TRUST+
MANAGEMENT

Empowering charities to serve and prosper

CORPORATE PROFILE

We understand charities. We help charities to serve and prosper

Over the past two decades, Trust Management has grown to become a leader in the field of governance, investment and financial services solely for charities and non-profit organisations.

Our dedicated staff help serve the needs of over 250 clients. We advise on and manage assets of over $1.5 billion on behalf of our clients and are proud to have had a role in helping our clients distribute over $30 million in funds to their various causes.

$1.5b

In assets under management

Contents

Chief Executive's Message

Charities and non-profit organisations are the backbone of our great nation. They are set up with the very best of intentions by people who are passionate about making things better for others.

But good intentions alone don't guarantee success. If a charity doesn't have a solid foundation from the very outset it risks undoing the very good work it was set up to achieve.

That's where Trust Management comes in. We are the experts in the field of charity governance and investment. Our role is to stand alongside board trustees supporting them to provide good leadership and make the most of their assets and investments so they can, in turn, deliver the very best outcomes for their beneficiaries.

I joined Trust Management in the early 2000's looking for a role that was more morally rewarding. Since taking over as Chief Executive in 2009, I have worked hard to build a strong team of professional and able managers and staff who are as passionate about our work as I am.

We understand that every charity is unique so we invest in building relationships with trustees that allow us to get a full understanding of a charity's mission and core business.

We have over 250 clients and $1.5 billion worth of funds under management, or advice. We firmly believe the investment requirements of charities are different than for profit organisations and so our philosophies differentiate us from other investment advisors.

If you are a trustee of a charity I encourage you to discuss with your fellow board members the benefits of bringing Trust Management on board

Grant Hope - Chief Executive

"I am confident that together we can achieve great things."

We understand that every charity is different so our management team invest time in building relationships with our clients

Our Company

Our History
We were established in 2001 to meet the commercial management and investment needs of the Anglican Diocese of Auckland, allowing the Diocese to focus its resources on mission and ministry.

After an initial period of success, the Diocese provided the mandate for Trust Management to assist other non-profit organisations. Today we have clients from endowment trusts to operating charities, which incorporate a wide range of purposes from denominational trusts, community trusts, medical research and educational trusts.

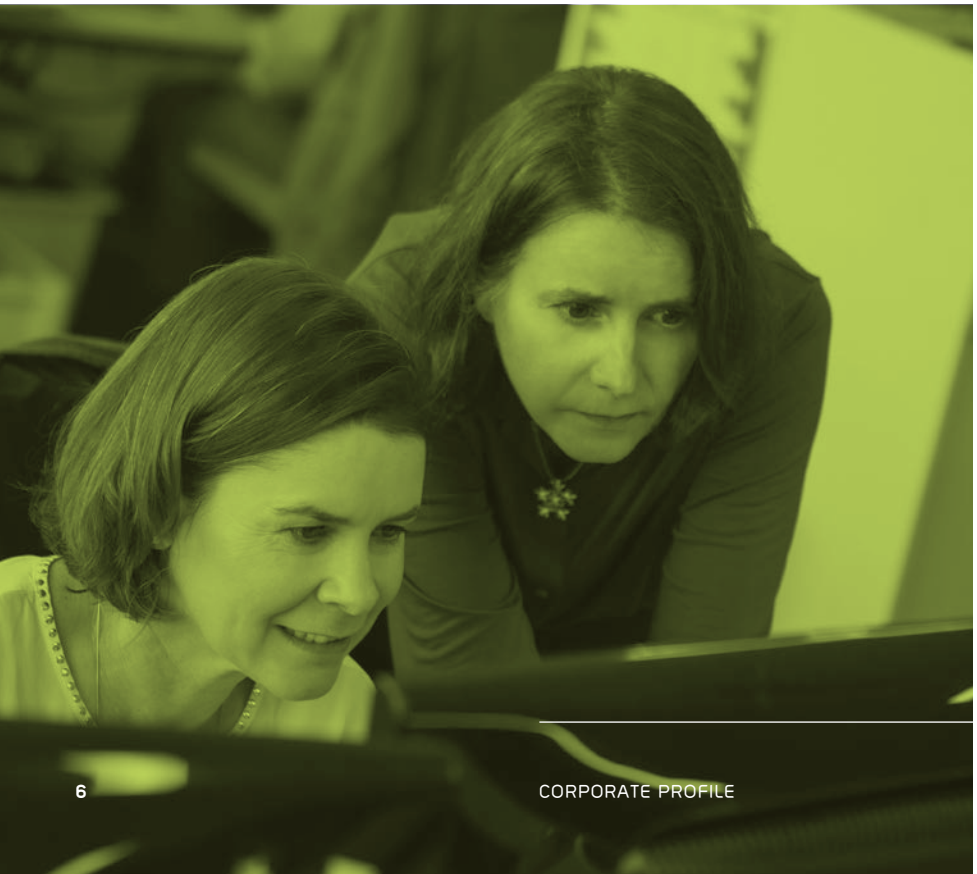
Trust Management is a charity itself and remains wholly owned by the Anglican Diocese of Auckland.

