

Wealthpoint DIMS

Portfolios Overview

21 October 2024

wealthpoint.co.nz







Navigating Your Wealth Journey

Whether you're creating wealth, protecting wealth, or enjoying wealth, the destination is always the same; financial security for you and your loved ones. Wealthpoint can help you get there.

Wealthpoint is a co-operative that can trace its roots back to 1921. We are owned by a nationwide network of 50 financial services businesses, making us one of New Zealand's largest independent adviser groups. The relationships we have with our members mirror those they have with you, their clients. One built on trust and integrity with a long term focus.

We understand that everyone's journey is different, and we're here to help you take the right turns. Offering the advice and guidance you need to make life's biggest financial decisions with confidence. We'll help you in your journey to wealth, whatever point you're at today.


Our investment portfolios are one of the many ways we can help you reach your financial wealth destination.

Wealthpoint's Investment Philosophy

Wealthpoint's investment philosophy encompasses strong governance, effective asset allocation and best-of-breed fund manager selection based on detailed research as key drivers of performance. Strong investment governance is essential for success and we have a robust process in place with the investment professionals on our decision-making Investment Committee.

The Wealthpoint DIMS Portfolios use strategic asset allocation as a primary driver of returns, selecting primarily fund managers that use an active management style to take advantage of market inefficiencies that exist but should only be exploited by professional and capable investors.

The portfolios are well diversified in terms of underlying assets but invest with only a few handpicked fund managers based on strict criteria to achieve good returns while effectively managing risk. Makao Investments and the Wealthpoint Investment Committee consider environmental, social and governance (ESG) factors when selecting fund managers for inclusion in the Wealthpoint DIMS Portfolios.



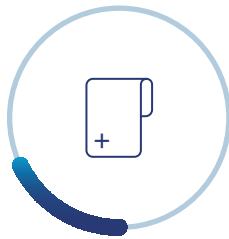


Our Investment Beliefs

Governance	Strong investment governance is essential for investment success
Asset allocation	Asset allocation is a primary driver of returns
Active management	Market inefficiencies exist and should be exploited through portfolio construction and a bias to active management
Currency risk	Asset allocation should account for currency risk
Tactical asset allocation	A systematic process of tilting the asset allocation helps to add value and reduce risk over time
Environmental, Social and Governance	Environmental, Social and Governance factors should be considered in the investment process where possible

Introducing the Wealthpoint DIMS Portfolios

Wealthpoint offers a range of five DIMS portfolios with different risk profiles. Your adviser will help you choose which portfolio is best for you depending on your investment needs and preferences. These are the current Wealthpoint DIMS Portfolios and their targeted return objectives.



Capital Plus

OCR +2.5%



Strategic Income

OCR +3.25%



Market Plus

OCR +3.75%



Optimum Growth

OCR +5%



Aggressive Growth

OCR +6%

When you invest in a Wealthpoint DIMS Portfolio your money is invested in a number of different managed funds that have been individually selected based on strict criteria by our investment professionals. The Wealthpoint DIMS portfolios have exposure to a mix of shares, fixed interest securities, infrastructure and cash, both in New Zealand and in global markets.

Our Wealthpoint DIMS Portfolios aim to outperform standard market returns by being based on a sound investment philosophy. This forms the cornerstone of our investment strategy and is supported by thorough research.

Wealthpoint works closely with Makao Investments on the allocation of assets between funds for these portfolios. The sophistication of Makao's asset allocation framework combines market data and in-house research to simulate 1,000 scenarios for each asset class for every year forecasted. This delivers an effective outcome for each risk profile which is implemented into our Wealthpoint DIMS Portfolios.

* OCR is the NZ Official Cash Rate

With Makao, we have a robust process for fund manager selection that is based on detailed research in six areas – firm, team, process, operations, culture and investment skill. We regularly monitor each investment in your portfolio against the targeted return objectives, given the current market conditions.

We will rebalance your portfolio at agreed times to keep it in line with the Wealthpoint DIMS Portfolio you have chosen and to keep your cash balance at agreed levels. When you choose a Wealthpoint DIMS Portfolio, you will agree to us carrying out this rebalancing (see the DIMS Service Disclosure Statement for more details).

Because of Wealthpoint's size as a co-operative investment business, we have negotiated significantly lower fees with all of the underlying fund managers. This means that as a Wealthpoint client, you get to benefit from this scale, with the potential for significant fee savings over the long term. Further details on these fund manager fees will be provided by your financial adviser when they are providing advice to you.

Investment Objectives

For all our model portfolios, the official cash rate has been determined to be an appropriate benchmark for establishing the return objectives. The aim is to exceed that objective over a rolling 3-year period.

Based on our asset allocation modelling, the return and risk targets, net of cash and before tax, fees and expenses for the five portfolios are as follows:

	Growth/Defensive split	Return objectives with out performance in all asset classes
Capital Plus	37/63	OCR + 2.5%
Strategic Income	35/65	OCR + 3.25%
Market Plus	57/43	OCR + 3.75%
Optimum Growth	77/23	OCR + 5%
Aggressive Growth	95/5	OCR + 6%

