



Disclosure Statement

Perpetual Trust

Perpetual Trust Limited

In accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007

This document was prepared on **6 July 2009**.

This disclosure statement is intended to give you information about Perpetual Trust Limited and the services it provides.

The Services We Offer

Perpetual Trust is a trustee and financial services company founded in 1884 under its own act of Parliament. All Perpetual Trust Limited investment advisers belong to the Institute of Financial Advisers (“IFA”) and are all either CFP^{CM} certified or working towards that qualification.

Our advice covers the full range of personal financial needs, including:

Cash/ Debt Management	Budgeting, debt reduction or restructuring, establishing sufficient cash reserves and investing accordingly.
Estate Planning	Use of trusts and other appropriate structures in consultation with other professional advisers as appropriate.
Retirement Planning	Determining retirement needs, assessing current provisions and providing any solutions for gaps, including advice on KiwiSaver and superannuation schemes.
Taxation	General advice in respect of tax effective investments taking into account the client investing entities and applicable tax rates.
Investment Advice	Considering risk profile, investment timeframes and cashflow needs and recommending appropriate solutions on that basis.

Our advice may take the form of a comprehensive financial plan covering and linking all of the areas listed above as they affect you, or it may address only one or some of those areas, such as an investment plan or KiwiSaver recommendation.

In the course of providing financial advice we may recommend one or more financial products designed to help meet your needs. These products may include cash management funds, KiwiSaver funds, and other managed and direct investment products.

We have an Approved Investments List (see Appendix 1). This is regularly reviewed based on research and the best interests of the clients.

How We Operate

When we give advice we follow the internationally recognised six step process:

1. Establishing the client-adviser relationship
2. Gathering client data and determining goals and expectations
3. Analysing and evaluating the client’s financial position, cash and debt management, retirement planning, estate and tax, and/or investment needs.
4. Developing and presenting our written advice.
5. Overseeing the implementation of the plan, and
6. Monitoring and reviewing the plan.

This can require a series of meetings with a prospective client before our advice is finalised. It also means we maintain a close ongoing relationship with clients, regularly reviewing progress and working with them over time to ensure their goals can be met.

The services we provide will depend on your needs. They may include any or all of those detailed in this disclosure statement.

Our advice will take account of your personal objectives, financial situation and needs. It will be clear and concise, with enough detail for you to make an informed decision about whether to act on it.

We operate a trust account and hold securities and valuable documents on behalf of clients where appropriate.

We accept appointments as agent for clients and act as Attorney under Powers of Attorney and also act in the capacity as Trustee where required.

Money Handling Procedures

Depending upon the nature of the transaction; client funds will be handled in one of the following ways:

1. **Direct to Fund Managers**
Monies are payable directly to fund managers and are not held by Perpetual Trust Limited. The company does not handle client monies when funds are paid directly to fund managers.

2. Custodial Trust Account

- Perpetual Trust Limited operates a custodial trust account for client monies handled by the company. Deposits are held by an independent custodian, Investment Custodial Services Ltd, as bare Trustee.
- Investors' cheques should be made payable to "Investment Custodial Services Limited".
- These receipts will be deposited into the trust account, depending on the investment, and held there until released or disbursed.
- Investors sign an Enduring Power of Attorney which authorises Perpetual Trust Limited to disburse the trust account funds to purchase the authorised investments.
- Perpetual Trust Limited will maintain records of all trust account transactions in separate ledgers through the custodial accounting system. Clients may request details of their own transactions, which will be provided in writing within five working days of the request.
- External reviews of the company's trustee activities including the operation of the trust accounts are conducted annually by the company's auditors.

3. Trust Account or Contribution Account

- Perpetual Trust Limited operates a trust and contribution account for all client monies handled by the company.
- Investors' cheques should be made payable to "Perpetual Trust Ltd."
- These receipts will be deposited into the trust or contribution account, depending on the investment, and held there until released or disbursed by specific instructions from the investor. Signed applications for investments will constitute such direction.
- Perpetual Trust Limited will maintain records of all trust and contribution account transactions in separate ledgers in its own accounting system. Clients may request details of their own transactions, which will be provided in writing within five working days of the request.
- External reviews of the company's trustee activities including the operation of the trust and contribution accounts are conducted annually by the company's auditors.

