

# FUND UPDATE

For the quarter ended 30 September 2020

## Integral Master Trust

### Diversified 40 Fund

This fund update was first made publicly available on 28 October 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.

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

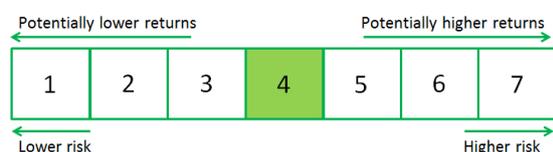
The Fund invests in a diversified portfolio containing both growth assets (shares) and defensive assets (international fixed interest and cash). It has a slight bias to defensive assets and aims to generate consistent returns. Exposure to growth assets is obtained through investment funds operated by 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 international 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. The fund's exposure to assets denominated in foreign currencies was 86.69%, of which 46.00% was hedged. Fund volatility is expected to be medium to high.

Total value of the fund	\$111,440,017
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 30 September 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.

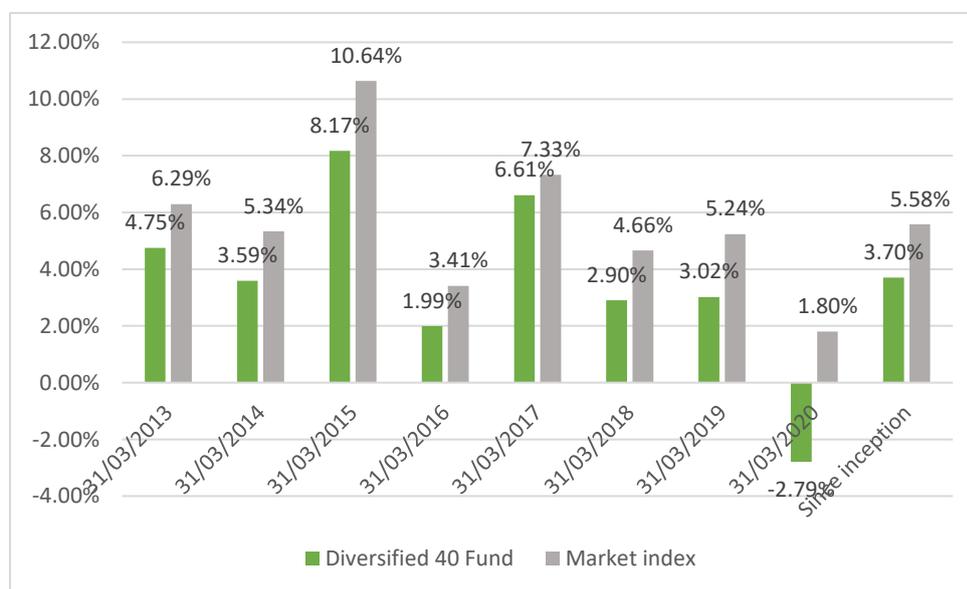
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

**How has the fund performed?**

	Average over past 5 years	Past year
<b>Annual return</b> (after deductions for charges and tax)	3.24%	-1.39%
<b>Annual return</b> (after deductions for charges but before tax)	3.97%	-0.97%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	5.46%	3.18%

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 30 September 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 inclusive of GST. 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 1.

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**

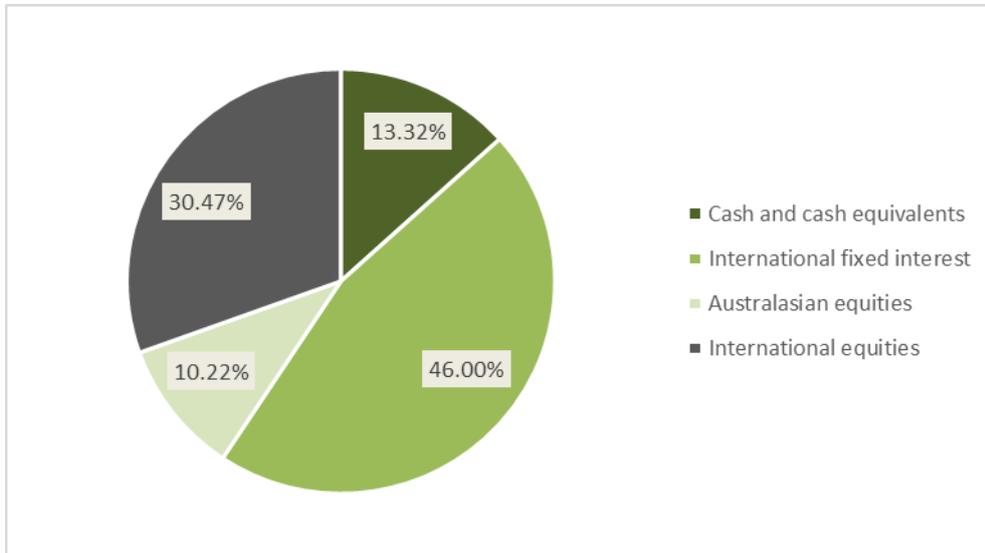
Small differences in fees and charges can have a big impact on your investment over the long term.