* OCR is the NZ Official Cash Rate

Our Five Portfolios

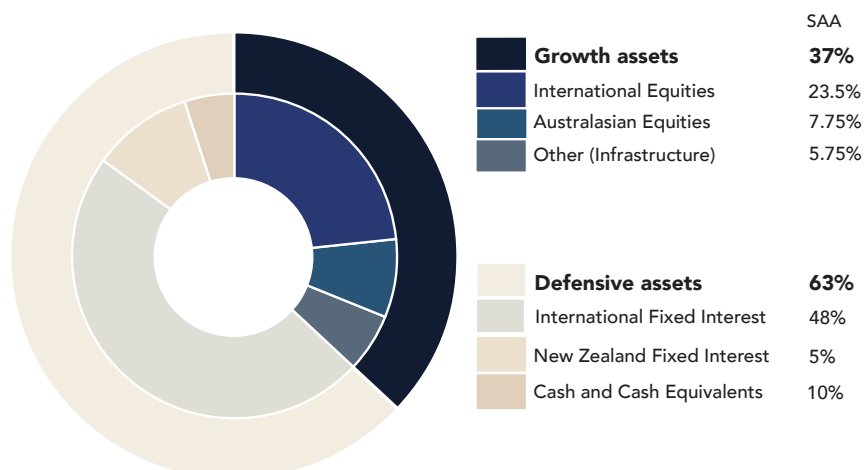
You can find more details about the five Wealthpoint DIMS Portfolios on the following pages. Further information about them, including the rebalancing ranges and process for rebalancing, are set out in the Service Disclosure Statement.

Capital Plus Portfolio

OCR +2.5%

A moderate portfolio that aims to beat what can be earned from cash and term deposits. It aims to achieve a return that will exceed inflation with only moderate price variations in the portfolio balance, with a focus on capital protection.

The strategic asset allocation (SAA) for the Capital Plus Portfolio is detailed in the following graphic.

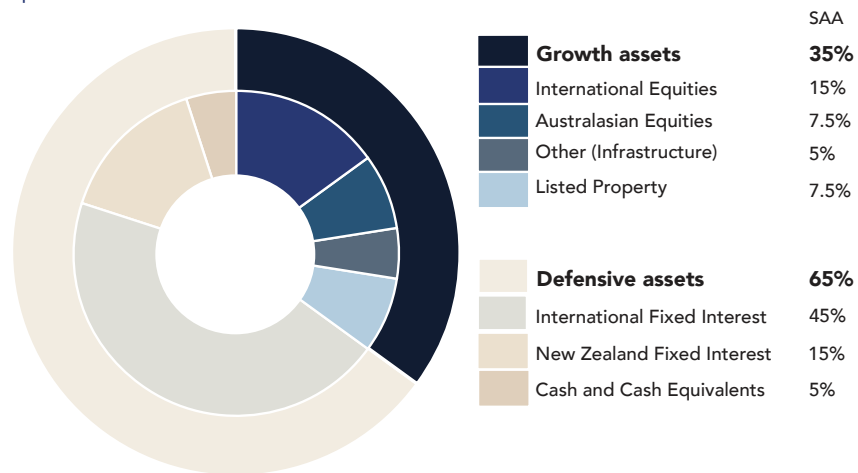


Strategic Income Portfolio

OCR +3.25%

The Strategic Income portfolio is a moderate portfolio that aims to exceed what can be earned from cash or term deposits and provides a regular income through the payment of a monthly distribution.

The strategic asset allocation (SAA) for the Strategic Income Portfolio is detailed in the following graphic.

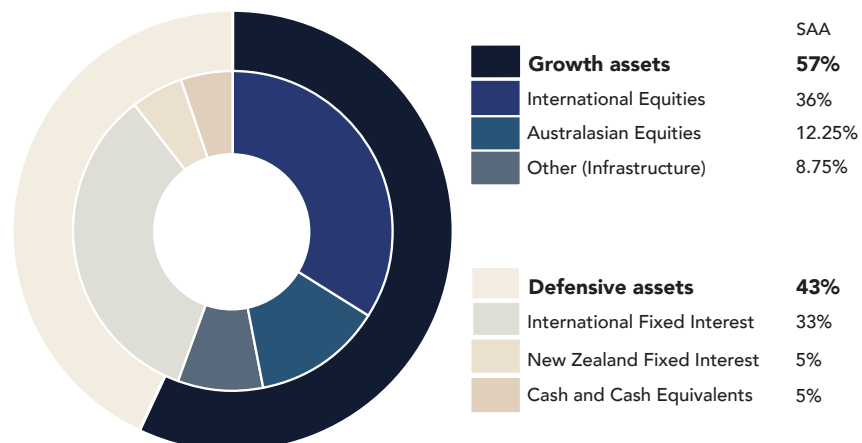


Market Plus Portfolio

OCR +3.75%

The Market Plus is a balanced long-term portfolio that will have your money invested in a balance between growth and defensive assets. It aims to provide some capital stability, with an acceptance of some volatility in exchange for the potential of a higher return.

The strategic asset allocation (SAA) for the Market Plus Portfolio is detailed in the following graphic.

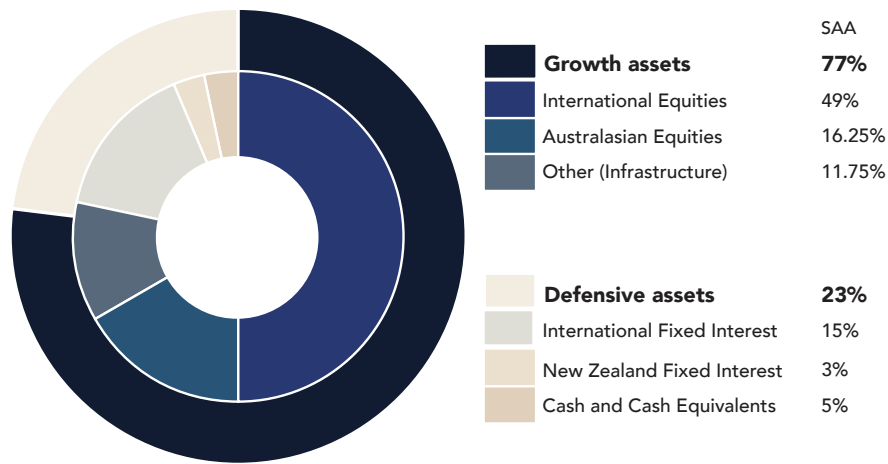


Optimum Growth Portfolio

OCR +5%

This is a long-term growth portfolio that will have a higher proportion of your money in growth assets both here and offshore. It aims to achieve capital growth over the long term, with an acceptance of a high level of volatility to achieve this.