This insurance provides protection for clients for:

- any error or omission;
- defamation;
- employee dishonesty; and
- includes full "prior acts" protection,

in relation to any conduct for which Perpetual Trust Limited or any of its advisers are responsible.

The minimum level of cover is in compliance with IFA Membership By-laws, and in Perpetual Trust Limited's opinion the level of cover is appropriate given the nature and size of our business.

The underwriter is Vero Liability Insurance Limited.

As with all insurance, this cover has limitations and is subject to certain exclusions and terms and conditions common to these types of policy.

Fees

Our professional fees vary according to the precise nature of our engagement and may be based on:

- Fees charged by us to you
- A commission paid by the product suppliers to us following business placed with them
- Fees and commission.

The proposed basis of our charges and details of the specific charges will be explained to you before specific advice is given and after we are more fully aware of the nature and scope of our engagement. Maximum standard rates for commissions and fee rates are set out in the Appendices to this Disclosure Statement.

How advisers get paid

Advisers employed by Perpetual Trust Limited are remunerated by salary. Their salaries are reviewed from time to time based on market rates and performance. Advisers also have the potential to receive a bonus in addition to salary which is based on total company revenue and profitability which is not specifically linked to the sale or use of any particular product.

Additionally some advisers may receive bonuses linked to fee revenue earned by that adviser. Please refer to each adviser's individual disclosure statement for any further information relevant to that adviser and their advice.

Advisers may also participate in company profits as a shareholder in Pyne Gould Corporation Limited being the parent company of Perpetual Trust Limited.

Professional Indemnity Insurance

In compliance with the IFA Code of Ethics, all advisers have professional indemnity insurance by virtue of their employment by Perpetual Trust Limited which covers all areas of practice as listed above.

How We Deal With Complaints

In the first instance clients are encouraged to raise a problem with their adviser. The adviser will attempt to resolve the problem as soon as possible. Alternatively a problem may be directed to:

Louise Edwards
Chairperson
Perpetual Trust Limited Investment Committee
P O Box 112
Christchurch 8140
Phone: 03 363 6431
louise.edwards@perpetual.co.nz

If the matter is not resolved in this way you should contact IFA National Office by telephoning 0800 404 422 during business hours or at PO Box 5513, Lambton Quay, Wellington 6145. IFA has comprehensive complaints and disciplinary processes.

Interests, Associations or Relationships that Could Influence Us

Perpetual Trust Limited is a fully owned subsidiary of publicly listed Pyne Gould Corporation Limited.

As a trustee company Perpetual Trust has a duty to put the interests of its clients whom it is advising first and foremost. We are able to advise on all types of investments and will recommend those investment products which best meet our clients needs. Where Perpetual Trust does not have appropriate expertise internally, recommendations will be sought from leading share brokers and other investment professionals with whom we deal on a regular basis.

Perpetual Trust does not have exclusive arrangements with any suppliers of products, investments or services recommended by Perpetual. We have complete flexibility to recommend the most appropriate products that meet the needs of our clients.

Whilst we are able to offer the full range of options, for the purpose of manageability and prudent process, Perpetual Trust has carefully evaluated and selected a range of quality investment products for inclusion in our Approved Investments List for use in constructing client portfolios. Similarly, we have also carefully evaluated and selected three different life insurance companies to provide personal risk management products.

Potential Conflicts of Interest

Perpetual Trust has its own range of investment products. In addition our parent company Pyne Gould Corporation is the owner of MARAC Finance Ltd and a part owner of listed PGG Wrightson Limited (the parent of PGG Wrightson Finance) who promote a range of debenture stock investments.

Where the investment products of Perpetual Trust, MARAC Finance and PGG Wrightson Finance are included in our recommendations, it will be on the basis that the products are as appropriate as other similar products available in the market.

It is the strict policy of Perpetual Trust that no actual or potential conflicts of interest exist which could impair our independence and objectivity.

