



# InPrivate

Newsletter Summer 2010  
New Zealand Edition

## Inside

Getting client views  
for secular review

Clients response to our  
recent survey positive

Choose the information  
you get from ANZ Private

Helping migrants invest  
in New Zealand



## Welcome to the final edition for the year of InPrivate

The markets have felt volatile but both the NZD/USD exchange rate and Dow Jones are within 5% of where they started the year and the global economic recovery is not much further advanced than 12 months ago.

Our economics team have just pushed their forecast for the next rate change from March 2011 to June and this reflects the continued uncertainty in the global economy and the lack of impetus in many parts of New Zealand. For us as investors the same themes remain important with diversification being key and a strong discipline about quality of assets especially in bond markets. Steep yield curves and an eventual global recovery should give opportunities for investing at higher yields so we still favour keeping duration reasonably short.

We are heartened by the open discussions around savings and the prospect of a more favourable taxation framework for investing, especially in financial instruments and this is something that will evolve over 2011. We will keep in touch for what this may mean for portfolios.

As you may have read the bank has recently formed a Wealth Division that I have been asked to lead. ANZ Private will form an important part of this business and my goal is to create an even stronger private banking business over the

next 12 months. The independence of our view and product selection remains our core pillar of strength and this will not change.

Thank-you for all those that completed our client survey. We will work on a series of improvements to our service following this feedback. One important piece of feedback I received was that the survey was too long so look for this to be streamlined in 2011.

Finally, thank-you for your custom and enjoy a great Christmas.

John Body  
Managing Director, Wealth



## Getting client views for secular review

This year, clients took part in ANZ Private's secular review for the first time.

Every year the bank completes a secular review, where members of the regional investment committee get together over two intense days to discuss and analyse the long-term trends that are likely to shape investment markets over the next five, 10 or even 15 years. The secular reviews are aimed at identifying long-term trends that unfold over decades rather than weeks or months.

It is customary to involve outside experts in these discussions and normally these invited guests give a presentation, followed by a discussion. "While their further attendance is not expected, this year all the speakers decided to remain with us for the full day, which really adds value to our thinking," says Guy Fisher, Head of Investments for Private Bank.

A new aspect for the review held in August was that clients had also been invited. "We approached a small number

of people whose views we thought could contribute to the debate," says Guy. "They were kind enough to give us their time and add their unique perspectives."

"At ANZ Private, we're not interested in short-term trading at all. Normally when we invest, we operate with a 12 to 18 month cycle. In this review we take an even longer view, considering the likely developments over timeframes of 10 or 20 years."

The review is not expected to result in immediate changes to ANZ Private portfolios. "For instance, we had a rather negative discussion about Japan, but we didn't rush out and sell our Japanese interests."

The bank sees Japan as being on a slow decline, while China is rising as a global economic powerhouse. "They're going in

opposite directions. We'll factor this into our long-term planning. If we're right, clients should benefit from the trend in the long run."

The outcome of the session was largely an endorsement of the same views as the previous year. "We tested our thinking rigorously and came to the same conclusions. The most significant potential change is that we may reconsider whether we continue to view Japan as a separate equity region," says Guy.

"The real value of the process is that we should anticipate enough secular shifts for our clients to benefit substantially over time."

If you are interested in finding out more about the Secular Review, the discussions which took place and the outcomes, please contact your Private Banker for a copy of the Review.

## Thank you for taking the time...

Clients' response to our recent survey positive.

"We're really delighted that so many of our clients took the time to give us their views, and also the fact that they responded so positively to the changes Private Bank has been making over the last couple of years to improve our service," says Kieran Forde, Head of Private Clients.

"Based on our clients' feedback, we have actively changed the way we operate to improve client experience."

The annual survey gives us a good basis for comparison, so we can track our improvement year on year. It gives ANZ Private clients the opportunity to tell us what we're doing right and also where we can improve.

The value of the survey is proven by the fact that earlier this year Euromoney magazine named ANZ Private best private bank in New Zealand. "The award is saying

we're doing the right things. You have been part of this – your open feedback and willingness to work with us has helped us achieve this award," says Kieran.

The survey shows a notable increase in proactive client contact from the bank's side. Clients experience these as adding even more value than in the past.

In response to the survey results, ANZ Private is taking measures to further increase the amount of contact with clients who wish to work even closer with their Private Banker.

