DURING LOCKDOWN TO GIVE BACK WHEN IT WAS NEEDED MOST.

Tammy Long from our Legal team has been volunteering for Red Cross for nearly 9 years, delivering meals and supplies. Perpetual Guardian has always supported Tammy in being able to deliver regularly during her normal working week, during lunchtime and sometimes beyond.

Unfortunately, a large majority of the volunteers are over 70 and were therefore identified as a vulnerable group. To cover the shortfall, the Red Cross put out a call for additional volunteers, and Tammy put her hand up to continue delivering during Levels 3 and 4. In an encouraging sign for the volunteer community, Red Cross was overwhelmed by the number of responses. Tammy made special mention of the administration support teams within Red Cross who put in a power of work to provide volunteers with essential service letters.

Red Cross introduced additional protocols for contactless delivery of meals to ensure the safety of volunteers and those they were delivering to. This was difficult to adhere to at times. Loneliness became a real issue during lockdown and some of the older people receiving deliveries wanted Tammy to stay and chat so they could express their gratitude.

As the lockdown measures eased and when Tammy was making her final deliveries, she was able to take her children with her, to share in the experience and to show them the importance of helping others where we can.

We love this story from Tammy because it shows that for our staff, a values-based culture goes beyond the office and has the ability to positively impact our wider community, even in the most trying of times.



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