



**YOUR FINANCIAL CONCIERGE**

*Since our establishment in 1988, our relationship with our clients has been built upon trust, personal service, and building tailored investment portfolios which deliver results.*



## Harper Bernays

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Harper Bernays is an independent investment manager and licensed securities dealer.

We manage tailored individual share portfolios for clients with a preferred minimum investment of \$1 million in Australian shares. We specialise in the Australian equities market.

We create a customised portfolio for each client and manage it on an individual basis.

Our success is founded on building tailored investment portfolios which deliver results, and on the one-to-one relationship we develop with each of our clients.

Harper Bernays' clients include private individuals, trustees, companies and superannuation funds. They all benefit from the strong network which we have developed with major institutional stockbrokers, analysts and underwriters as well as professional advice from our experienced investment managers.

Our clients have the flexibility of individual ownership of their investments and the benefit of access to a broad range of investment opportunities. Many of these opportunities are usually only available to institutional investors.

Founded in 1988, the company remains committed to its original objectives of providing personal daily management of share portfolios for clients who want to preserve and increase their wealth.

## The Investor

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As an investor you may have specific objectives and views on how your portfolio should be managed. You may not, however, have the time or desire to closely monitor individual stocks or to ensure that your portfolio remains in line with your investment strategy.

At Harper Bernays, we have earned a reputation for listening to our clients and responding with the right solutions. Our approach is to understand your investment objectives and create a tailored portfolio which reflects your individual needs. We then actively manage the investments on your behalf. You can enjoy the flexibility of direct ownership of your assets, while delegating the daily management of your portfolio to our experienced and professional investment managers.

We believe that a successful investment service needs to be built on trust, personal service and ultimately performance. You will enjoy a direct relationship with our investment managers and you are able to monitor closely the performance of your portfolio.

Delivering clients' investment goals and building their wealth is our most important priority.

## Our Service

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### **Minimum investment**

To enable us to offer truly personalised and quality service, our preferred investment portfolio is a minimum of \$1million. This investment may be in the form of cash or an existing portfolio which would be managed according to agreed guidelines established with the client.

### **Individual management**

To provide a truly personalised service, all client portfolios are managed individually. All investments are made and registered in the client's name and are held in safe custody by the appointed custodian.

### **Personalised consultation**

To ensure that a client's particular investment needs are met, a personalised consultation with each new client forms the basis of an investment mandate. We consider a client's needs and their specific circumstances, risk sensitivity and investment objectives. Management is then undertaken on either a fully discretionary basis or within agreed guidelines.

### **Regular personal communication**

To maintain a client's ultimate trust and confidence in our service, we are committed to regularly communicating with our clients on a personal basis. All our clients have direct access to our investment managers who are responsive to their needs.

### **Individual client record keeping**

To ensure that a client can clearly identify all transactions and movements in their accounts, individual client records are kept by the appointed custodian.

### **External custodians and administrators**

To ensure maximum security for our clients, external custodians and administrators have been appointed by Harper Bernays.

## Financial Concierge

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Our client base has always been, and remains, high net worth individuals and families, charities and not for profit organisations.

Over the years, driven by the awareness of our clients' growing needs, our business has evolved into something much more than just managing clients' investments.

While never losing our focus of first and foremost being a superior long term funds manager, Harper Bernays has, over the years, quietly grown into a 'Financial Concierge' at our client's request, where we exercise a high level of discretion and security in order to deliver the best possible outcome for our client's financial and other related needs. This also helps build a foundation of trust with our clients – the trust we seek to earn by constant and vigilant attention to every client's needs.

As a result, directors of the company and, where appropriate, approved senior staff of the firm, upon request and free of charge, now act in a range of formal capacities for many of our clients. These include, but are not limited to, acting as:

- Power of Attorney;
- Guardian;
- Executor of a Will; and
- Trustee of General and Special Purpose Trusts and Will Trusts.

Low staff turnover and the high level of experience of our staff ensure our clients get both continuity and a high level of competency in the parties taking direct responsibility for their financial and related needs.

*Taking responsibility at a personal level with long standing senior personnel, rather than at a corporate level with regular turnover of junior account officers, is an important part of our service offering.*

This continuity and intimate knowledge of our clients and their needs and circumstances, and the extent to which they have come to be comfortable with placing this trust in us, has often been critically important in both anticipating and ensuring optimum outcomes for our clients.

We have also recently installed a high security electronic storage facility for our clients, which can be accessed electronically through a protected portal on our website. More information on the portal (<http://www.harperbernays.com.au/financial-concierge/high-security-electronic-documents-and-records-storage/>) can be found here.

## Key Characteristics of our Financial Concierge Services

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### **It's free**

As long as clients retain their investment funds with us, all these services and the level of support we provide are provided free of charge. We have found that good clients don't abuse this situation, and for our part, we only rest easy when we believe that all the factors that could affect financial outcomes for them have been satisfactorily addressed.