Our values
With our years of experience we have learnt that the needs of charities are different than those of for-profit investors. Our philosophies have been formed with that in mind.

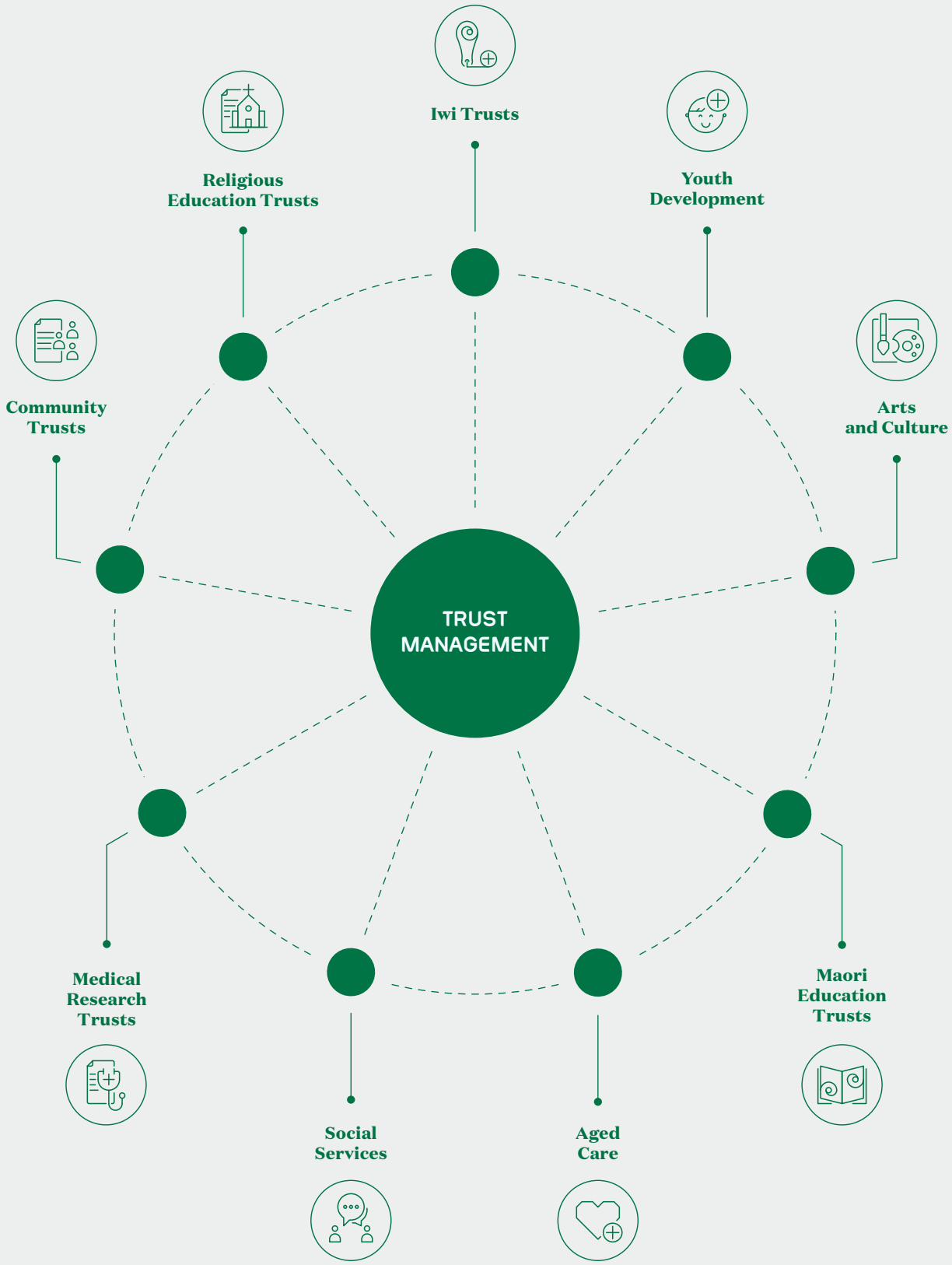
Our staff
Our dedicated and professional staff are the backbone of our organisation. 100% of our non-administrative staff have a tertiary qualification and 32% have a post-graduate qualification. 64% of our team belong to a professional body or association.

