

Overview

Synergy delivers a sophisticated range of investment portfolios managed through a discretionary investment management service (DIMS). The Consilium Classic series of 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 draws on a wealth of academic research and seeks to enhance investment returns by tilting portfolios towards proven risk factors. Securities with smaller market capitalisation, lower relative prices and higher profitability have higher long term expected returns than those with larger market capitalisation, higher relative prices and lower profitability.

Investor suitability

A Consilium Classic 60/40 portfolio is considered suitable for investors with an investment time horizon of at least 7 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 amount of volatility.

Portfolio construction

Synergy Consilium portfolios adhere to a strategic asset allocation process, reviewed and updated every three years. This includes updating and reviewing all market assumptions and the overall implications for portfolio design.

Key portfolio metrics

Expected pre tax return p.a. ¹	7.77%
Expected portfolio volatility p.a. ²	7.13%
Likelihood of a negative year ³	1 in 4.0 yrs
Weighted ave fund expenses ⁴	0.36%
No. of underlying funds	13
No. of underlying securities ⁵	11,000+

¹ The expected return is calculated by the Consilium Investment Committee and is gross of all fees and tax. The expected return is the Consilium Investment Committee's expectation of the average annual return over a 30 year period. The expected return is calculated based on the Consilium Investment Committee's current capital market expectations and assumptions. The expected return is no guarantee of future results and actual performance will vary.

² 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.

³ Calculated on a net of all costs basis (i.e. after deduction of maximum possible fees and projected taxes).

⁴ Includes fees charged by the underlying fund managers and other fund expenses.

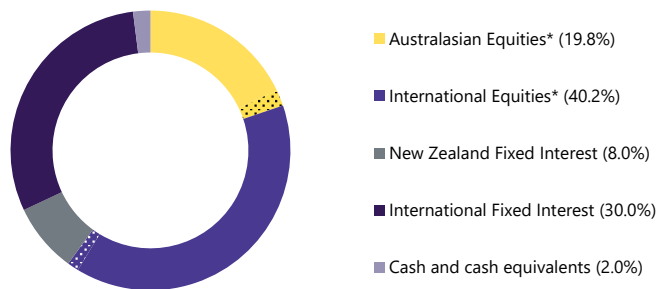
⁵ Estimated from the aggregate holdings information supplied by each of the underlying fund managers.

Model portfolio performance

	Since Inception	5y	3y	12m	3m
Portfolio	+8.34%	+8.34%	+5.99%	+6.03%	+8.68%

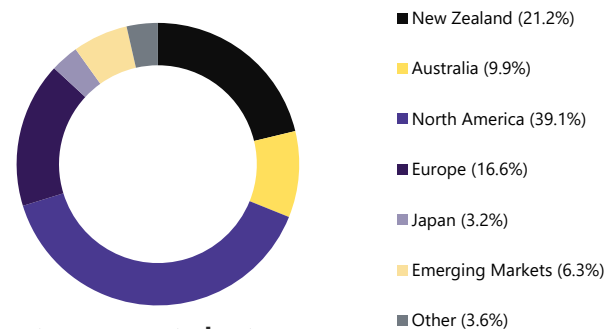
The returns presented above are in New Zealand dollars and are net of fund management fees, but before custodial, administration and adviser fees, and before tax. Returns are annualised for time periods greater than one year. The inception date of this portfolio was 1 October 2015.

Asset allocation

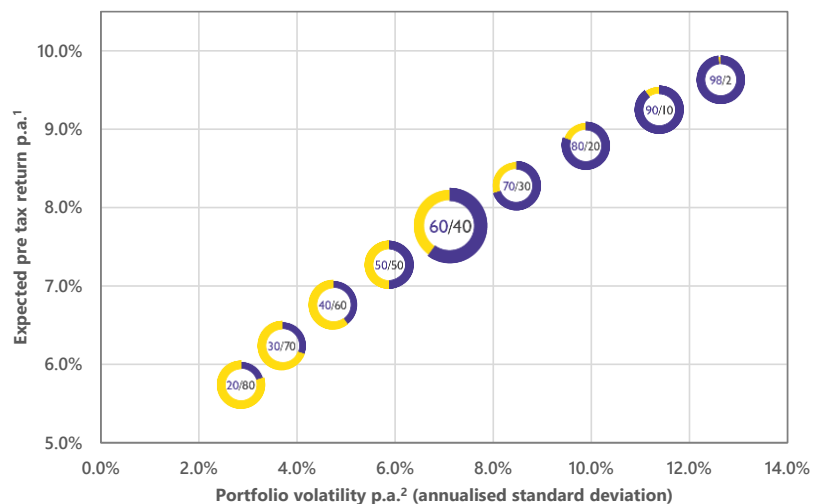


*The dotted areas represent the property exposure within each asset class. The overall property exposure in this portfolio is approximately 3%.