### **We always outsource client needs, other than Funds Management.**

As a matter of Board policy, we have never retained core competencies in-house other than those associated with funds management and related activities. We have no intention of ever changing this position. Any other needs that are identified as a result of our contact with the client and which require specialist professional input, always have been and always will be outsourced to appropriate professionals.

**This outsourcing is never for commissions** and always to professionals known to us, and highly skilled in their area of expertise.

Referrals are based upon respect for appropriate professional expertise in every instance. For this reason, we only refer our clients to individuals whose competencies we already know, never a firm, and on the understanding that these parties will personally deal with our clients.

We can arrange referrals with respected professionals known to the firm.

We can either integrate into, or help you build the trusted network needed to maximise your financial outcomes where necessary, and upon request we can arrange external services or consultations to cover additional services, including:

- Estate Planning
- Tax advice and planning
- Superannuation advice
- The creation of special purpose vehicles
- Budgeting and cash management

Being bespoke managers, we are happy to discuss and help seek solutions for you and your family for all and any financial matters which may affect your personal finances.

## Our Investment Philosophy

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The Harper Bernays investment philosophy draws a great deal from common sense.

Our philosophy is simply to identify outstanding companies worthy of investment. The selection process involves a thorough review of all investment opportunities.

### **Understanding the business**

We make sure that we understand the business in detail and the long-term prospects for the industry in which it operates.

### **Uncomplicated business models**

We are invariably drawn to companies which have an uncomplicated business model and which are focused on executing realistic business plans.

### **Outstanding management**

We look for outstanding management which is capable and focused on building shareholder value. Our preference is for companies in which management's and shareholders' interests are aligned. We believe that notwithstanding the quality of a company's assets, management leadership is critical to a company's success.

### **Growth and edge**

We look for companies with an enduring competitive advantage and strong earnings growth.

### **Undervalued companies**

We look to identify companies where the market valuation of their business differs from our valuation.

### **Long term investments**

As our preference is to hold investments for the long-term provided the company continues to perform, we look for companies with sound long-term prospects.

If a company meets all these criteria, then we invest.

As professional investment managers, we look to make rational and objective investment decisions based on our extensive knowledge of the market and its opportunities.

From a broad range of opportunities, we carefully select the right investments to meet each client's risk profile and investment objectives.

## Our Investment Objectives

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### **Firstly**

Our first investment objective is to preserve and maintain the wealth our clients have built. The discipline this objective imposes ensures an appropriately rigorous approach is taken when reviewing each and every investment.

### **Longer term**

Over the longer term, our investment objective is to provide a superior rate of return to the general market.

### **Returns**

Our investment approach has enabled us to generate returns for clients which have outperformed the market.

### **The investments**

From the outset it should be appreciated that, as an asset class, an investment in shares is unlike an investment in cash or property. Investing in shares, we are buying a stake in a business operated by managers where perceptions of value can, and do, vary widely.

Valuations as represented through share prices are subjective and reflect, among other things, the strategic direction a company takes and the ability of the market to appropriately value the business at any given time. We are constantly looking at the relationship between price and value.

To this end an investment is made in a business because that business has the potential to produce superior earnings growth and greater value for its shareholders. It is for this reason that an investment in shares is made with a long-term horizon.

We remain totally focused on identifying those businesses which have the potential to deliver strong earnings growth and those which have a management committed to rewarding shareholders.

Our resolve to invest with a long-term objective is important as it ensures that during periods of extreme volatility, investment decisions do not yield to investor emotions. At all times, however, we are aware of the need to remain focused on the reasons which led us to invest in a company so that we can identify and respond accordingly when conditions or markets change.

## How to Establish a Harper Bernays Portfolio

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### **Understanding your investment objectives**

Personal consultation is the cornerstone of any investment mandate. We believe that several considerations need to be taken into account before any investment is made. Harper Bernays will only make an investment recommendation after considering your individual investment needs, objectives and financial circumstances. As a first step, we meet with you to discuss your objectives and understand your circumstances. In particular, we assess your investment horizon, your capital growth and income requirements, your diversification preferences and your risk profile.

### **Investment horizon**

One of the first considerations will be to establish your 'investment horizon'. This involves determining the length of time for which you are able to invest and whether you will need to access your funds at any time. Most of our clients invest for a minimum of 3 to 5 years. We have found that the best returns are achieved by investing in excellent businesses with a long-term view.

### **Growth and income requirements**

We will discuss whether your priority is to generate dividend income from your portfolio, create capital growth or both. We will then identify companies which are able to generate a level of growth and/or income that meets your objectives.

