

31 March 2021

Annual Report

Forsyth Barr Investment Funds



Details of Scheme

The Forsyth Barr Investment Funds are a managed investment scheme (the “Scheme”). This annual report for the Scheme covers the period 1 April 2020 to 31 March 2021 and was prepared as at 30 July 2021. With the Forsyth Barr Investment Funds, investors can choose to invest in any combination of the following eight funds:

Forsyth Barr New Zealand Equities Fund

Forsyth Barr Australian Equities Fund

Forsyth Barr Listed Property Fund

Forsyth Barr Global Equities Fund

Forsyth Barr New Zealand Fixed Interest Fund (formerly Forsyth Barr Premium Yield Fund)

Forsyth Barr Income Fund*

Forsyth Barr Balanced Fund*

Forsyth Barr Growth Fund*

On 11 December 2020, the NZ Fixed Interest Fund was closed to new applications and disestablished on 26 January 2021, when the Forsyth Barr NZ Fixed Interest Fund was merged with the Forsyth Barr New Zealand Fixed Interest Fund.

Manager

The Scheme’s Manager is Forsyth Barr Investment Management Limited (“we” or “us”). We are a subsidiary of Forsyth Barr Group Limited. Forsyth Barr is a New Zealand owned firm operating since 1936 that assists personal, institutional and corporate clients.

Supervisor

The Scheme’s supervisor is Trustees Executors Limited.

Product disclosure statement

As at the date of this report, the latest product disclosure statement for the Scheme is dated 11 December 2020 and is open for applications. You can find a copy of the product disclosure statement at www.forsythbarr.co.nz/investmentfunds-pds.

Fund updates

The fund quarterly updates for the quarter to 30 June 2021 for each of the funds in the Scheme are available at www.forsythbarr.co.nz/investmentfunds.

Financial statements and auditor’s report

The financial statements and auditor’s report for the year to 31 March 2021 for the Scheme have been lodged with the Registrar of Financial Service Providers and are available at www.forsythbarr.co.nz/investmentfunds.

* The Forsyth Barr Income Fund, Forsyth Barr Balanced Fund and Forsyth Barr Growth Fund were established on 24 November 2020.

Information on units on issue and funds under management

Units on Issue

Fund Name	Number of units on issue at 31 March 2021	Number of units on issue at 31 March 2020
Forsyth Barr New Zealand Equities Fund	20,000,779	15,746,483
Forsyth Barr Australian Equities Fund	43,516,733	28,718,377
Forsyth Barr Listed Property Fund	12,028,537	10,277,476
Forsyth Barr Global Equities Fund	65,610,792	43,872,036
Forsyth Barr New Zealand Fixed Interest (formerly Forsyth Barr Premium Yield Fund)	129,182,361	88,078,828
Forsyth Barr NZ Fixed Interest Fund*	-	13,814,663
Forsyth Barr Income Fund**	1,800,274	-
Forsyth Barr Balanced Fund**	6,709,744	-
Forsyth Barr Growth Fund**	6,143,778	-

* Forsyth Barr NZ Fixed Interest Fund was closed to new applications on 11 December 2020 and disestablished on 26 January 2021, when the Forsyth Barr NZ Fixed Interest Fund was merged with the Forsyth Barr New Zealand Fixed Interest Fund.

** Funds were established on 24 November 2020.

Funds under Management

Fund Name	Funds under management at 31 March 2021 (\$)	Funds under management at 31 March 2020 (\$)
Forsyth Barr New Zealand Equities Fund	79,517,454	48,472,183
Forsyth Barr Australian Equities Fund	59,672,423	28,538,395
Forsyth Barr Listed Property Fund	31,327,225	20,635,994
Forsyth Barr Global Equities Fund	110,629,812	58,470,273
Forsyth Barr New Zealand Fixed Interest Fund (formerly Forsyth Barr Premium Yield Fund)	251,792,467	165,779,808
Forsyth Barr NZ Fixed Interest Fund*	-	25,401,941
Forsyth Barr Income Fund**	1,795,387	-
Forsyth Barr Balanced Fund**	6,759,515	-
Forsyth Barr Growth Fund**	6,233,024	-

* Forsyth Barr NZ Fixed Interest Fund was closed to new applications on 11 December 2020 and disestablished on 26 January 2021, when the Forsyth Barr NZ Fixed Interest Fund was merged with the Forsyth Barr New Zealand Fixed Interest Fund.