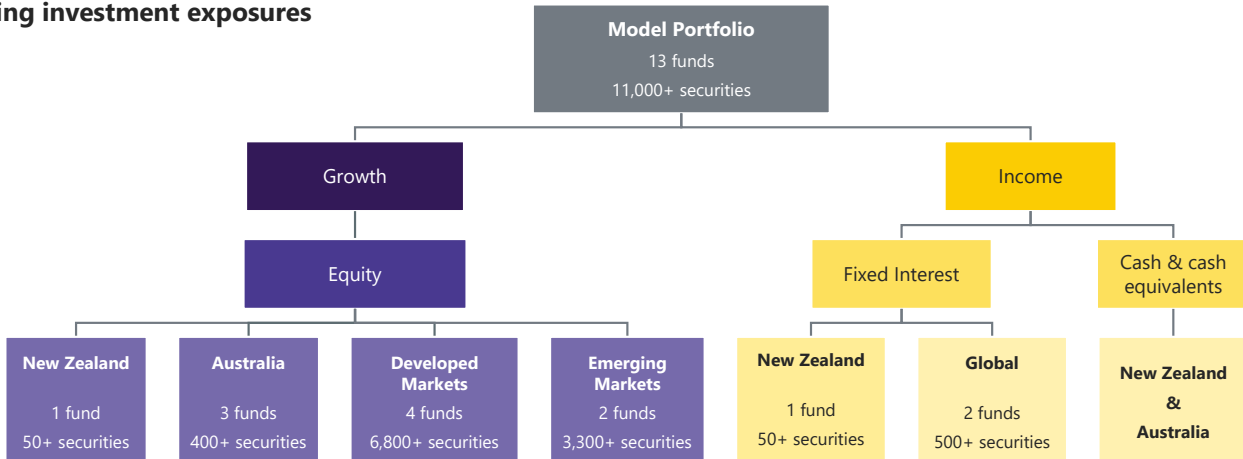
Geographical exposure allocation



Long term expected returns



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 2020. As Synergy Consilium Classic 60/40 launched 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/risk-indicators>



Fund managers	Fund management company overview
Harbour Asset Management	An experienced New Zealand based investment manager with more than NZD 4.5 billion in assets under management as of 31 March 2020.
Dimensional Fund Advisors	Founded in 1981, Dimensional utilises the acclaimed research of board members Eugene Fama and Ken French. As at 31 March 2020, Dimensional managed over USD 454 billion globally.
iShares/BlackRock	iShares funds are powered by the expert portfolio and risk management of BlackRock. As at 31 March 2020, BlackRock managed approximately USD 6.47 trillion in assets on behalf of investors worldwide.
Vanguard	The world's second largest fund manager. As at April 2020, Vanguard managed over USD 5.7 trillion in assets globally.
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 assessed on a monthly basis to determine whether individual asset performances 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 any amount, over any scheduled time frame.
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	Contact
DIMS provider:	Consilium NZ Limited
Administrator:	FNZ Limited
Custodian:	FNZ Custodians Limited
	General enquiries
	• info@synergyinvestments.co.nz
	• 0800 4 SYNERGY (0800 479 637)

Disclaimer

This data has been supplied for information purposes only and is believed to be accurate as at the date of this document. All returns are in New Zealand dollars and are net of fund management fees, but before custodial, administration and adviser fees, and before tax. Returns are calculated by compounding monthly returns and may be subject to rounding error. Returns are annualised for time periods greater than one year. The model portfolio returns presented above are based on an annual rebalance. Client gross returns will differ from model portfolio performance due to numerous factors, including, but not limited to, differing rebalance timing and/or rounding. This information is intended to be of a general nature and does not take into account your financial situation or goals and is not personalised advice. Past performance is no guarantee of future performance. Please note the above model portfolio returns are not intended to meet the requirements of Schedule 21 of the Financial Markets Conduct Regulations (FMC Regulations). To view model portfolio returns after fees and before tax (as required by Schedule 21 of the FMC Regulations) please see the relevant Investment Proposal. You should be aware that the expected returns are based on the Consilium Investment Committee's reasonable expectations of returns from this type of investment portfolio and are not guaranteed. The number of unique underlying securities the portfolio contains has been estimated from the aggregate holdings information supplied by each of the underlying fund managers. To the greatest extent possible we have attempted to eliminate any double counting of investments (i.e. where the same security may be held by more than one underlying fund).