### **Risk profile**

We will discuss your tolerance towards risk and your expectations for investment returns. Understanding your risk profile and time horizon will assist our investment managers in determining the suitability of a particular investment for your portfolio. We will then select shares which meet your investment objectives, comparing your risk profile with our risk assessment of the particular investment to ensure that they are suitably aligned. Risk is inextricably linked to the investment horizon. By extending the length of time for which you invest to several years, you can significantly reduce the market-related risk element of your investment. We aim to build a portfolio which gives you the highest return at the level of risk with which you are comfortable.

## Keeping Track of Your Investments

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In addition to receiving detailed monthly reports, you can contact your private investment manager at any time to discuss your portfolio.

### **Our custodians**

Your assets are held independently by a custodian. We have relationships with two of Australia's leading bank owned trustee organisations. Your nominated custodian will establish an exclusive account on your behalf, holding all the assets in your investment portfolio. The custodian is actively involved in the administration of your portfolio, settling sales and purchases transacted on your behalf and continually updating your income and capital gains tax records. All surplus cash balances are invested in the custodian's cash management account at market interest rates.

### **Reporting**

Each month you will receive a valuation statement and a transaction report, showing the market value of each of your investments, details of any acquisitions or disposals made in the month and any interest or dividends that you have received. The report is prepared independently by your custodian.

Each year, your custodian will also prepare a number of reports designed to assist you in simplifying your taxation affairs, including capital gains tax, income and expense reports and dividend imputation reports. For your convenience, we can also arrange for any of these reports to be sent directly to your accountant, tax agent or trustee.

### **Investment performance**

You can review the latest performance figures on our website at [www.harperbernays.com.au](http://www.harperbernays.com.au) or by calling one of our investment managers.

## Benefits of the Harper Bernays Service

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Our portfolio management service, which is appropriate for private individuals, trustees, companies and superannuation funds, offers the following benefits.

### **Tailored portfolio**

We create an individual investment portfolio for you, tailored to suit your specific needs and objectives.

### **Personal service**

We offer a one-to-one service. You can contact your private investment managers at any time to discuss your portfolio or to arrange a meeting.

### **Active daily management**

You can confidently delegate the daily management of your portfolio to our professional investment managers. We continually monitor your portfolio and make investment decisions on your behalf as appropriate.

### **Ownership**

All assets in your portfolio are held on your behalf by a custodian. This means that we can execute transactions to reflect your specific situation, such as tax planning at year-end and optimising the flow of franking credits. There is no capital gains tax on the transfer of your existing portfolio to Harper Bernays management.

### **Custodian**

An independent custodian holds your assets on your behalf and manages the settlement of transactions and the receipt of dividends and interest. Any surplus cash is invested in the custodian's cash management account.

### **Investment opportunities**

Through our extensive network, you have access to a broad range of opportunities including floats, share placements and sub-underwritings, many of which are ordinarily only available to institutional investors.

### **Independence**

As an independent institutional investor, we have relationships with a large number of the major stockbroking firms and access to a vast amount of research and resources. We also have direct access to the directors and senior management of the companies in which we invest.

### **Reporting**

Detailed monthly reporting ensures that you are kept up to date with the performance of your investments and assists in simplifying your taxation affairs.

### **Fees**

There are no establishment or exit fees. The management fee is based on the value of your portfolio and includes GST and custodian's charges.

## The Harper Bernays Difference

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Harper Bernays has always understood the special relationship that exists between a client and a portfolio manager. It is a relationship built upon trust, personal service and performance.

The importance we place on managing our clients' funds is matched only by our resolve to clearly communicate our investment philosophy.

We invest with the knowledge that acquiring undervalued assets requires discipline and patience and an understanding of markets.

For many, the fear of either losing everything during times of uncertainty or of missing out during periods of market euphoria often undermines the essence of investing successfully. Our approach to investing with a longer-term objective remains a discipline essential to creating wealth.

At Harper Bernays our commitment remains focused on providing our clients with the high level of individual service to which they have become accustomed.

# Corporate Directory

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Harper Bernays Limited ABN 32 003 148 794

## **Toll free telephone**

1800 HARPER  
(1800 427 737)

## **Office address**

Level 1  
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Sydney NSW 2000  
Australia  
Telephone: 61 2 9223 4044  
Facsimile: 61 2 9252 0325  
Email: [info@harperbernays.com.au](mailto:info@harperbernays.com.au)

## **Legal advisors**

TressCox Lawyers

## **Bankers**

National Australia Bank

## **Auditors**

HLB Mann Judd

## **Website**

[www.harperbernays.com.au](http://www.harperbernays.com.au)

## **Consulting Actuaries**

Professional Financial Solutions

## **Postal address**

PO Box N697  
Grosvenor Place  
NSW 1220  
Australia

## **Custodians**

National Australia Trustees  
Sandhurst Trustees

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