Perpetual Trust Limited manages and promotes managed funds investments which advisers utilise for clients. Advisers consider Perpetual Trust Limited funds alongside other approved investments and will recommend the investments which they believe are most appropriate for the client.

The Perpetual Trust Limited funds are detailed in Appendix 1.

Perpetual Trust advisers are able to place business with any financial institution in New Zealand.

Perpetual Trust Limited maintains contractual relationships (agency agreements) with the following organisations:

Forsyth Barr Ltd	Smartshares Ltd
Platinum Asset Management Ltd	AXA
Macquarie NZ Ltd	Tower
First NZ Capital Ltd	MARAC Finance Ltd
Direct Broking Ltd	UDC Finance Ltd
ASB Securities Ltd	PGG Wrightson Finance Ltd
Goldman Sachs JB Were Ltd	South Canterbury Finance Ltd
ABN AMRO Craigs Ltd	Equitable Ltd
Westpac NZ Ltd	Brook Asset Management
ANZ National Bank Ltd	Hunter Hall Ltd
ING (NZ) Ltd	PM Capital Ltd
BT New Zealand Ltd	Perpetual Investments Ltd
Liontamer Investments	Sentinel Ltd
Fisher Funds Ltd	Man Investments Australia Ltd

Perpetual Trust Limited's contractual relationship with these financial institutions does not require us to place an agreed percentage of the business we do with any of them. Further, Perpetual Trust Limited does not have any agreements that require us to place any particular level of business with any supplier or financial organisation.

Perpetual Trust Limited also has relationships with research provider FundSource Limited and investment custodial services provider Aegis Limited.

Perpetual Trust Limited has no other financial or other relationship with any other person that would be reasonably likely to influence it or its advisers in giving advice, except as described above.

Disclosure of Certain Criminal Convictions

Neither Perpetual Trust Limited nor any principal officer of Perpetual Trust Limited has, within the last five years, been:

- convicted of an offence under the Securities Markets Act 1988; the Investment Advisers (Disclosure) Act 1996 or the Securities Act 1978, or for a crime involving dishonesty;
- a director or principal officer of a body corporate that has committed an offence against the Securities Markets Act 1988, the Investment Advisers (Disclosure) Act 1996 or the Securities Act 1978, or for a crime involving dishonesty;
- adjudged bankrupt or been placed in statutory management or receivership;
- prohibited by an Act or by a court from taking part in the management of a company or business;
- the subject of an adverse finding by a court in any proceeding taken against them, in their professional capacity; or
- the subject of an adverse finding by a court from taking part in the management of a company or business;
- expelled from, or prohibited from being a member of a professional body.

Appendix 1: Approved Investments List

Our currently approved providers and products are listed below together with maximum standard rates for commission. Advisers may not deviate from this list without the approval of the Chairman of the Perpetual Trust Investment Committee.

Perpetual Trust Limited Funds*

Investment	Standard Entry Fee	Reduced Entry Fee	Initial Brokerage	Trail Brokerage
Perpetual Trust Cash Management Fund	Nil	-	-	0.25%pa
Perpetual Trust Mortgage Fund	Nil	-	-	0.35%pa
Perpetual Trust Aria Fund	1.00%	0% - 1.0%	-	0.25%pa
Perpetual Trust NZ/Australia Share Fund	1.00%	0% - 1.0%	-	0.25%pa
Streat Property Fund	Nil	-	-	Nil
Crawford Property Fund	Nil	-	-	Nil
Pegasus Property Income Fund	Nil	-	-	Nil
Pegasus Investment Fund	Nil	-	-	Nil

* Perpetual Trust Limited charges and receives management fees in respect of each of the funds listed above.