The strategic asset allocation (SAA) for the Optimum Growth Portfolio is detailed in the following graphic.

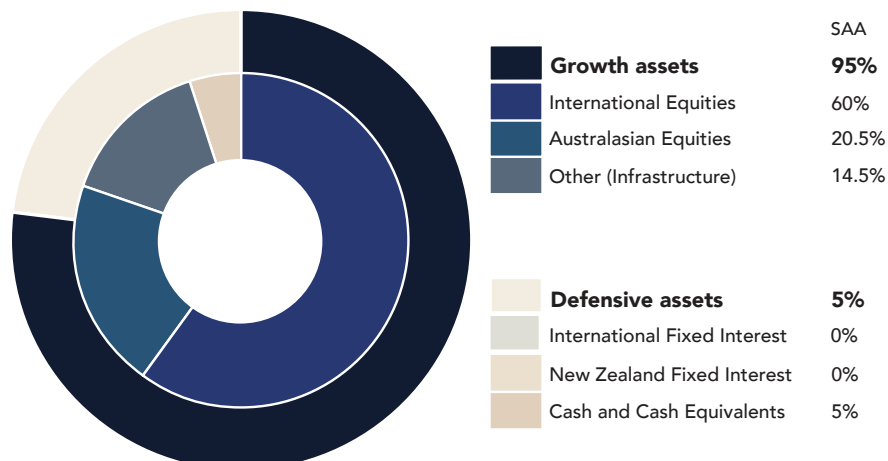


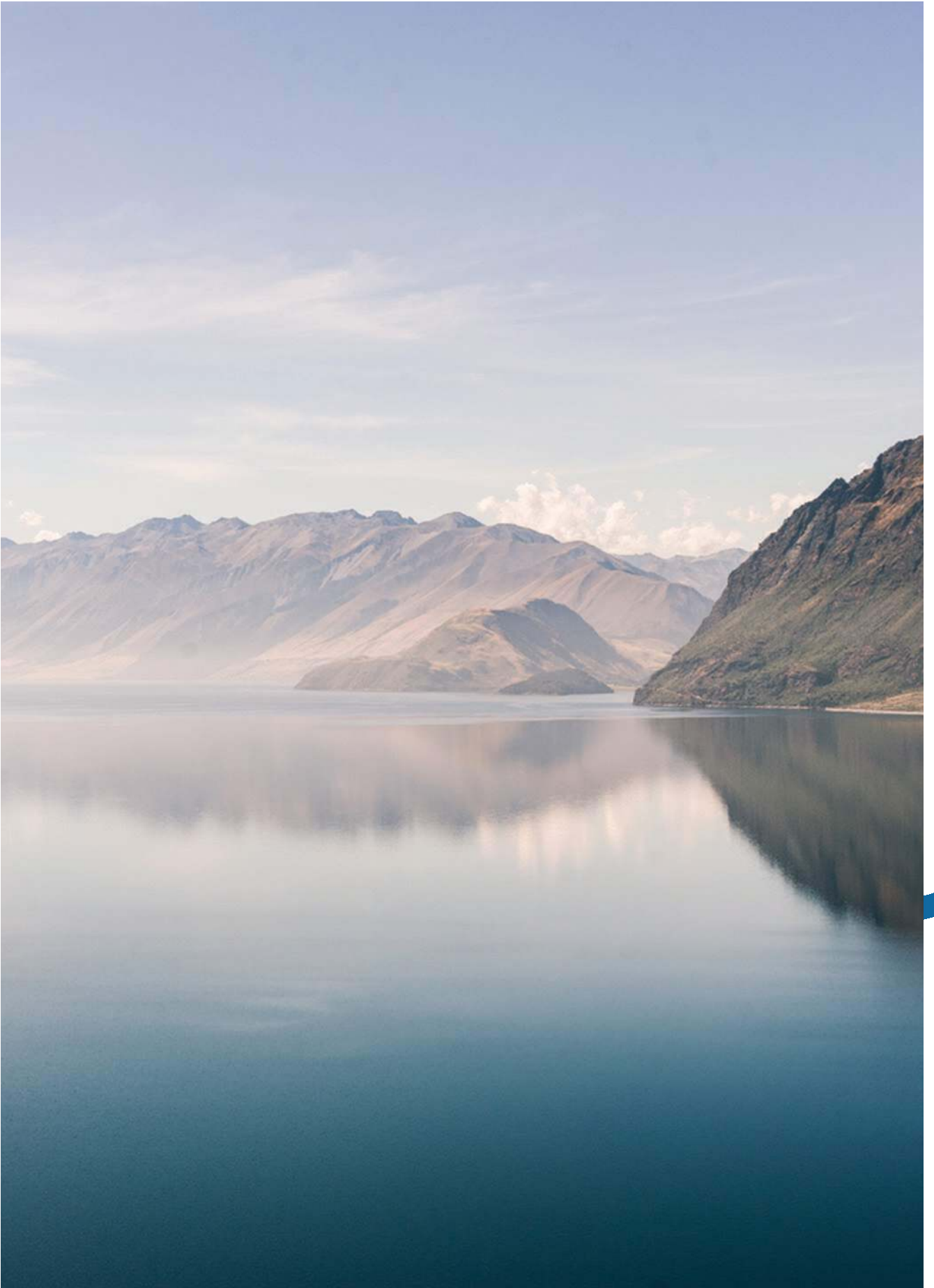
Aggressive Growth Portfolio

OCR +6%

The Aggressive Growth Portfolio is almost entirely invested in growth assets and aims to achieve greater long-term returns, with an acceptance of significant movements in the capital value of investments; both up and down (ie: market volatility) in order to achieve this. Security of capital is secondary to the potential for wealth accumulation.