We are actively looking at ways to improve the way we communicate with you regarding new investment opportunities. We are now emailing clients with our views on major new investment opportunities, as soon as they are available, enabling you to make decisions about these opportunities without delay.

Another area of focus for us, is to ensure you receive the right amount of communication to meet your needs – so we are asking you to tell us if you are currently receiving the right information. (see insert below for more details on this)

"We really appreciate the time you have taken to complete what is a long survey. We intend to make the survey a lot shorter in 2011. The insight we gain from the survey is invaluable and helps us shape the changes we make in our business."

In Private

## Choose the information you get from ANZ Private

The recent survey showed that there are some clients who want either more or less communication from ANZ Private. Did you know you can choose what communication you receive from us?

Our email communication suite includes:

**Investment Insights –**

A monthly summary of investment markets and portfolio strategies

**Strategy Thoughts/Thoughts and Observations –**

A series of publications by our Chief Investment Officer Kevin Armstrong

**Strategy Conclusions –**

Monthly summary of strategy decisions following Regional Investment Committee meetings

**Investor Conference Call –**

Invitations to Teleconference calls discussing our current investment view

If you are currently not receiving these, or would like to be removed from the distribution list please speak with your Private Banker. Our aim is to ensure you receive the information you want to receive.

## Helping migrants invest in New Zealand

ANZ Private is helping migrants who want to come to New Zealand under the new investor immigration categories.

In 2009, the New Zealand government changed its immigration policy to include two new investment-related categories:

- > Investor 1 Category migrants must invest a minimum of NZ\$10m for 3 years.
- > Investor 2 Category migrants must invest a minimum of NZ\$1.5m for 4 years.

Several other criteria also apply, including some directions on how the funds must be invested.

"Compared to the previous policy, the new one is far less prescriptive about what you can invest in," says Nigel Scott, Regional Manager of Private Bank in Auckland. "We now have a lot of scope to take into account the risk appetite of the individuals migrating and overlay our investment strategy, much as we do for our local clients."

Nigel recently took part in migrant seminars in Singapore and Kuala Lumpur, along with senior representatives from Pricewaterhouse Coopers, Luxury Real Estate and immigration consultancy Malcolm Pacific Ltd. The aim was to present the opportunities the new migration policy opened up for wealthy investors.

It has been such a success that there are plans to hold more seminars in Malaysia early next year. "The audiences gave us incredible feedback. People have a great appreciation for the advice and investment services we offer and see us as the experts," says Nigel.

We have also been invited to attend two seminars by Immigration New Zealand. These took place in Los Angeles and London and were specifically focused

on Investor Category immigrants. These were very successful events resulting in a number of new clients and contacts.

So far, all the Investor 1 Category and nearly half the Investor 2 Category migrants who came to New Zealand chose to place their business with us.

"When investors want to come to New Zealand, we see it as the beginning of a long-term relationship. Apart from helping them with investments, we help these people integrate into the New Zealand business community through our networks."

In Private

## We'd like to hear from you

We welcome your feedback. Please let us know about any suggestions you might have for improving In Private, including the type of articles you'd like to read. Contact your Private Banker or email [Evelyne.Matheny@anz.com](mailto:Evelyne.Matheny@anz.com)

## To contact us

**Upper North Island**  
Phone: 0800 151 393  
**Central North Island**  
Phone: 07 557 7105

**Lower North Island,  
Nelson/Marlborough**  
Phone: 0800 373 909

**South Island – Christchurch**  
Phone: 0800 327 290  
**South Island – Dunedin**  
Phone: 03 457 0045

This material is provided as a complimentary service of ANZ Private Bank, part of ANZ National Bank Limited ("Bank"). It is prepared based on information and sources the Bank believes to be reliable. Its content is for information only, and is subject to change and is not a substitute for commercial judgement or professional advice which should be sought before acting in reliance on it. To the extent permitted by law the Bank disclaims liability or responsibility to any person for any direct or indirect loss or damage that may result from any act or omission by any person in relation to this material. A copy of the Bank's, John Body's, Guy Fisher's, Kieran Forde's, Nigel Scott's and your Private Banker's Disclosure statement, prepared under the Securities Markets Act 1988 is available on request from your Private Banker free of charge.