** Funds were established on 24 November 2020.

Changes relating to the Scheme

The following is a summary of material changes to the nature of the Scheme, the investment objectives and strategy, and the management of the Scheme over the year ended 31 March 2021.

Governing documents

On 24 November 2020 three new funds were added: Forsyth Barr Income Fund, Forsyth Barr Balanced Fund and Forsyth Barr Growth Fund. A change was made to the provisions concerning income distributions to include capital in any distribution amount and allow distributions to be paid either in cash, or in specie, or by way of bonus units.

On 11 December 2020 the Forsyth Barr Premium Yield Fund was renamed the Forsyth Barr New Zealand Fixed Interest Fund. A change was made to allow the funds to borrow for specific purposes.

Terms of offer of the Scheme

On 3 September 2020, the offer documents were updated to allow for buy/sell spreads for each Scheme fund where transaction costs are material and should be borne by transacting investors.

Following the establishment Deeds dated 24 November 2020, three new funds were added: Forsyth Barr Income Fund, Forsyth Barr Balanced Fund and Forsyth Barr Growth Fund.

The Forsyth Barr Investment Funds Product Disclosure Statement was updated on 11 December 2020 where the Forsyth Barr NZ Fixed Interest Fund was closed to new applications and the fund was disestablished on 26 January 2021, when the Forsyth Barr NZ Fixed Interest Fund was merged with the Forsyth Barr New Zealand Fixed Interest Fund.

On 11 December 2020 the Forsyth Barr Premium Yield Fund was renamed the Forsyth Barr New Zealand Fixed Interest Fund.

Statement of investment policy and objectives (SIPO)

On 11 December 2020, we made the following alterations to the Forsyth Barr Investment Funds Statement of Investment Policy and Objectives:

Addition of the three new funds – Forsyth Barr Income Fund, Forsyth Barr Balanced Fund and Forsyth Barr Growth Fund

Amendments to NZ Fixed Interest Fund on its closure to new applications

Renaming of the Forsyth Barr Premium Yield Fund as the Forsyth Barr New Zealand Fixed Interest Fund and amendments to the Fund's previous investment objective and other associated information.

Amendments to the asset allocation ranges and investment restrictions of the Forsyth Barr Australian Equities Fund and Forsyth Barr Global Equities Fund and amendments to the investment restrictions of the Forsyth Barr New Zealand Equities Fund and Forsyth Barr Listed Property Fund.

The addition that the scheme can borrow for specific purposes

Effective 19 March 2021, we made the following alterations to the Forsyth Barr Investment Funds Statement of Investment Policy and Objectives:

Removal of the Forsyth Barr NZ Fixed Interest Fund after the fund was merged with the Forsyth Barr New Zealand Fixed Interest Fund.

Additional information was added on foreign currency hedging.

Changes to the target asset allocation ranges of the Forsyth Barr multi-asset class funds.

Related party transactions

There have been no material changes to the nature or scale of related party transactions during the year. All related party transactions entered into during the year were on arm's length terms.