The strategic asset allocation (SAA) for the Aggressive Growth Portfolio is detailed in the following graphic.





Funds in Wealthpoint's DIMS Portfolios

Wealthpoint's approach to fund manager selection is to have a very focussed selection of our most highly rated funds in the Investment Portfolios, rather than a very broad selection of underlying funds.

We believe that it is prudent to avoid selecting managers based purely on their past performance. As a result, our manager research, undertaken primarily by our asset consultants Makao Investments, is based on detailed research that goes far beyond a simple review of performance. The research prioritises investment opportunities with a strong process as this increases the likelihood of investment success in the future.

The Wealthpoint Investment Committee selects best-of-breed funds based on the advice of Makao, their own investment experience and a very client centric approach that ensures the funds selected are appropriate for both the risk profile and the needs of the clients that will invest money into our DIMS Portfolios.



When researching funds Makao reviews key elements of the investment process and also conducts interviews with key people responsible for investment decision-making. They assess:




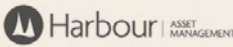
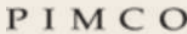

- the investment manager's ownership structure;
- the experience of the team making the investment decisions;
- the decision-making framework;
- the risk and compliance procedures;
- the real quality of the manager including culture and skill in being able to apply the investment process; and
- an analysis of operations and how processes are implemented.

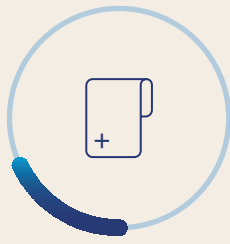


Capital Plus, Market Plus, Optimum Growth, Aggressive Growth – Funds by asset class

Asset Class	Product	Fund Manager
Global equities	50% Nikko AM Global Shares Fund (hedged and unhedged)	 
	Russell Investments Sustainable Global Shares Fund (hedged and unhedged)	
New Zealand equities	50% Milford Trans-Tasman Equities Fund	 
	50% SALT NZ Core Shares Fund	
Global listed infrastructure	First Sentier Responsible Listed Infrastructure Fund	
Global fixed income (sovereign)	Colchester Global Government Bond Fund	
NZ fixed income	Harbour NZ Core Fixed Interest Fund	
Global fixed income (aggregate)	Hunter Global Fixed Interest Fund (PIMCO)	

Strategic Income Portfolio – Funds by asset class

Asset Class	Product	Fund Manager
Global equities	Russell Investments Sustainable Global Shares Fund (hedged and unhedged)	
New Zealand equities	SALT NZ Dividend Appreciation Fund	
Global listed infrastructure	First Sentier Responsible Listed Infrastructure Fund	
Global listed property	Mercer Macquarie Global Listed Real Estate Fund	
NZ Credit	Harbour NZ Corporate Bond Fund	
Global fixed income (aggregate)	Hunter Global Fixed Interest Fund (PIMCO)	
Cash and Cash Equivalents	Nikko AM NZ Cash Fund	



Capital Plus

OCR +2.5%

A moderate portfolio that aims to beat what can be earned from cash and term deposits.

It aims to achieve a return that will exceed inflation with only moderate price variations in the portfolio balance, with a focus on capital protection.

Growth **37%** Defensive **63%**



Market Plus

OCR +3.75%

A balanced long-term portfolio that will have your money invested in a balance between growth and defensive assets. It aims to provide some capital stability, with an acceptance of some volatility in exchange for the potential of a higher return.

Growth **57%** Defensive **43%**



Optimum Growth

OCR +5%

This is a long-term growth portfolio that will have more of your money in growth assets both here and offshore. It aims to achieve capital growth over the long term, with an acceptance of a high level of volatility to achieve this.

Growth **77%** Defensive **23%**



Aggressive Growth

OCR +6%

Almost entirely invested in growth assets and aims to achieve greater long-term returns, with an acceptance of significant movements in the capital value of investments. Security of capitals secondary to the potential for wealth accumulation.

Growth **95%** Defensive **5%**



Strategic Income

OCR +3.25%

A moderate portfolio that aims to beat what can be earned from cash or term deposits and provides a regular income through the payment of a monthly distribution.

Growth **35%** Defensive **65%**

*OCR is the NZ Official Cash Rate

We have estimated what the past performance would have been like had the funds been launched five years ago. Backtest - 5 year performance* 2019-2024 to 30 June 2024.

Estimated Past Performance

	Gross (p.a)	Benchmark (p.a)	KiwiSaver rank
Capital Plus	3.94%	3.03%	2nd/21
Market Plus	5.46%	4.59%	8th/33
Optimum Growth	7.26%	6.40%	6th/26
Aggressive Growth	8.70%	7.76%	3rd/17

