

RE: Ross Asset Management

You may have seen some recent press releases regarding Ross Asset Management, now under receivership along with all other entities under the Ross Group.

This situation was prompted by complaints received by the Financial Markets Authority (FMA) from investors unable to access their funds who acted swiftly. Subsequently, the Serious Fraud Office (SFO) has also launched an investigation.

We have read the PwC receiver's report and it does not make good reading for those investors who have been with Ross Asset Management. Naturally, you will be concerned to ensure that your investments are not subject to the same factors that led to the Ross Group receivership.

We have therefore identified the following processes and controls as important and comforting security features inherent in the way in which Grosvenor looks after your money. According to the initial PwC report on their investigations, these processes and controls were virtually non-existent at the Ross Group:

- 1) Grosvenor's systems and controls are independently audited by Grant Thornton;
- 2) Client assets held within the Grosvenor Investment Series are monitored by an independent trustee, Public Trust;
- 3) Bank accounts and transactions are reconciled daily and asset registers reconciled monthly;
- 4) Grosvenor has an internal Investment Committee of 7, including an independent external consultant;
- 5) An Adviser Investment Committee (which Michael is a member of) also exists to overview their investment management;
- 6) Grosvenor employs a total staff of 40, with separate roles and responsibilities;
- 7) You receive a fully transparent list of all your holdings and can undertake your own independent investment performance checks;
- 8) You can have direct access to the Grosvenor system, which enables you to check on your portfolio holdings and value daily if desired;
- 9) Historical returns are reported monthly to the independent Trustee and Advisers, enabling comparisons with benchmarks and peers;
- 10) Assets are held in a bare trust (Asset Custodian Nominees Limited), completely separate from the assets of the Grosvenor Group.
- 11) The financial statements of Grosvenor Investment Management Ltd (as manager of the Grosvenor Investment Series and the Grosvenor KiwiSaver Scheme) and of Grosvenor Financial Services Group Limited are fully audited annually, in addition to those of the Grosvenor Investment Series and the Grosvenor KiwiSaver Scheme themselves.

We trust the above information gives you comfort that your investments continue to be administered and managed in a very professional way on your behalf by Grosvenor.

Please don't hesitate to contact us if you require any further information or assistance.

Kind regards

Steve and Michael

Disclosure Statements are available on request and free of charge.