

# FUND UPDATE

For the quarter ended 31 March 2020

## IOOF Integral Master Trust

### Diversified 40 Fund

This fund update was first made publicly available on 1 May 2020

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#### **What is the purpose of this update?**

This document tells you how the Diversified 40 Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Britannia Financial Services Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated. Please refer to Note 1.

#### **Description of this fund**

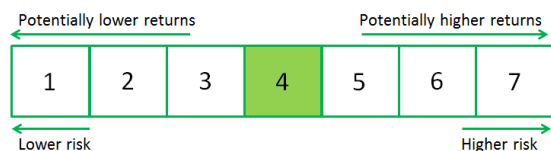
The Fund invests in a diversified portfolio containing both growth assets (shares) and defensive assets (fixed interest and cash). It has a slight bias to defensive assets and aims to generate consistent returns. Exposure to growth assets is obtained through investment funds operated by our Investment Manager. Investors are exposed to developed and developing economies through an efficient exposure to a highly diversified pool of assets, using both qualitative and quantitative investment techniques. Exposure to defensive assets is obtained through fixed interest and cash investments.

The growth assets of the fund are unhedged, while defensive assets are either fully hedged or New Zealand dollar denominated. Fund volatility is expected to be medium to high.

Total value of the fund	\$109,672,905
The date the fund started	25 May 2011

#### **What are the risks of investing?**

Risk indicator for Diversified 40 Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz](http://www.sorted.org.nz).

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the five year period ending on 31 March 2020. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

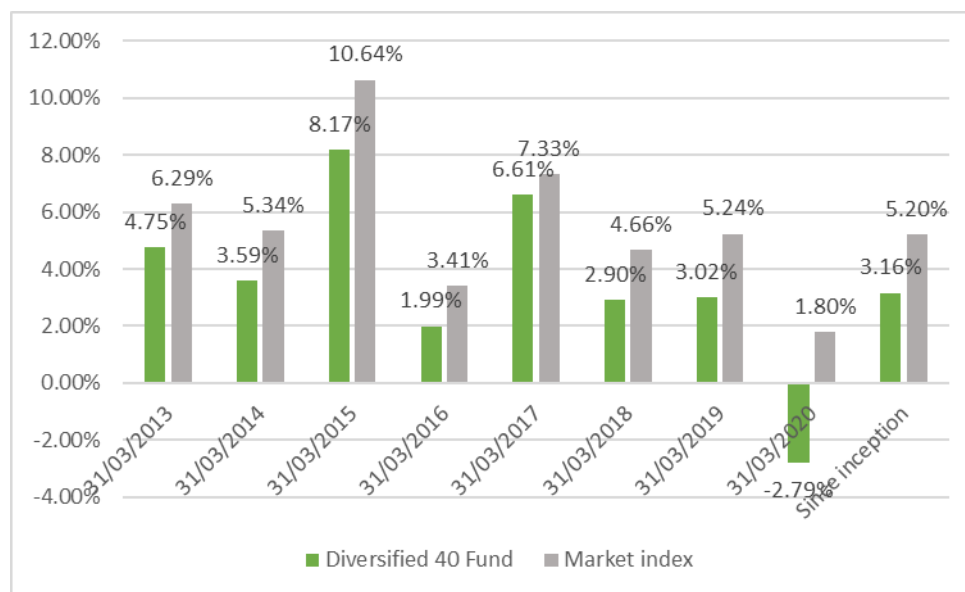
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

**How has the fund performed?**

	Average over past 5 years	Past year
<b>Annual return</b> (after deductions for charges and tax)	2.30%	-2.79%
<b>Annual return</b> (after deductions for charges but before tax)	3.05%	-2.29%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	4.46%	1.80%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying funds/assets. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

**Annual return graph**



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2020.

**Important:** This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

### **What fees are investors charged?**

Investors in the Diversified 40 Fund are charged fund charges. In the year to 31 March 2020 these were:

	<b>% of net asset value</b>
<b>Total fund charges</b>	1.19%
Which are made up of -	
<b>Total management and administration charges</b>	1.19%
Including -	
Manager's basic fee	0.60%
Other management and administration charges	0.59%
<b>Total performance-based fees</b>	0.00%

The Manager's basic fee and Other management and administration charges are estimated. Please refer to Note 2.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Diversified 40 Fund on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) for more information about those fees.

### **Example of how this applies to an investor**

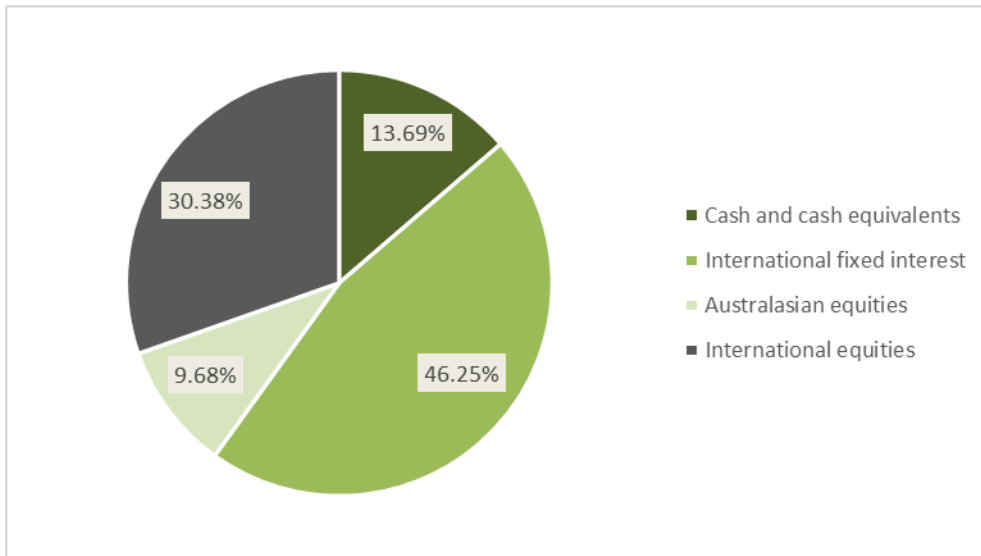
Small differences in fees and charges can have a big impact on your investment over the long term.