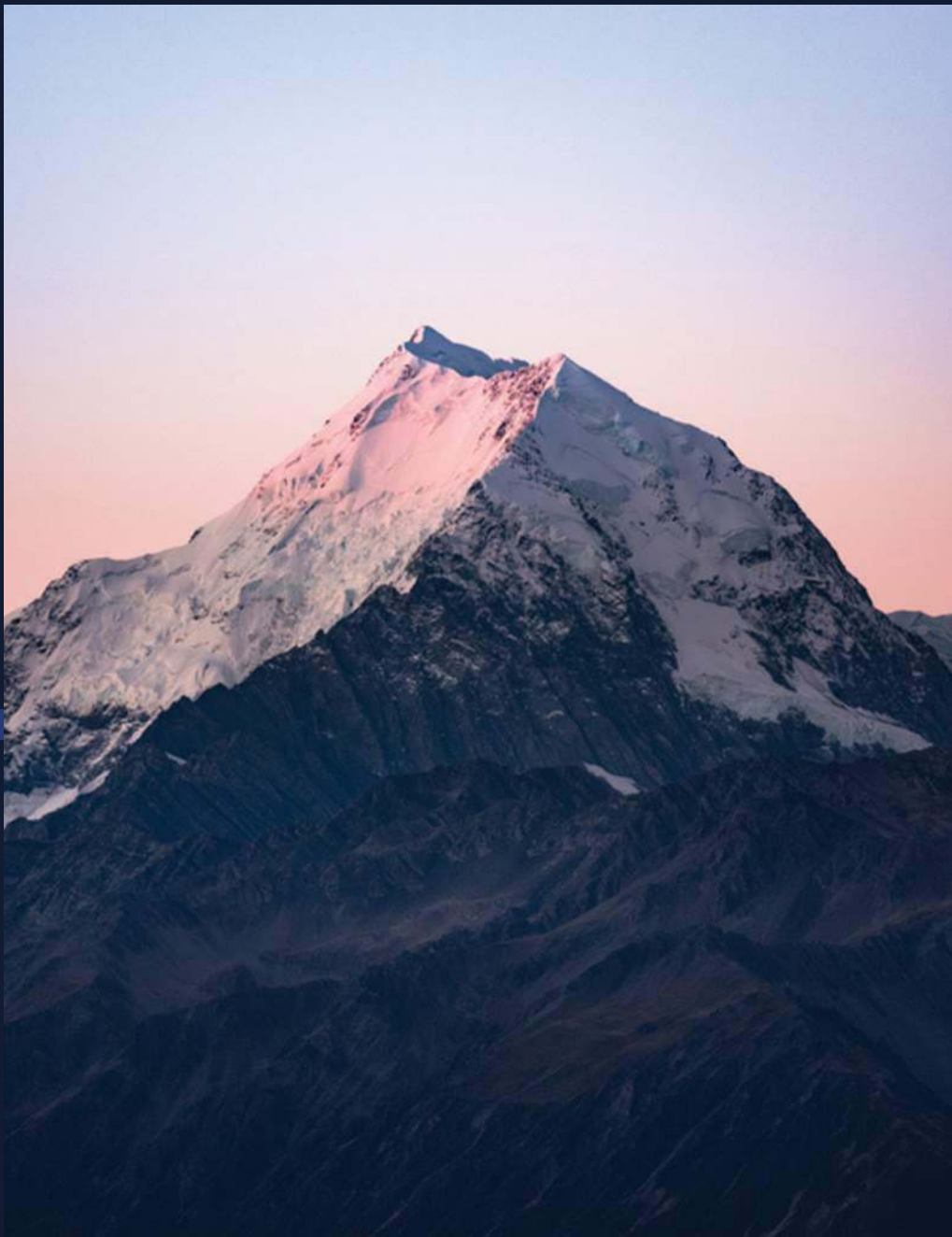
* Estimated using Strategic Asset Allocation weights and manager performance, where available. Where performance was not available, passive returns have been used instead. Performance does not account for any tactical currency allocation calls. KiwiSaver rank was estimated gross returns and comparing them to the June 2024 Morningstar KiwiSaver survey.

Past performance is not necessarily a good indicator of future returns.

Wealthpoint's Investment Partnerships

Wealthpoint has partnerships with a wide range of New Zealand's leading investment specialists. Our partnerships give you access to industry leading fund managers, investment technology providers and custodians – so you can be confident your investments are safe and well managed.

Some of our key partnership and the services they provide are outlined in the diagram on the right.





You



Your Adviser

Wealthpoint advisers provide advice under Wealthpoint's Financial Advice Provider (FAP) license and are regulated by the Financial Markets Authority (FMA).



Wealthpoint

Investment Portfolios



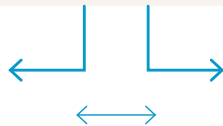
Wealthpoint's Investment Committee oversees the strategic asset allocation, fund manager selection and Investment portfolio construction with assistance from independent investment consultants, Makao Investments.

Trades and monitoring roles are performed by the Wealthpoint investment team.



Approved Fund Managers

Wealthpoint maintains master agreements with leading fund managers. These are accessed by Wealthpoint Advisers on Consilium's WRAP platform.



Consilium provides access to an investment WRAP platform. ConsiliumWrap makes it easy to view your investments online and provides regular reporting.



FNZ provides a technology platform and custodial and administration services to manage investment portfolios.



Consilium Wrap – An easy way to manage your investments

It can be difficult managing your investments if they are held by different providers. Consilium Wrap makes it easy to view your investments online and provides regular reporting to keep you up to date.

Consilium Wrap is an investment platform used by Wealthpoint. It is operated by Consilium NZ Limited (Consilium) and provides access to a wide range of assets including diversified and single sector managed funds. The money you invest through Consilium Wrap will be held in trust and is administered by an independent custodian FNZ Custodians Limited. This means that your savings would be protected from any adverse events affecting Consilium Wrap, Wealthpoint or any member business. Consilium Wrap is one of the most cost-effective solutions in the market, and in addition to the already low-cost fee structure, Wealthpoint has negotiated special rebates on fees for some of the underlying assets. This has the potential for significant fee savings over the long term. The benefits of the Consilium Wrap platform include:

Regular and consolidated reporting

Consilium Wrap produces comprehensive, easy-to-understand reports that make it easy to follow the progress of your investment portfolio.