We are also a proud supporter of diversity in the workplace and our staff come from all corners of the globe and together speak 15 different languages.

It is a testament to the positive and rewarding working environment that several members of our management team have been with Trust Management for over ten years.



250+
Clients and investors


Iwi Trusts
Religious Education Trusts
Youth Development
Community Trusts
Arts and Culture
TRUST MANAGEMENT
Medical Research Trusts
Maori Education Trusts
Social Services
Aged Care

Our Services

Trust Management has a range of professional services that charities can utilise either individually or as a full management service.

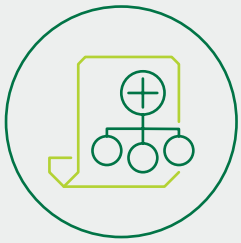
Each of these services is explained in more detail on the following pages, along with brief profiles of the managers responsible for each area.

While our managers hold key responsibilities for their given areas, we encourage collaboration across various service areas ensuring a depth of knowledge and expertise across all areas of our business.

Whether it's a one-stop management and governance service or help with one specific area we can tailor a package to meet your needs.

$30m+

Distributed by clients annually

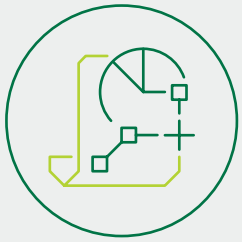


Governance Services

Sometimes charities lack strategic management or depth of knowledge across the broad range of issues charities can face. That's where our staff acting as your staff can assist, through the provision of sound advice and decision papers to Boards.

Investment Services

We can help you with a one-off assessment of your existing investment strategy and its performance or create a comprehensive strategy, asset allocation and portfolio realignment.



Financial Services

We can help prepare customised financial reports for our clients to make it easier for Trustees to understand their Trust's financial position.

Investment Funds

Our investment funds were established to provide exposure to investments markets through a range of asset classes. We focus on risk as well as return. Our investment funds reflect the ethical values of our investors and our business.

Property Management

We provide a full suite of property services for charities including advice on property investment, acquisitions and disposals, asset management, property and facilities management.

Governance

Governance is a key element of good performance. It means having good oversight and vision, accompanied by well-defined accountability, a focus on risk management and a balance between the short term and long term.

While governance is the domain of the trustees, many charities do not have the resources and systems to achieve good governance. We can work with trustees and provide the resources, systems and skills necessary to ensure good governance.

Our governance advice is led by our CEO Grant Hope with support from General Manager Shane Coward. Both Grant and Shane are committed to implementing Trust Management's mission of providing exceptional service to a growing number of charities, and the beneficiaries and regions they serve.

Case Study

76%

Investment capital increase

$1m

Annual surplus

Some years ago we were approached by a Charitable Trust that was in financial difficulty. The Trust's capital was being eroded by operating deficits and poorly performing investments. There was no clear strategy and the Trust had borrowed over $5m to fund its operations and undertake property development.

Over several months the Trust Management team worked closely with the trustees to establish the Trust's goals and develop an appropriate investment strategy. This led the Trust to reorganise its governance and operating policies and procedures.

Now with clear objectives and a well-structured investment strategy, the Trust's investment capital has increased 76% over the last five years. It is now generating an annual surplus of over $1m and has resumed making distributions towards its charitable purpose.