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 \$97 (that is -0.97% of his initial \$10,000). Chris did not pay any other charges. This gives Chris a total loss after tax of \$139 for the year.

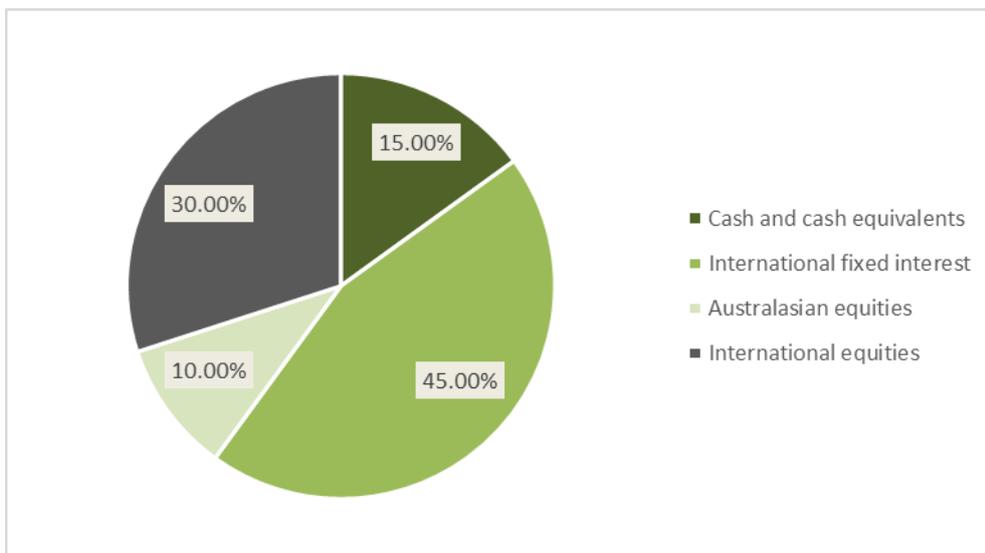
### What does the fund invest in?

This shows the types of assets that the fund invests in

#### Actual investment mix



#### Target investment mix



## Top 10 investments

Name	% of fund net assets	Type	Country	Credit rating (if applicable)
Dimensional Five-year Diversified Fixed Interest Trust NZD Class	46.00%	International Fixed Interest	Australia	
BNZ Cash Account	13.32%	Cash and cash equivalents	New Zealand	AA-
APPLE INC	1.06%	International Equities	United States	
MICROSOFT CORP USD0.00005	0.78%	International Equities	United States	
AMAZON COM INC	0.56%	International Equities	United States	
CSL LIMITED	0.53%	Australasian Equities	Australia	
BHP GROUP LIMITED ORDINARY FULLY PAID	0.49%	Australasian Equities	Australia	
COMMONWEALTH BANK OF AUSTRALIA	0.42%	Australasian Equities	Australia	
ALIBABA GROUP HOLDING LTD	0.29%	International Equities	China	
JP MORGAN CHASE & CO	0.25%	International Equities	United States	

The total value of the top 10 investments make up 63.70% of the net asset value of the fund.

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

## Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Dan Farmer	Chief Investment Officer, IOOF Holdings Ltd	3 years and 2 months	Portfolio Equities	7 years and 0 months
Alun Rees-Williams	General Manager Distribution and Director at Britannia Financial Services Ltd	19 years and 11 months	Administration Manager at David Milner and Associates	9 years and 0 months
Gavin Dixon	Chief Executive Officer and Director at Britannia Financial Services Ltd	4 years and 9 months	Chief Executive Officer at Stream Holdings Group	0 years and 6 months
Gregg Dell	General Manager of Wealth Products and General Counsel at	4 years and 7 months	Managing Director at Dell Consulting Ltd (current position)	6 years and 7 months

	Britannia Financial Services Ltd			
Michael Pipe	General Manager – Integral Master Trust	0 years and 5 months	Operations Manager at IOOF New Zealand Ltd	9 years and 7 months

### **Further information**

You can also obtain this information, the PDS for the 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: 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.