

## FUND UPDATE

For the quarter ended 30 June 2021

Integral Master Trust

Diversified 40 Fund

This fund update was first made publicly available on 28 July 2021

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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). Its investment strategy is to have a slight bias to defensive assets and to aim 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 objective of the fund is to aim to achieve a gross return before tax, fees and expenses at least equal to or higher than the weighted average of the applicable benchmark for each of the asset classes.

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 86.28%, of which 44.74% was hedged. Fund volatility is expected to be medium to high.

Total value of the fund	\$19,481,617
The date the fund started	25 May 2011



## What are the risks of investing?

Risk indicator for the 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 June 2021. 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.

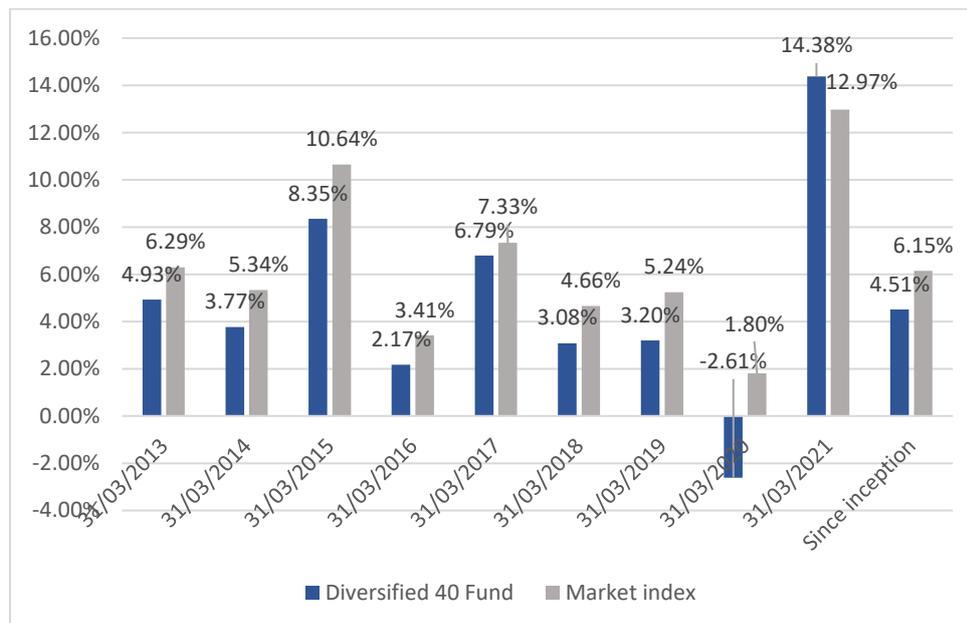
## How has the fund performed?

	<b>Average over past 5 years</b>	<b>Past year</b>
<b>Annual return</b> (after deductions for charges and tax)	5.42%	11.55%
<b>Annual return</b> (after deductions for charges but before tax)	6.11%	12.10%
<b>Market index annual return</b> (reflects no deduction for charges and tax)	6.98%	11.11%



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. From 8 June 2021, the asset allocation of the fund changed by moving the Australasian equities exposure to International equities. The market index annual return also changed from this date to reflect the new asset allocation. Please refer to Note 1. 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 June 2021.

**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.

The Statement of Investment Policies and Objectives for the Integral Master Trust was revised on 8 June 2021. These revisions altered the fund's target investment mix and the market indices on which the market index returns are based. This may affect the comparability of the return information provided. Refer to note 1 for more details.



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

Investors in the Diversified 40 Fund are charged fund charges inclusive of GST. In the year to 31 March 2021 these were:

	<b>% of net asset value</b>
<b>Total fund charges</b>	1.18%
Which are made up of -	
<b>Total management and administration charges</b>	1.18%
Including -	
Manager's basic fee	0.59 %
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. The fund charges for the following scheme year are expected to be materially different and the total fund charges from 8 June 2021 will be 0.97%. Please refer to Note 3 for further details.

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.