Grant Hope BCom, CA, MInstD.

Chief Executive

Grant joined Trust Management in 2002 after seeking a fresh challenge and a more morally rewarding working environment.

A strong leader, Grant enjoys mobilising others to reach shared goals. With more than 25 years in business and 15 at Trust Management, his talents have allowed him to work for an expanding number of charitable trusts located everywhere from Aotearoa New Zealand to Polynesia and Melanesia.

Grant and his wife's two Labradors keep the couple frequently on the move. As a professional who works tirelessly for clients, he effectively applies that kind of energy in the workplace as well.

Shane Coward BCom, MInstD.

Chief Operating Officer

Shane joined the company in 2003 and has 20 years experience in finance and management.

Shane's diverse experiences within the industry have enabled him to develop a wide breadth of commercial and business understanding.

As well as responsibility for the day-to-day management of the business and ensuring we meet or exceed our clients' expectations, he also provides governance and management advice.

When he's not at work, you'll likely find Shane playing sports, camping or attending a show with his wife and two daughters. He's spent more than 25 years volunteering as a lifeguard and surf coach. Naturally, the traits that make him a strong leader in the water, also make him a valuable supervisor in the workplace.

> ***We consider Grant and Shane as if they were our own staff. They are responsive to our needs and provide the Board with good information from which to make decisions. I would not hesitate to recommend them.***
>
> **Russell Florence**
> Chairman - The General Trust Board

Investment Services

We firmly believe that the investment characteristics and requirements of charities are different to those of non-charitable investors.

We are often asked to assist Trusts by performing an independent assessment of their investment strategy and its performance.

Trust Management works with Trustees to develop bespoke investment strategies that are tailored to each Trust because we firmly believe that only Trustees can determine the appropriate risk tolerances and return objectives of a Trust. Because every charity's needs are different, we do not offer or impose a standard investment strategy on our clients.

Case Study

20%

Management fee reduction

A Charitable Trust recently engaged Trust Management to formally review their investment strategy and managers. We set about understanding the Trust's specific objectives and details of the Trust's current investment portfolio.

We concluded that the strategic asset allocation was not well defined, the investments were not well diversified and there was too much dependence on one active manager.

Furthermore the performance had been poor when measured against standard market benchmarks.

We also discovered that the Trust's management fees were high and that a saving of around 20% was readily achievable by changing the Trust's asset allocation and management structure.

As an outcome of this review the Trust has decided to change its strategy and put its growth and income prospects on a much firmer footing. It will soon be able to significantly increase its grant making on a sustainable basis.

Matthew Goldsack

BCom, GradDipBus(Fin), INFINZ

General Manager Investments

Matthew Goldsack, General Manager Investments, recently joined the organisation. With over 20 years experience in institutional and retail funds management, Matthew has built a successful career helping organisations and individuals to achieve their long term financial goals.

Matthew believes that good discipline, effective diversification, and strong governance serve as critical components of any long term investment programme. Matthew is a great advocate for well-balanced investment portfolios and with investment markets becoming increasingly complex, it is important that the risks of investing are well understood and managed appropriately, and the costs of investing are controlled.

Matthew's role at Trust Management involves overseeing the investment process, including investment analysis, monitoring financial markets, report writing, investment research, client presentations, and a range of compliance-related tasks.

Although new to the organisation, Matthew looks forward to furthering Trust Management in its journey to become the "go to" business for all New Zealand charities.

"Trust Management provides excellent advice to our Committee and often uses relatable analogies to impact more complex messages.

Judy Whiteman
Former Chair of Investment Subcommittee, Presbyterian Support Northern

$1.5b

Assets under management or advice

Financial Services

We offer a full range of financial services to cater for the accounting, forecasting and treasury management needs of our clients.

We prepare customised financial reports and commentaries to enable Trustees to understand the position and performance of their Trust, including managing and liaising with auditors.

Our team operates a system of internal controls and procedures to protect our clients' assets. We also engage an internal auditor to issue an independent quality assurance report on our processes and internal controls. The auditor issues a 'NZ ISAE 3402 Type 2' report, equivalent to the ISO-9000 quality assurance standard. This means we can give our clients a high level of assurance that we operate a 'best practice' approach and give priority to the high quality of our work.