Investment	Standard Entry Fee	Reduced Entry Fee	Perpetual Trust	
			Initial Brokerage	Trail Brokerage
New Zealand Fixed Interest				
UDC Finance Ltd Debenture Stock	Nil	-	-	0.25%pa
MARAC Finance Ltd - Terms between call and 5 years	Nil	-	0.125% - 1.50%	Nil
South Canterbury Finance Ltd Debenture - terms between 3 months and 5 years	Nil	-	0.125% - 2.00%	Nil
Equitable Ltd - terms between 90 days and 5 years	Nil	-	0.50% - 2.50%	Nil
PGG Wrightson Finance Ltd - terms between Call and 5 years	Nil	-	0.125% - 0.75%	Nil
Australasian Shares				
ING NZ Share Fund	5.00%	0% - 2.50%	0% - 2.50%	0.25%
Goldman Sachs JBWere Leaders Fund	4.00%	0.2% - 2.00%	0% - 1.80%	0.55%
ING Australian Share Fund	5.00%	0% - 2.50%	0% - 2.50%	0.25%
Perpetual WealthFocus Industrial Share Fund (AUD)	4.50%	0% - 2.25%	0% - 2.25%	0.60%
AXA Australasian Selected Equities Trust	5.00%	0% - 2.50%	0% - 2.50%	0.25%
Brook Alpha Fund	Nil	Nil	Nil	Nil
NZX Australian MidCap Index Fund	1.50%	0.75% - 1.25%	0% - 0.50%	-
International Funds				
BT International Fund	4.00%	0.1% - 2.00%	0% - 1.90%	0.25%
Platinum International Fund	Nil	Nil	Nil	Nil
PM Capital Absolute Performance Fund	Nil	Nil	Nil	0.50%
Goldman Sachs JBWere International Fund	4.00%	0.2% - 2.00%	0% - 1.80%	0.55%
Hunter Hall Value Growth Trust	4.00%	0% - 2.00%	0% - 2.00%	0.35%
Man Investments Australia Ltd	4.00%	-	0% - 4.00%	0.50%
Liontamer Investments	3.00%	-	0% - 5.00%	Nil
Property				
ING Property Securities Fund	5.00%	0% - 2.50%	0% - 2.50%	0.25%
Speciality				
Tower GAM Multi-Trading Fund	5.00%	0%-2.50%	0%-2.50%	0.25%
Direct Investments				
Via NZX sharebroker	Up to 1.50%	Up to 1.25%	0% - 0.65%	Nil
Listed debt securities	Up to 1.00%	Up to 0.75%	0% - 0.65%	Nil
New equity and debt issues	Nil	Nil	0% - 1.25%	Nil
<i>Direct investments are subject to a minimum charge of up to \$60 and NZX trade fees, currently \$4.95 per secondary market trade and any prescribed overseas trade charges.</i>				
Multi-Sector Funds				
ING Balanced Fund	5.00%	0% - 2.50%	0% - 2.50%	0.25%
Regular Deposit Funds				
ING Private Portfolio Service Funds	5.00%	0% - 2.50%	0% - 2.50%	1.00%

Appendix 2: Fee Schedule

1. Our fees may be based on a percentage of funds under management, a contract rate, an hourly rate plus costs or a combination of these depending upon the terms of engagement between Perpetual Trust Limited and the client.

Monitored Client Portfolios

2. We charge initial plan fees. These vary with the nature and complexity of the work involved. Generally plan preparation fees are waived if the plan is accepted and Perpetual Trust Limited is instructed to implement the recommendations. We provide clients with an estimate of these fees before providing our advice. If actual fees are likely to exceed our estimate we will advise the client of this as soon as possible.
 - Portfolio Monitoring and Management - (based on the portfolio's market value:
 - First \$500,000 1.25% + GST as applicable (per annum)
 - Then \$500,001 - \$1,000,000 1.00% + GST as applicable (per annum)
 - Then \$1,000,001 plus 0.80% + GST as applicable (per annum)
 - One-off implementation fee - 1% of the amount invested.
3. A component of the Portfolio monitoring and management fee is paid to Aegis Limited as a fee for the custodial service provided by that company pursuant to an agreement between Aegis Limited and Perpetual Trust Limited.
4. Any establishment brokerage or commission payable which is deducted by an investment provider directly from a client's investment capital will be rebated to the client.
5. Upon implementation brokerage may be received up to the maximum rates shown in Appendix 1 where such brokerage is paid by the manager from their revenue rather than from the client's invested capital.

