60% Growth
40% Income

Investment Portfolio Fact Sheet

31 December 2019

Overview

Synergy delivers a sophisticated range of investment portfolios managed through a discretionary investment management service (DIMS). Synergy portfolios seek to outperform relevant benchmark indices by consistently allocating to parts of the market where higher long term expected returns can be found. The portfolios aim to deliver these returns by allocating to world leading investment managers who share a similar philosophy.

Investment style

Investments are selected based on an asset class investment philosophy. This approach favours the selection of low cost, highly diversified investments with consistent mandates ahead of high cost, concentrated and actively managed alternatives.

Investor suitability

A 60/40 portfolio is considered suitable for investors with an investment time horizon of at least seven years before seeking to spend large amounts of their portfolio. This portfolio is targeting moderate portfolio growth and should suit investors comfortable accepting a moderate degree of volatility.

Portfolio construction

Synergy portfolios adhere to a strategic asset allocation process, reviewed and updated every three years, that is consistently tilted towards sources of higher long term expected returns.

Key portfolio metrics

Expected pre tax return p.a. [2]	7.77%
Expected portfolio volatility p.a.[3]	7.15%
Likelihood of a negative year [4]	1 in 4.0 yrs
Weighted avge fund expenses [5]	0.37%
No. of underlying funds	13
No. of underlying securities [6]	11,000+

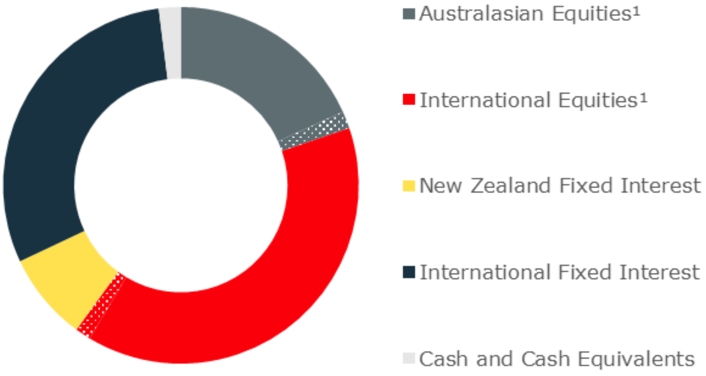
[2] Long term expected return gross of all fees and tax
[3] This is the portfolio volatility we expect over the long term. This differs from the methodology prescribed for the risk indicator on the following page which only considers volatility over the last five years.
[4] Calculated on a net of all costs basis (i.e. after deduction of maximum possible fees and projected taxes)
[5] Includes fees charged by the underlying fund managers and other fund expenses
[6] Estimated from the aggregate holdings information supplied by each of the underlying fund managers

Model portfolio performance

	Since Inception	3y	2y	12m	3m
Portfolio	+8.89%	+8.58%	+5.97%	+16.16%	+1.82%

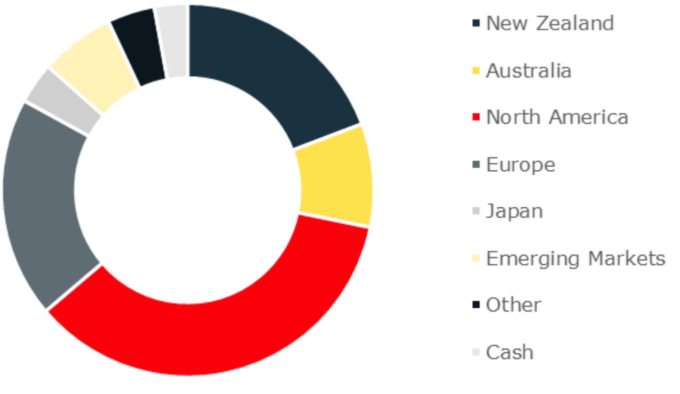
The returns presented above are in New Zealand dollars and are net of fund management fees, but before custodial, administration and adviser fees, and before tax. Returns are annualised for time periods greater than one year. The since inception column is the performance since the launch of Synergy on 1 October 2015.

Asset allocation

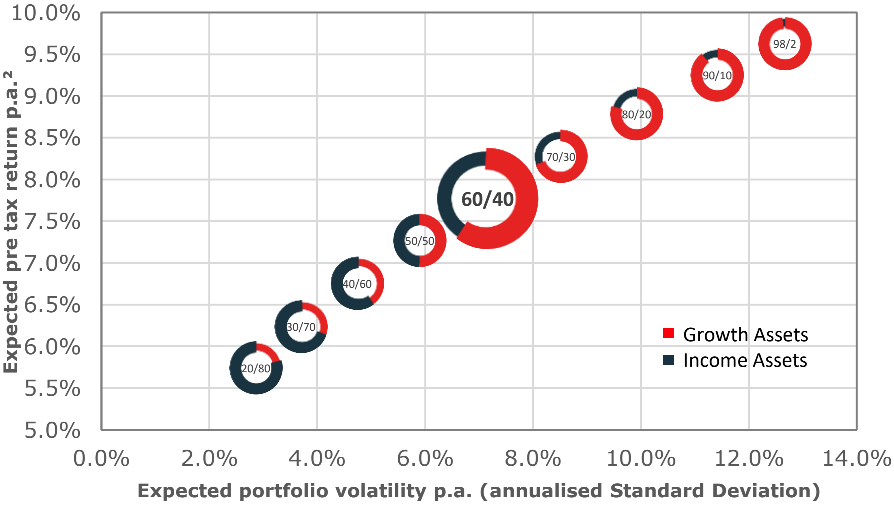


[1] The dotted areas represent the property exposure within each asset class. The overall property exposure in this portfolio is approximately 3.0%.