Case Study

150

Accounting services clients

$150m

In combined revenues

One of our clients is a charity with more than 90 independent branches. During our review of the charity's financial systems, we learned the head office wasn't receiving monthly financial reports from the branches and so was unable to assess their individual financial health.

The client also had concerns over the level of internal controls at branch level, especially the disbursement of funds. Trustees had concerns about the preparation of consolidated financial statements. The charity had never prepared such statements before.

By applying a set of documented processes, Trust Management established a centralised financial services solution that has seen the orderly collection of financial data from each branch, the implementation of robust internal controls and the preparation and presentation of monthly reports, not only to the branches but also on a consolidated basis.

As a result, the charity has gained significantly more confidence and insight into its financial situation.

Anne Edwards MBA, CA.

General Manager, Finance

Anne Edwards believes her thirst for knowledge, attention to detail and passion for the stories numbers tell are the traits that allow her to excel.

A newer member of the Trust Management family, she came to the company in 2015 with an already impressive career background. With almost 30 years in the industry, Anne spent nearly half of her career as Associate Director at UBS New Zealand and has served a plethora of respected and well-known clientele.

Anne knows that the work she and her team complete at Trust Management doesn't end with numbers.

What's most important for her is helping clients with their financial needs. Trust Management also helps clients in a broad sense, understanding and mitigating risk.

Fluent in both French and English, Anne is well travelled having lived or studied in New Zealand, the United States, England, and France.

A master at time management, she believes she's been afforded the best of two worlds, raising a family and challenging herself in a entirely different realm through leading a team at Trust Management.

> ***Anne and her team provide us with valuable insights into the financial activities of our business which we would not otherwise be able to gain from our existing staff.***
>
> **Sonia Maugham**
> Diocesan Manager
> Anglican Diocese of Auckland

Property Services

We often meet with Trusts who have invested in property to enhance their investment returns. However, like all investments, real estate has inherent risks and is a complex asset class to manage and monitor. Returns can quickly erode through vacancies, unplanned maintenance costs, zoning changes and health and safety issues.

Our Property Services team manages a diverse range of client property portfolios, as well as the Trust Management Property Fund. Overall, we are responsible for managing property investments worth over $600 million and have the specialist experience and expertise to provide your charity with the right property investment strategy.

We provide a full suite of property management services for charities including advice on investment strategy, acquisitions and disposals, asset management, property management and facilities management. Transparency is a core value of the service we offer.

We do not earn any agency fees and we are independent of any real estate agency, valuer or advisor. This means the interests of Trust Management and our clients are aligned and we can select property investments free from influence and are not incentivised to "churn" our clients' property investments.

Case Study

We recently assisted a client by designing and implementing a strategic review of its property portfolio. Working with the Trustees, Trust Management was able to identify the charity's property assets which were not generating income for the benefit of the charity's beneficiaries.

We implemented a strategy that took into account the sensitivity of disposing of long held land holdings, and eventually negotiated the sale of a terminating ground lease for an unproductive piece of land which had sentimental and strategic value. As a result, the Trust now continues to have a titular interest in the property whilst receiving an income to fund the Trust's charitable work.

When the lease expires, full ownership will revert to the Trust, enabling the Trustees to consider how to reutilise this asset for future generations of beneficiaries.

Patrick O'Reilly

MProp Stud, PGDipCom, BCom (VPM)

General Manager, Property

Patrick O'Reilly lives and breathes property. Boasting more than 20 years of senior leadership experience in the property industry. Pat is a respected commercial manager known for delivering outstanding results.

He stresses the largest influence on a property's value is the effective use of each space by those who occupy it because, "without people in these spaces, the properties are just bricks and mortar." That awareness provides Pat with a unique perspective, which allows him to execute the duties of his job and produce such remarkable results.

Pat is also President of the Property Institute of New Zealand, an organisation representing valuers, property advisors, property managers and chattel valuers.

"Patrick and the Property Team are award winning for a reason. They are across all aspects of commercial property investment and management. They regularly provide returns in excess of expectations.