Estate & Trust Clients

6. Fees are charged for plans and regular reviews based on a maximum hourly rate of \$250 per hour
7. Upon implementation brokerage is received up to the maximum rates shown in Appendix 1
8. An implementation fee of up to 0.50% of the value of any direct equity or debt transactions may be charged in lieu of receiving a share of brokerage charged

Advice only clients

9. Fees are charged for plans, reviews and advice based on either a maximum hourly rate of \$250 per hour or in the case of specific investment implementation on the basis that we will receive the brokerage or commission from the investment provider up to the levels as disclosed in Appendix 1.

Pegasus Investment Fund

10. Clients investing in the Pegasus Investment Fund, being a registered superannuation fund, are charged a fee of up to 1.5% pa of the portfolio value. The fee of 1.5% is inclusive of the investment custodial fee and trustee fee.
11. Clients investing in the Pegasus Investment Fund, being a registered superannuation fund and QROPS accepted pension scheme, may be charged a transfer fee of up to 2.5% of the transfer value when transferring from a UK pension and where Perpetual Trust arranges the transfer.

Disclosure of Certain Criminal Convictions

Neither I nor any principal officer of Perpetual Trust Limited has, within the last five years, been:

- convicted of an offence under the Securities Markets Act 1988; the Investment Advisers (Disclosure) Act 1996 or the Securities Act 1978, or for a crime involving dishonesty;
- a director or principal officer of a body corporate that has committed an offence against the Securities Markets Act 1988, the Investment Advisers (Disclosure Act) 1996 or the Securities Act 1978 or for a crime involving dishonesty;
- adjudged bankrupt;
- prohibited by an Act or by a court from taking part in the management of a company or business;
- the subject of an adverse finding by a court from taking part in the management of a company or business;
- the subject of an adverse finding by a court in any proceeding taken against me in my professional capacity; or
- expelled from, or prohibited from being a member of a professional body.

Remuneration

I am remunerated by salary. I also participate in a company wide bonus scheme which is determined by company revenue and profitability and which is not specifically linked to the sale or use of any particular product.

From time to time I may receive benefits from product providers that are recommended by me. Such benefits may take various forms including pens and stationery, meals in conjunction with product or market educational seminars, other meals or entertainment, gifts at special times during the year or subsidised conference costs or travel.

Such benefits are not linked to providing a specified level of business and neither I nor Perpetual Trust Limited participate in any company promotions where benefits are provided in exchange for or linked to providing certain levels of business.

I may also participate in company profits as a shareholder in Pyne Gould Corporation Limited, being the parent company of Perpetual Trust Limited.

Other Interests and Relationships

I am able to place business with any financial institution in New Zealand.

Perpetual Trust Limited maintains contractual relationships (agency agreements) with a number of brokers and product providers as detailed in the Perpetual Trust Limited section of this Disclosure Statement. My contractual relationships with these financial institutions does not require me to place an agreed percentage of the business I do with any of them.

Further, neither I nor Perpetual Trust Limited has any agreements that require me to place any particular level of business with any supplier or financial organisation.

Areas of Advice

I can provide advice on all aspects of personal financial management, retirement planning, investments, estate and tax planning.

Cash/ Debt Management

Budgeting, debt reduction or restructuring, establishing sufficient cash reserves and investing accordingly.

Estate Planning

Use of trusts and other appropriate structures in consultation with other professional advisers as appropriate.

Retirement Planning

Determining retirement needs, assessing current provisions and providing any solutions for gaps including advice on KiwiSaver and superannuation schemes.

Taxation

General advice in respect to tax effective investments taking into account the client investing entities and applicable tax rates.

Investment Advice

Considering risk profile, investment timeframes and cashflow needs, recommending appropriate solutions on that basis.

I only give advice in the particular subject areas set out above.

Products

The products that I generally provide advice on are: cash management funds, secured debentures, term deposits, group investment funds, unit trusts, KiwiSaver funds, PIE funds, superannuation schemes, direct equities and bonds.