Chris had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Chris incurred a loss after fund charges were deducted of \$229 (that is 2.29% of his initial \$10,000). Chris did not pay any other charges. This gives Chris a total loss after tax of \$279 for the year.

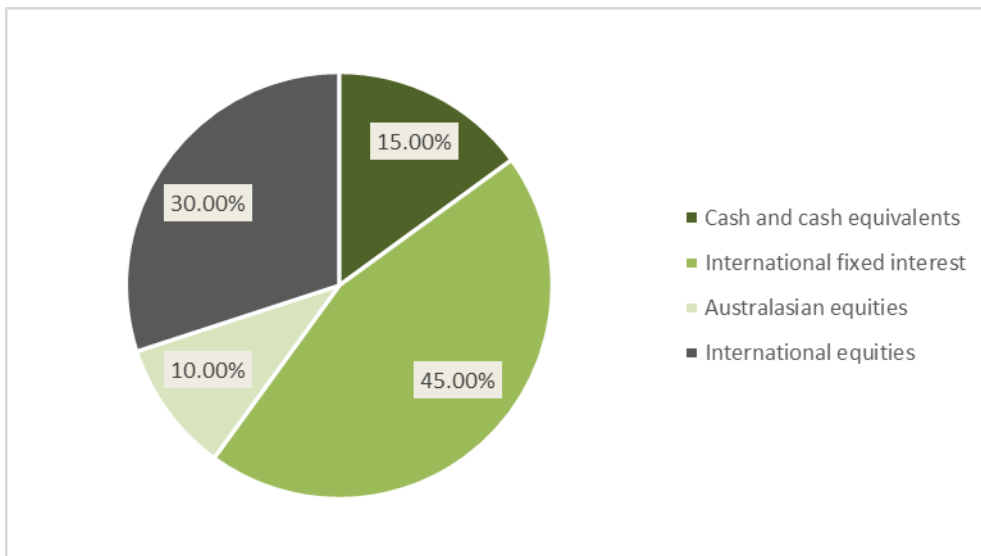
### What does the fund invest in?

This shows the types of assets that the fund invests in

#### Actual investment mix



#### Target investment mix



### Top 10 investments

<b>Name</b>	<b>% of fund net assets</b>	<b>Type</b>	<b>Country</b>	<b>Credit rating (if applicable)</b>
Five-year Diversified Fixed Interest Trust NZD Class	46.25%	International Fixed Interest	Australia	
BNZ Cash Account	13.69%	Cash and cash equivalents	New Zealand	AA-
APPLE INC	0.73%	International Equities	United States	
MICROSOFT CORP USD0.00005	0.72%	International Equities	United States	
COMMONWEALTH BANK OF AUSTRALIA	0.65%	Australasian Equities	Australia	
CSL LIMITED	0.53%	Australasian Equities	Australia	
BHP GROUP LIMITED ORDINARY FULLY PAID	0.46%	Australasian Equities	Australia	
AMAZON COM INC	0.43%	International Equities	United States	
JP MORGAN CHASE & CO	0.33%	International Equities	United States	
FACEBOOK INC	0.28%	International Equities	United States	

The total value of the top 10 investments make up 64.07% of the net asset value of the fund.

The fund invests in a fixed interest investment that is fully hedged to the New Zealand dollar. Australasian and international equities investments are not hedged.

### Key personnel

<b>Name</b>	<b>Current position</b>	<b>Time in current position</b>	<b>Previous or other current position</b>	<b>Time in previous or other current position</b>
Renato Mota*	Director	1 years and 2 months	CEO, IOOF Holdings Ltd (current position)	1 years and 3 months
Dan Farmer	Director	1 year and 2 months	Chief Investment Officer, IOOF Holdings Ltd (current position)	2 years and 9 months
John Atkinson	Director	11 years and 9 months	CEO, IOOF New Zealand Limited (current position)	12 years and 8 months
Michael Pipe	Operations Manager	9 years and 4 months	Technical Manager	3 years and 2 months

\* Key personnel not named in previous fund update for the fund.

### **Further information**

You can also obtain this information, the PDS for the IOOF Integral Master Trust, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

### **Notes**

Note 1: As at 31 March 2020, IOOF New Zealand Limited was the manager of the fund. It was replaced by Britannia Financial Services Limited on 14 April 2020.

Note 2: The Manager's basic fee is a variable percentage up to 0.65%, and is charged to the investor rather than the Fund. The Manager's basic fee disclosed in the Fund Update is an estimate because it represents an allocation of the total actual amount paid by Scheme investors for this period. The Other management and administration fee includes an estimate of the fees for investments into the underlying funds and is based on management fee rates disclosed by the underlying fund managers.