Kevin Wearne, Chairman
St John's College Trust Board

$60m
Annual rental roll

Investment Funds

Trust Management recognised that in New Zealand there were no investment products dedicated to meeting the needs of charities. So we established and now manage six funds designed to meet the explicit needs of charities. They are simple, transparent, efficient and tax effective.

The six Investment Funds directly managed by Trust Management are represented by the investments of over 200 investors and total approximately $500 million.

Our Investment Funds were designed to meet the needs of charitable investors. These Funds reflect Trust Management's philosophies of strategic asset allocation, portfolio diversification, portfolio efficiency, active and indexed management, currency hedging and investment management at reasonable cost. Our investment funds are designed to offer appropriate solutions to enable charities to achieve their long term objectives. Our Funds are priced monthly and distribute income quarterly.

You can access more information about our funds, including receiving a copy of the latest Product Disclosure Statement on our website.

To learn more about the Funds or to obtain a copy of our Product Disclosure Statement, please contact our General Manager, Shane Coward on 09 550 4045.

Our Investment Funds offer investment to enable charities to achieve their long term objectives while incorporating ethical concerns of the investors

Balanced Fund

The Fund is a diversified fund that aims to generate a return that tracks the weighted average return of the benchmarks of the underlying Funds into which it invests.

New Zealand Bond Fund

The Fund is an actively managed portfolio of fixed interest securities, focusing predominantly on government bonds and corporate issues in the New Zealand market, which meets certain sustainability criteria.

International Bond Fund

The Fund provides exposure to international bond markets through an index tracking fund.

Property Fund

The Fund provides exposure to the New Zealand property market through a diversified portfolio of commercial properties. The Fund aims to provide income while protecting the real value of the property assets over the medium to long term. The Fund applies certain sustainability criteria on acquisition of properties.

Sustainable Australasian Share Fund

The Fund is a diversified portfolio of New Zealand and Australian shares across a range of industries and sectors which meet certain sustainability criteria.

International Share Fund

The Fund provides exposure to international sharemarkets through an index tracking fund, which meets certain sustainability criteria.

Compliance

Trust is at the heart of our business. Without trust, the quality services and advice we provide for our clients is void.

With that in mind, we engage reputable audit firms to conduct independent quality assurance reports on Trust Management's processes and internal controls.

It is of great importance to us that our clients and potential clients have complete confidence in the way we look after charitable and not-for-profit organisations, and assurance reports provide third party validation of the quality of our processes and internal controls.

The scope of the assurance report covers all internal controls, policies and procedures relating to the diverse range of services we provide to our clients.

Because we provide professional services spanning Governance, Financial, Investment and Property, it is of utmost importance that we are able to assure our clients that every element of your organisation that we have the privilege of working on is managed with a rigorous, effective and attentive approach.

Trustees have peace of mind knowing that their Trust is managed by experts operating under best practice policies and procedures

Our Board

Trust Management is governed by an independent Board of Directors comprising leading business people with experience in banking, finance, investments and the charitable sector.

Christine Scott

BA (Hons), CMInstD, CHFC
Chair

Christine Scott is Managing Director of Strategy Inc. Limited. Formerly Managing Director in New Zealand with Royal & SunAlliance (now the SunCorp Metway group of companies), she now consults with mid-large corporations in the areas of strategy, marketing, governance and performance measurement.

The Right Reverend Ross Bay

BTh, PGDip PastTheol

Ross Bay is the Anglican Bishop of Auckland. He sits on a number of Boards associated with the Auckland Anglican Diocese and wider Church including the Diocesan Council, King's College, the General Trust Board, and the Selwyn Foundation.

Annabel Cotton

BMS, ACA, CFInstD, FIFP, FNZICA, FAIRA

Annabel is the Managing Director of Merlin Consulting and is a professional director with experience in advising NZX listed companies on investor relations, governance and equity management.

Andrew Evans

BBS, GDipBus(Fin), MBA (Dist), ANZIV, FPINZ, CFinstD

Andrew Evans has over 30 years' experience in commercial real estate and asset management. He is Director of Argosy Property Limited, Vital Healthcare Management Limited, Holmes Group Limited, Holmes GP Fire Limited and Hughes & Cossar Group Holdings Limited.

www.trustmanagement.co.nz

TRUST+
MANAGEMENT

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