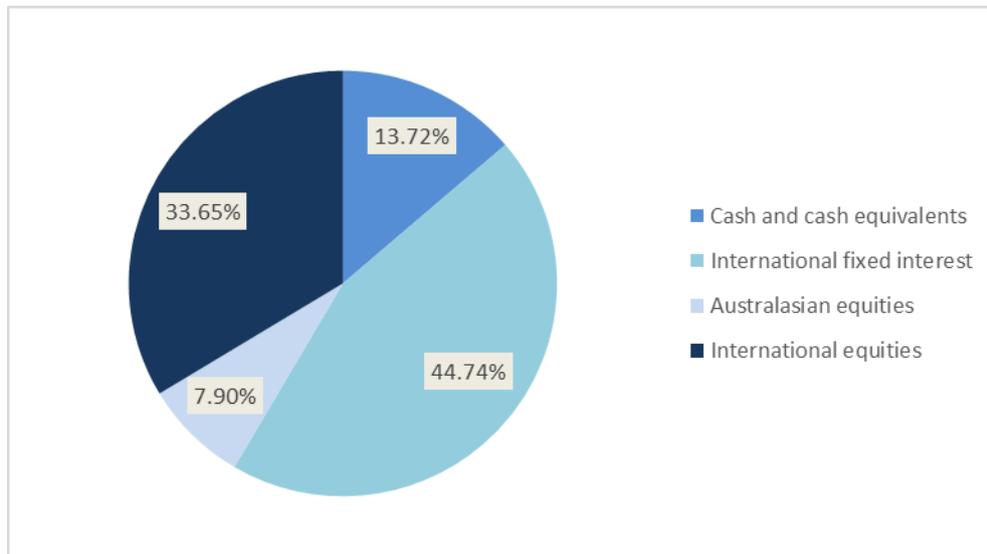
Chris had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Chris received a return after fund charges were deducted of \$1,210 (that is 12.10% of his initial \$10,000). Chris did not pay any other charges. This gives Chris a total return after tax of \$1,155 for the year.



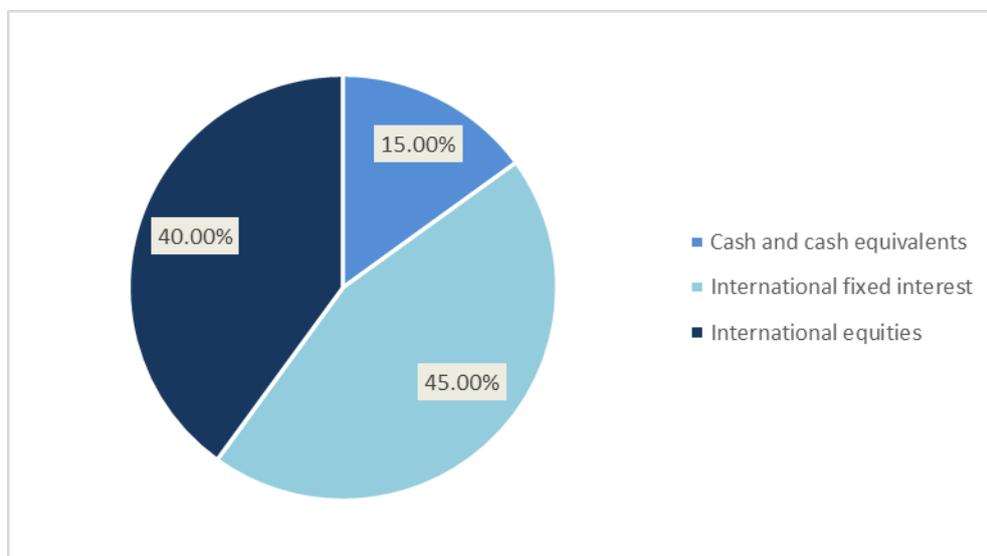
## What does the fund invest in?

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	44.74%	International Fixed Interest	Australia	
BNZ Cash Account	13.72%	Cash and cash equivalents	New Zealand	AA-
APPLE INC	0.99%	International Equities	United States	
MICROSOFT CORP	0.95%	International Equities	United States	
FACEBOOK INC COM USD CL A	0.62%	International Equities	United States	
AMAZON COM INC	0.44%	International Equities	United States	
UNITEDHEALTH GROUP INC COM	0.38%	International Equities	United States	
JP MORGAN CHASE & CO	0.35%	International Equities	United States	
CSL LIMITED	0.33%	Australasian Equities	Australia	
BHP GROUP LIMITED ORDINARY FULLY PAID	0.33%	Australasian Equities	Australia	

The total value of the top 10 investments make up 62.85% 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
Elaine West	Financial Controller at Britannia Financial Services Ltd	3 years and 11 months	Financial Controller at NZ Venture Investment Fund	8 years and 5 months
Alun Rees-Williams	General Manager Distribution and Director at Britannia Financial Services Ltd	20 years and 8 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	5 years and 6 months	Chief Executive Officer at Stream Holdings Group	0 years and 6 months
Gregg Dell	General Manager of Wealth Products and General Counsel at Britannia Financial Services Ltd	5 years and 4 months	Managing Director at Dell Consulting Ltd (current position)	7 years and 4 months
Michael Pipe	General Manager – Operations at Britannia Financial Services Ltd	1 year and 2 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: On 8 June 2021 the fund's asset allocation changed the 10% Australasian equities exposure to International equities. The overall allocation to growth assets remained at 40%. The market index changed from MSCI All Country World (ex Australia) Accumulation Index to MSCI All Country World Accumulation Index.

Note 2: Prior to 8 June 2021, the Manager's basic fee was a variable percentage up to 0.40%, and was 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.

Note 3: The Manager reasonably expects the fund charges for the following scheme year to be 0.97% due to rearrangement of the fees charged to the Fund. Please refer to the PDS dated 8 June 2021 for current fund charges.