Other information

Unit Prices

Fund Name	Unit Price at 31 March 2021 (\$)	Unit Price at 31 March 2020 (\$)
Forsyth Barr New Zealand Equities Fund	3.9736	3.0783
Forsyth Barr Australian Equities Fund	1.3713	0.9937
Forsyth Barr Listed Property Fund	2.6027	2.0079
Forsyth Barr Global Equities Fund	1.6862	1.3327
Forsyth Barr New Zealand Fixed Interest Fund (formerly Forsyth Barr Premium Yield Fund)	1.9491	1.8822
Forsyth Barr NZ Fixed Interest Fund*	-	1.8388
Forsyth Barr Income Fund**	0.9970	-
Forsyth Barr Balanced Fund**	1.0069	-
Forsyth Barr Growth Fund**	1.0142	-

* Forsyth Barr NZ Fixed Interest Fund was closed to new applications on 11 December 2020 and disestablished on 26 January 2021, when the Forsyth Barr NZ Fixed Interest Fund was merged with the Forsyth Barr New Zealand Fixed Interest Fund.

** Funds were established on 24 November 2020.

Changes to persons involved in the Scheme

Directors of the Supervisor

The following changes to the directors of Trustees Executors Limited took place during the year:

Richard Klipin was appointed as a Director on 1 May 2020.

How to find further information

The scheme and offer registers for the Scheme are available at www.business.govt.nz/disclose and contain a range of information in relation to the Scheme and the funds, including:

The product disclosure statement for the funds

Fund updates for the funds in the Scheme

The SIPO for the funds

The financial statements for the Scheme

The Master Trust Deed and establishment deeds for the funds

Other material information in relation to the scheme, including information about any material contracts entered into in respect of the Scheme, any market indices specified for the funds, and any conflicts of interest that currently exists or are likely to arise in the future.

You can also get this information free of charge, by phoning us on 0800 367 227, or by emailing us at investmentfunds@forsythbarr.co.nz.

You can also get a copy of the information on the scheme and offer registers by asking the Registrar of Financial Service Providers directly.

Contact details and complaints

Manager

Forsyth Barr Investment Management Limited

193 Princes St
Dunedin
Phone: 0800 367 227

Supervisor

Trustees Executors Limited

Level 11, 51 Shortland Street
PO Box 4197
Auckland 1140
Telephone: 0800 878 783

Securities Registrar

MMC Limited

Level 25, QBE Centre
125 Queen Street
Auckland 1010
Telephone: 09 309 8926

Complaints

If you are not satisfied with the service you have received and want to make a complaint, please contact us at:

193 Princes St
Private Bag 1999
Dunedin 9054

Alternatively phone 0800 367 227, or email investmentfunds@forsythbarr.co.nz

If you are not satisfied with the outcome, you can forward your complaint to either:

The Compliance Manager
Forsyth Barr Limited
Level 23, Shortland & Fort
88 Shortland Street
Auckland 1010
Phone: 0800 367 227
Email: compliance@forsythbarr.co.nz

Or to the Supervisor, at the contact details above.

We are a member of an independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL). The scheme is approved by the Ministry of Consumer Affairs. The Supervisor is also a member of FSCL. If you are not satisfied with how your complaint has been resolved, you may refer the matter to FSCL.

FSCL

4th Floor
101 Lambton Quay
PO Box 5967
Wellington 6140
Phone: 0800 347 257
Email: info@fscl.org.nz

Full details of how to access the FSCL scheme can be found on FSCL's website www.fscl.org.nz. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Contact us

We pride ourselves on maintaining strong and trusted relationships with clients and on providing detailed information that is transparent and understandable. If there is anything about your investment that you do not understand, or if you have any queries, you are most welcome to contact us.

Phone: 0800 367 227

Email: investmentfunds@forsythbarr.co.nz

Website: www.forsythbarr.co.nz/investmentfunds

A copy of the Product Disclosure Statement for the Forsyth Barr Investment Funds is available from www.forsythbarr.co.nz/investmentfunds or any of our offices, or by contacting your Forsyth Barr Investment Adviser or calling 0800 367 227. This Annual Report does not contain financial advice - for financial advice, please speak to your Forsyth Barr Investment Adviser. Past performance is not a reliable guide to future performance. We recommend you take financial advice before making investment decisions.

forsythbarr.co.nz

INF6405-02 July 2021