

Forsyth Barr Investment Funds

Annual Report

31 March 2018



Details of the Scheme

The Forsyth Barr Investment Funds are a managed investment scheme (the “**Scheme**”). This annual report for the Scheme covers the period 1 April 2017 to 31 March 2018 and was prepared as at 12 July 2018. With the Forsyth Barr Investment Funds, investors can choose to invest in any combination of the following six funds:

- Forsyth Barr New Zealand Equities Fund
- Forsyth Barr Australian Equities Fund
- Forsyth Barr Listed Property Fund
- Forsyth Barr Global Equities Fund
- Forsyth Barr Premium Yield Fund
- Forsyth Barr NZ 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 8 February 2018 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 31 March 2018 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 2018 for the Scheme have been lodged with the Registrar of Financial Service Providers and are available at www.forsythbarr.co.nz/investmentfunds.

Information on units on issue and funds under management

Units on Issue

Fund Name	Number of units on issue at 31 March 2018	Number of units on issue at 31 March 2017
Forsyth Barr New Zealand Equities Fund	8,052,560	6,545,133
Forsyth Barr Australian Equities Fund	13,400,271	9,210,959
Forsyth Barr Listed Property Fund	6,172,299	5,421,163
Forsyth Barr Global Equities Fund	31,018,627	18,830,898
Forsyth Barr Premium Yield Fund	38,330,155	34,604,571
Forsyth Barr NZ Fixed Interest Fund	8,685,903	8,540,613

Funds Under Management

Fund Name	Funds under management at 31 March 2018 (\$)	Funds under management at 31 March 2017 (\$)
Forsyth Barr New Zealand Equities Fund	22,052,380	15,625,627
Forsyth Barr Australian Equities Fund	15,025,617	10,219,781
Forsyth Barr Listed Property Fund	11,348,001	9,523,733
Forsyth Barr Global Equities Fund	37,176,622	20,600,287
Forsyth Barr Premium Yield Fund	67,090,210	57,782,588
Forsyth Barr NZ Fixed Interest Fund	14,836,729	13,971,562

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 2018.

Statement of investment policy and objectives (SIPO)

Effective 3 October 2017, we made the following alterations to the Forsyth Barr Investment Funds' Statement of Investment Policy and Objectives:

- Amendments to permitted investments and investment restrictions of the New Zealand Equities Fund, Global Equities Fund, Australian Equities Fund and Listed Property Fund;
- Amendments to permitted investments of the NZ Fixed Interest Fund and Premium Yield Fund;
- Adjustments to Global Equities Fund and Listed Property Fund target asset allocation ranges;
- Additional statement on foreign currency hedging within underlying funds for the Australian Equities Fund, Global Equities Fund, Listed Property Fund and Premium Yield Fund; and
- An additional statement on compliance with limits and regulations for all funds.

Related party transactions

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 2018 (\$)	Unit Price at 31 March 2017 (\$)
Forsyth Barr New Zealand Equities Fund	2.7385	2.3874
Forsyth Barr Australian Equities Fund	1.1213	1.1095
Forsyth Barr Listed Property Fund	1.8385	1.7568
Forsyth Barr Global Equities Fund	1.1985	1.0940
Forsyth Barr Premium Yield Fund	1.7502	1.6698
Forsyth Barr NZ Fixed Interest Fund	1.7080	1.6359

Changes to persons involved in the Scheme

How to find further information

Directors of the Supervisor

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

- Andrew Easson Scott-Howman was appointed as a director on 24 April 2017
- Franceska Eve Banga was appointed as a director on 18 July 2017 (resigned 5 April 2018)

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, 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

Forsyth Barr House
Corner the Octagon and Stuart Street
Dunedin
Phone: 0800 367 227

Supervisor

Trustees Executors Limited

Level 7, 51 Shortland Street
PO Box 4197
Auckland 1140
Telephone: 09 308 7100

Complaints

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

Forsyth Barr House
Corner the Octagon and Stuart Street
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, Lumley Centre
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 6145
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 Authorised Financial Adviser or calling 0800 367 227. Disclosure Statements for Forsyth Barr Authorised Financial Advisers are available on request and free of charge. This Annual Report should not be construed as making a recommendation or giving an opinion in relation to acquiring or disposing of (including refraining from acquiring or disposing of) any financial product. Past performance is not a reliable guide to future performance. We recommend you take financial advice before making investment decisions. FundSource Boutique Manager of the Year awards should not be read as a recommendation by FundSource.



Forsyth Barr Investment Management Limited was announced as FundSource's 2017 Boutique Fund Manager of the Year.



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