Geographical exposure



Long term expected returns

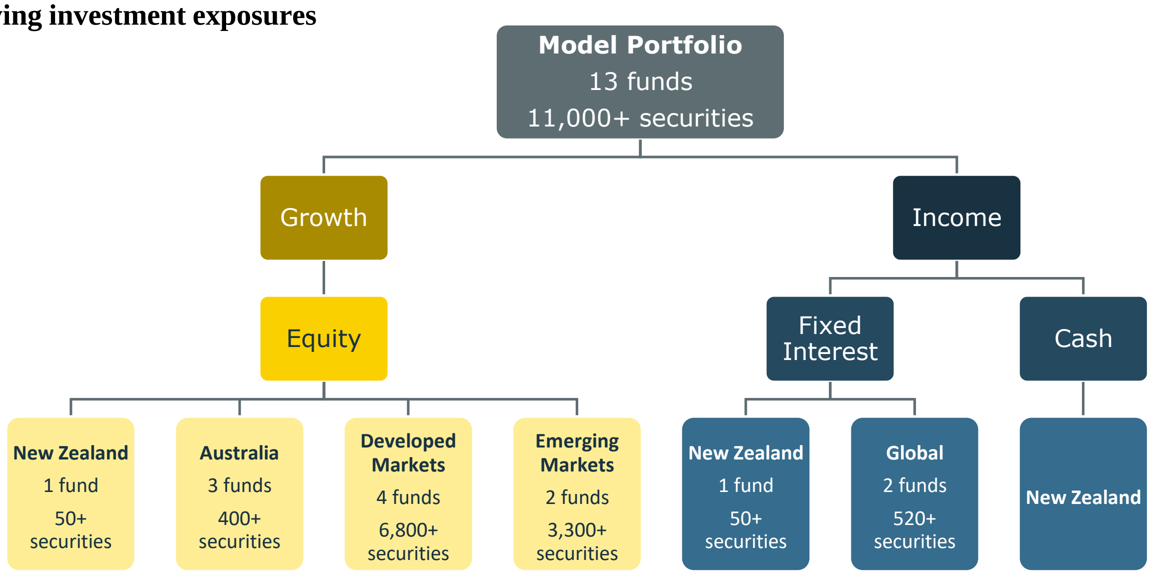


60% Growth
40% Income

Investment Portfolio Fact Sheet

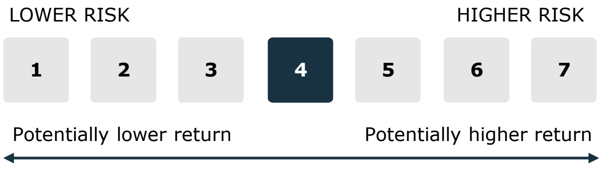
31 December 2019

Underlying investment exposures



Risk indicator

This portfolio has a risk indicator of 4. This is based on the variability of the model portfolio's hypothetical returns for the five years to 31 December 2019. As Synergy launched on 1 October 2015 the risk indicator calculation is based on a combination of actual portfolio returns (where available), the performance of the underlying assets in which the portfolios invest (where available), and appropriate market index returns (where necessary). For more information please visit: https://synergyinvestments.co.nz/media/3391/2020-riskindicators.pdf



Fund managers	Fund management company overview
iShares/BlackRock	The world's largest fund manager, with over USD 6.5 trillion in global assets under management.
Dimensional Fund Advisors	Founded in 1981, Dimensional utilises the acclaimed research of board members Eugene Fama and Ken French. Dimensional manage over USD 550 billion globally.
Harbour Asset Management	An experienced New Zealand based investment manager with more than NZD 5 billion in assets under management in New Zealand.
Vanguard	The world's second largest fund manager, with over USD 5 trillion in global assets under management.

Operational information	Additional details
Rebalancing	A portfolio rebalance is triggered when the balance in the cash account either moves below 1% of the total portfolio value due to withdrawals or payments, or above 4% due to deposits or cash distributions received. Portfolios are also annually assessed (each July) to determine whether individual asset performances during the previous 12 months have been significant enough to warrant a rebalance.
Withdrawals	Ad hoc withdrawals may be requested at any time by completing the Withdrawal Form which you can get from your adviser. You can also make regular withdrawals of a minimum $400 or more, providing you maintain a minimum portfolio balance of $10,000 at all times.
Liquidity	Client portfolios can generally be fully liquidated within 10 business days.
Minimum investment	If you are investing as an individual or joint investor, there is no minimum investment required. If you are investing as an entity (e.g. trust, company or estate), you require a minimum initial investment of $10,000.

Key parties

DIMS provider:	Consilium NZ Limited
Administrator:	FNZ Limited
Custodian:	FNZ Custodians Limited

Contact

Business Development Managers

- Vivecca Robinson, 021 23 55 655
- Marc Grigg, 027 640 1222

General enquiries

- info@synergyinvestments.co.nz
- 0800 4 SYNERGY