

## Investment strategy

To provide a solution for investors seeking a diversified investment to grow their capital over the medium and long term (more than five years), while accepting medium volatility.

## Investment objectives

- > You want to protect your capital, but also see some growth in the medium term.
- > You are not comfortable with significant fluctuations in your portfolio, but you understand that medium risk is needed to achieve more growth over the long term.
- > You would accept a potential loss in one year out of every four.

## Projected performance

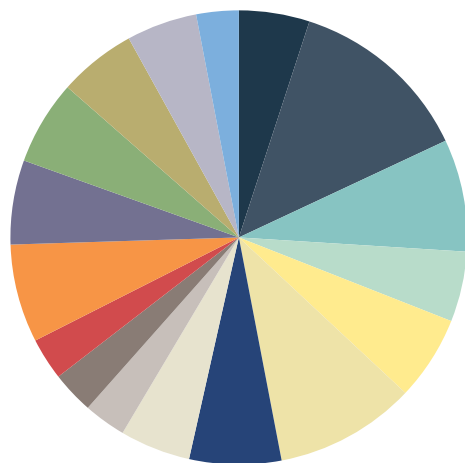
The after-tax, after management fee expected annual return distribution over the long term (below) is based on data collected since 1993.

A 28% tax rate is assumed, and the effect of the tax rules on the various asset types is calculated. Management fees are assumed at the index fund level. The Select Service and the Adviser Service Fees are not included.

Balanced	
Mean Annual Return	4.49%
Volatility (Standard Deviation)	6.68%
Probability of loss in any one year	25.0%
Years with negative return expected*	4.0 years
Expected 10 year return	52.28%
Expected 20 year return	131.59%

\*The balanced asset allocation expects to have a negative return every 4.0 years.

## Selected Balanced Portfolio Investment mix as at October 2020 to current

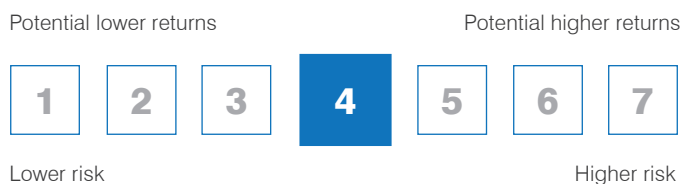


Name of individual asset	Proportion of portfolio %	Country of individual asset	Asset type
Aegis Cash Account	5.0	NZ	Cash and cash equivalents
AMP Capital NZ Fixed Interest Fund	13.0	NZ	NZ fixed interest
Nikko AM NZ Bond Fund	8.0	NZ	NZ fixed interest
Harbour NZ Core Fixed Interest Fund	5.0	NZ	NZ fixed interest
Milford Trans-Tasman Bond Fund	6.0	NZ	International fixed interest
OneAnswer Property Securities Fund	10.0	NZ	Listed property
Mint Australasian Equity Fund	6.5	NZ	Australasian equities
Nikko AM Concentrated Equity Fund	5.0	NZ	Australasian equities
Devon Alpha Fund ^	3.0	NZ	Australasian equities
Devon Trans-Tasman Fund ^	3.0	NZ	Australasian equities
Milford Trans-Tasman Equity Fund	3.0	NZ	Australasian equities
Bankers Investment Trust	7.0	UK	International equities
Apostle Dundas Global Equity Fund	6.0	AU	International equities
Magellan Global Fund (Unhedged)	6.0	AU	International equities
Magellan Infrastructure Fund (Hedged)	5.5	AU	International equities
Clarity Global Shares Fund ^	5.0	NZ	International equities
RIT Capital Partners Plc	3.0	UK	International equities

^ Clarity Funds Management Limited, Devon Funds Management Limited, JMI Wealth Limited and Select Wealth Management Limited are subsidiaries of the Investment Services Group Limited.

## What are the risks of investing?

Risk indicator for the Selected Balanced Portfolio:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the security's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

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.

See the Investor Information booklet for more information about the risks associated with investing in this portfolio.

To help you clarify your own attitude to risk, talk to your financial adviser.

Disclaimer: Market index returns have been used to determine the Risk Indicator for the portfolios, as these are not unitheld investment vehicles and consequently do not have a unit price that can be used for volatility calculations. The portfolios are comprised of a variety of underlying assets whose actual performance can be expected to vary from the benchmark index used for each asset class. Consequently, the Risk Indicator may therefore provide a less reliable indicator of the potential future volatility of these portfolios.

### Minimum investment

- > Initial investment: \$10,000
- > Additional investment: \$2,000
- > Regular investment: \$500 p.m. or \$250 p.m. with a minimum \$10,000 investment.

### Portfolio mix

- > The investment options and the weightings are monitored by JMI Wealth ^ and can change at any time. For the current Portfolio, refer to [selectwealth.co.nz/selected-and-gbp-portfolios](http://selectwealth.co.nz/selected-and-gbp-portfolios)
- > See a description of the individual securities at [selectwealth.co.nz/custom-built-portfolios](http://selectwealth.co.nz/custom-built-portfolios)
- > Performance published monthly on the Select website at [selectwealth.co.nz/services/investment-performance](http://selectwealth.co.nz/services/investment-performance)

### Fees (charged as a % of investment)

- > Select Fee:

Value	Fee % per annum
\$0 to \$249,999	0.55%
\$250,000 to \$499,999	0.45%
\$500,000 to \$999,999	0.30%
\$1,000,000 to \$2,999,999	0.25%
\$3,000,000 and over	0.20%

- > Adviser Service Fee: up to 1% p.a.
- > Fund Manager Fees: average 0.78% p.a.

For more information, please refer to the fees and costs detailed in the Investor Information booklet.

### How to invest

Talk to your financial adviser to discuss the suitability of Select, and to obtain the Investor Information booklet and relevant investment statements. If you don't currently have a financial adviser, call us on 0800 653 000 and we'll put you in touch with someone who can help.

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