At least once a year, your adviser provides you with transaction and portfolio performance reports that give you a snapshot of your investments. You can also arrange with your adviser to receive these reports on a more regular basis.

Online viewing

As a Wealthpoint customer, you have online access to your account, simply log on to see how your investments are doing at any time.

This provides you with an up-to-date view of your investments between the annual meetings you will have with your adviser.

Tax reporting

Tax reporting on investments can be complex. With Consilium Wrap, a single tax report at the end of the year simplifies filling in your tax return.

Your Consilium Wrap tax report includes all relevant tax details in relation to your investments, giving you or your accountant the information needed to complete your tax return quickly and easily.



FNZ

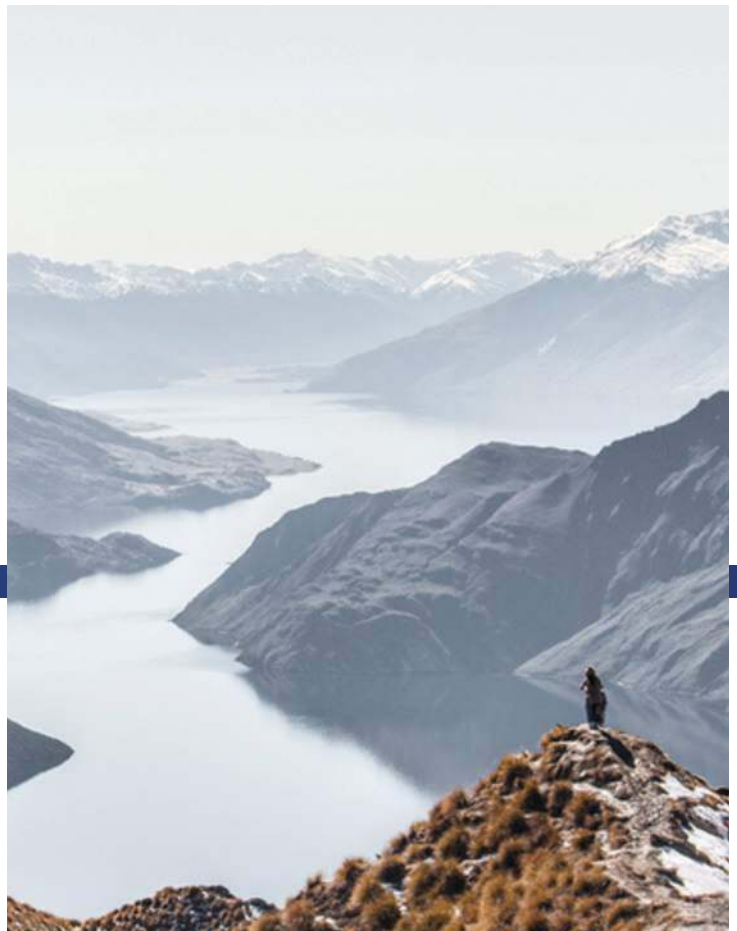
FNZ is a large global business that provides the technology platform for Consilium Wrap and provides custodian and administration services.

Custodial independence

The custodial services accessed through Consilium Wrap are provided by FNZ Custodians Limited, one of the world's leading providers. Importantly, no custodial services are provided by Consilium Wrap. Consilium Wrap regularly reviews FNZ's performance and FNZ are subject to regular audits.

Custodial security

Assets are held in a bare trust by FNZ Custodians Limited, the custodian, for the exclusive benefit of all investors on Consilium Wrap. Online client access allows you as an investor to review your portfolio balance at any time. You are the beneficial owner of all your individual investments. An added security measure is that withdrawals can only be directed to your nominated bank account. FNZ reports directly to you as an investor twice a year, with independent verification of your portfolio details.





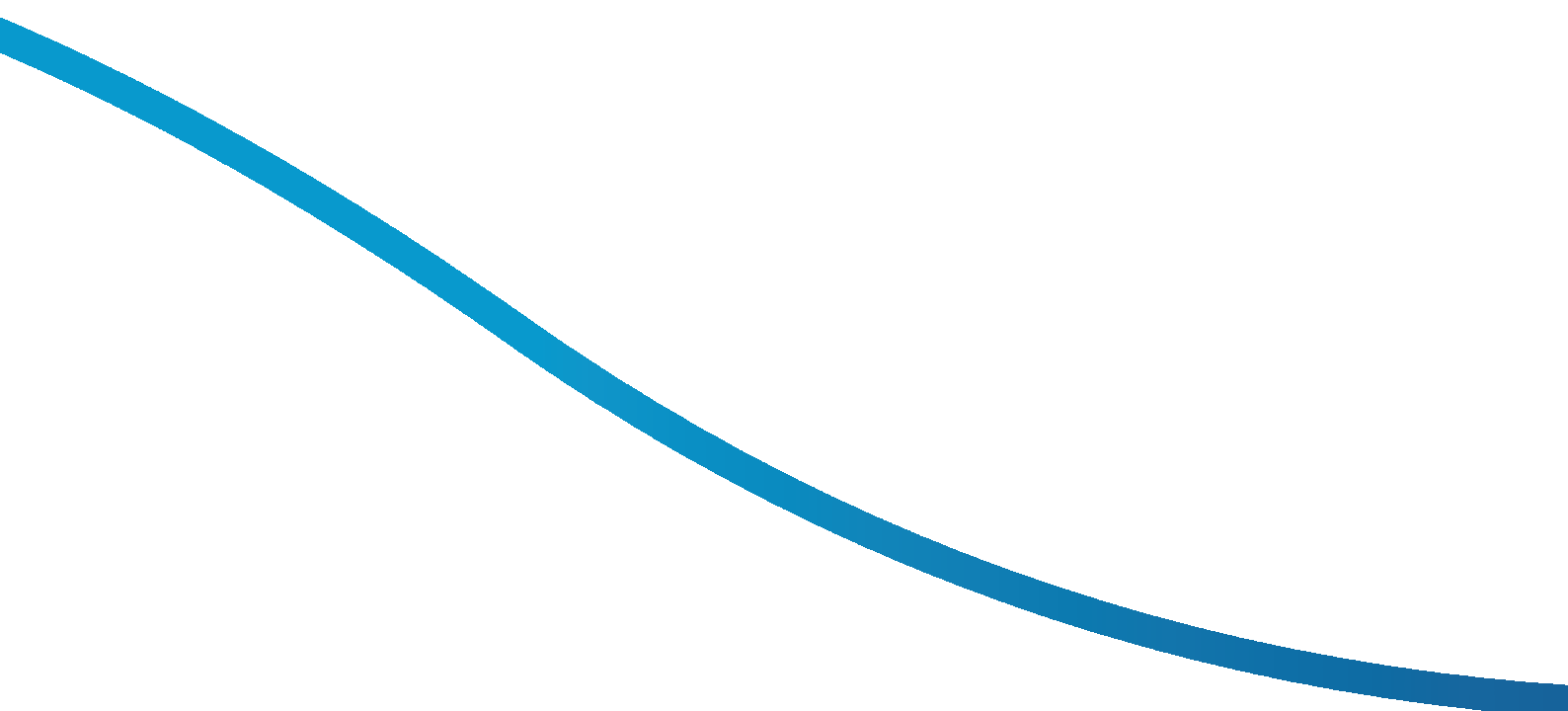
Makao Investments – Asset Consultants

Makao Investments is a New Zealand-based wholesale investment advisory business that provides advice on asset allocation and fund manager selection. Noah Schiltknecht and John Horrell are the managing partners and founders of the business. They are both CFA charterholders and previously held senior positions at Russell Investments advising a broad range of large institutional clients on investment strategy, asset allocation and manager selection. Noah and John are supported by a consultant and an investment analyst.

Makao has a sophisticated asset allocation framework that starts with the investor circumstances, risk tolerance and concerns and combines market data and in-house research in order to simulate 1,000 scenarios for each asset class for every year they forecast. Each simulation is adjusted for inflation, fees, tax and withholding tax to estimate the real net returns an investor can expect.

Makao believes investors need to be prepared for a variety of scenarios when making one of their most important investment decisions; setting their strategic asset allocation. They believe there is a need to understand different market environments and account for stress scenarios that we have not necessarily witnessed in financial markets.

Their robust methodology, extensive investment consulting experience and sound advice provided to Wealthpoint means that your investment strategy is informed by specialist knowledge.





About the Fund Managers



Colchester Global Investors

Colchester Global Investors is a privately owned investment management firm offering value oriented, global bond management services. Chairman and CIO Ian Sims founded the asset management business in 1999. Colchester's headquarters are located in London. The firm also has offices in New York, Singapore, Sydney and Dubai.

Colchester has funds under management of approximately NZ\$42 billion across four core strategies being global sovereign bonds, global inflation-linked bonds, local currency emerging market debt and an alpha program. The firm manages assets for global institutions including Corporate and Public Pension Funds, Foundations, Endowments, Insurance and Sovereign Wealth clients. Colchester enjoys a long-standing history of managing money for many prestigious Australian and New Zealand institutions, with assets under management of approximately NZ\$7.1 billion.



First Sentier Investors

First Sentier Investors (formerly Colonial First State Investments) is a global asset management group focused on providing high quality, long-term investment capabilities to clients. They bring together independent teams of active, specialist investors who share a common commitment to responsible investment principles.

First Sentier is a stand-alone asset management business and the home of investment teams FSSA Investment Managers, Stewart Investors and Realindex Investments. All their investment teams – whether in-house or individually branded – operate with discrete investment autonomy, according to their investment philosophies.

Together they offer a comprehensive suite of active investment capabilities across global and regional equities, cash and fixed income, infrastructure and multi-asset solutions, all with a shared purpose to deliver sustainable investment success.

First Sentier Investors has been managing money with this long-term outlook for more than 30 years. Today, across the First Sentier Investors group, they manage more than US\$151bn of assets on behalf of institutional investors, pension funds, wholesale distributors and platforms, financial advisers and their clients.



Harbour Asset Management Limited

Founded in Wellington in 2009, Harbour Asset Management is one of New Zealand's most highly rated investment managers. They take pride in delivering market-leading investment outcomes for clients. Their clients include KiwiSaver funds, charitable trusts, iwi, government institutions, corporate superannuation funds and financial advisers. Harbour's investment philosophy is focused on consistency – combining research and analysis with the skills and knowledge of experienced people. Harbour believes that fundamental research drives investment outperformance. A structured quantitative analysis of the investment universe can assist in providing their analysts with further tools to determine the best investment opportunities. By adhering to their investment style and approach through market cycles they provide integrity and balance in portfolio construction.



Hunter Investment Management

Hunter is a specialist New Zealand-based investment management company that was founded in 2016 by industry veteran Tony Hildyard. Their focus is on providing quality New Zealand-centric investment solutions that address the wide range of investment issues that directly impact returns to end investors.



Mercer is an American consulting firm founded in 1945. It is one of the four operating subsidiaries of global professional services firm Marsh McLennan. Mercer is headquartered in New York City with offices in 43 countries and operations in 130 countries. Mercer has several distinct lines of business, namely: health and benefits, investments and retirement, workforce and careers, and M&A advisory services. It is the world's largest investment advisory firm with over US\$340 billion outsourced assets under management and US\$17 trillion funds under advice (as at 31 Dec 2022).

Mercer and its predecessors have been operating in New Zealand since 1957. They have 100 staff in their Auckland and Wellington offices providing a range of services to help organisations and their people manage their health, wealth and careers. Mercer have also been building multi-manager funds for more than 20 years. Mercer's New Zealand-based investment team is supported by more than 100 investment professionals in Australia and New Zealand, and over 1,200 located around the world.



Milford Asset Management Limited

Milford is a specialist investment firm who invest in New Zealand, its businesses and its people. Milford was formed in 2003 by an experienced group of individuals who recognised the need for an investment company that provides New Zealanders with a world class investment partner they can trust.

Milford was founded on guiding principles which align its interests with those of their investors. These are an active management investment philosophy, employees investing alongside Milford's clients and long-term staff ownership.

Today, the Milford team comprises more than 180 passionate and talented individuals across offices in Auckland, Cambridge, Tauranga, Christchurch, Wanaka and Australia. They all share one common purpose – to grow the wealth of their clients and make a positive contribution to the community. Milford aims to deliver the best investment outcomes and client service.

Milford currently has over \$20 billion of funds under management and was named the Morningstar Fund Manager of the Year in 2021.





Nikko Asset Management

Nikko is an active manager with over NZ\$7.22 billion of investments (as at 30 June 2024). Nikko AM manages domestic assets through their Auckland-based investment teams and employ carefully selected offshore managers to manage global assets. Their history dates back to 1994 when Norwich Union Fund Management was founded in New Zealand.

Nikko Asset Management (the parent company) is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of Equity, Fixed Income and Multi-Asset strategies. In addition, their complementary range of passive strategies covers more than 20 indices and includes some of Asia's largest exchange-traded funds (ETFs).

Nikko AM's range of specialist Asian equity, fixed income and ETF investment products have been singled out for distinction by consultants and financial media across the globe and they were awarded the Morningstar Fund Manager of the Year in 2018 and 2019.

PIMCO

PIMCO

PIMCO is one of the world's premier fixed income investment managers with US\$1.88 trillion assets under management as of 30 June 2024. Launched in 1971 in Newport Beach, California, PIMCO introduced investors to a total return approach to fixed income investing. In the 45+ years since, they have continued to bring innovation and expertise to partnership with clients seeking the best investment solutions. Today they have offices across the globe and more than 3,400+ professionals united by a single purpose: creating opportunities for investors in every environment.



Russell Investments

Russell is a leading global investment solutions partner. Their approach brings the world's leading managers and strategies together – in a diversified, adaptive and efficient portfolio – aimed at achieving investor's goals. Russell takes a "best-of-breed" approach to manager research, with researchers strategically placed around the world, searching for future outperformers. Their process, refined over almost five decades, is rigorous, ongoing, and has ultimately been effective. Russell monitors over 14,000 products, continually researches over 8,000 of those, has 715 manager products with a primary 'hire' rating and has selected 241 of those manager products for inclusion in the Russell Investment's Funds (as of 2021). Since 2000, an average of 77% of Russell's 'hire' ranked managers have outperformed their benchmark.

SALT

Salt Funds Management

Salt is an active fund manager. Their investment philosophy centres on the belief that share markets have characteristics that lead to market inefficiencies that can be exploited over time to deliver superior risk-adjusted returns.

Salt is a core investor with no intended style bias to either “growth” or “value” and look to invest in companies with strong management, which operate within sound industry structures and generate superior shareholder returns.

Salt’s investment process demands both robust balance sheets and the current ability or potential to generate above average free cash-flow.

Proprietary research is at the heart of the firm. Salt has a team of dedicated analysts who are tasked with producing bespoke research on companies within their investment universe. This research is aimed at providing the portfolio managers with well-reasoned views on the value of companies based on their own in-house financial modelling. This provides the firm with a robust decision making framework that efficiently balances quantitative and qualitative analysis.





Other Important Information

Your responsibilities

Before choosing a Wealthpoint DIMS Portfolio, please read the Services Disclosure Statement and the relevant Wealthpoint DIMS Portfolio Investment Proposal carefully. This booklet is intended as a guide and not a substitute for those documents, which outline the agreement between you and us (agreement).

Legally, the terms in those documents are the only terms that apply. You should also read the Statement of Advice provided to you by your adviser carefully.

Financial advice

This document has been prepared by Wealthpoint, which holds a licence issued by the Financial Markets Authority to provide a financial advice service. The content of this document is of a general nature and is intended as a source of general information only. To the extent that any views expressed in this document constitute financial advice, it has not been personalised for any recipient. For information about the financial advice services provided by Wealthpoint, including an overview of our complaints and dispute resolution process, and the statutory duties applicable to us and our advisers, please see www.wealthpoint.co.nz.

Product disclosure documents

Your Adviser is required to provide you with a product disclosure statement for each fund that you invest in through the Wealthpoint DIMS Portfolios. It's your responsibility to read these documents and ask any questions so that you understand what the products are, the fees charged and any specific product features, including rules relating to withdrawal.

Results not guaranteed

Investments are subject to risk. Neither Wealthpoint nor its related companies, their delegates, your adviser, or any other person guarantees the achievement of your objectives, the performance of your portfolio or any of the investments within your portfolio, the repayment of capital invested or payment of any particular rate of return. Past performance should not be relied upon as an indicator of future performance.

Tax implications

There are tax implications of making investments via Wealthpoint, particularly with respect to Australian managed funds and Australian shares. You should seek tax advice from a tax specialist who can provide you with the best quality tax advice for your situation.





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