



# Forsyth Barr Funds

## Product Disclosure Statement

**Offer of units in the Forsyth Barr Funds | 15 May 2024**

Issuer: Forsyth Barr Investment Management Limited

This document, together with the Forsyth Barr Funds Product Disclosure Statement – Original Global Series dated the same date as this PDS, replaces the Tempo Funds Product Disclosure Statement dated 7 August 2023.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Forsyth Barr Investment Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you make an investment decision.

# 1. Key information summary

## What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Forsyth Barr Investment Management Limited will invest your money and charge you a fee for this service.

The returns you receive are dependent on the investment decisions of Forsyth Barr Investment Management Limited and its investment managers, and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

## What will your money be invested in?

The Forsyth Barr Funds (the Funds or the Scheme) are a range of 20 funds which you access through financial advice or investment management services provided by Forsyth Barr Group companies. This PDS covers 13 of those funds.

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided at section 3 'Description of your investment options'.

See section 4 'What are the risks of investing?' for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your own risk profile at [www.sorted.org.nz/tools/investor-profiler/](http://www.sorted.org.nz/tools/investor-profiler/).

OUR FUNDS		RISK INDICATOR	ANNUAL FUND CHARGES
<b>Cash Fund*</b>	Aims to achieve positive long term returns by investing in the Octagon Enhanced Cash Fund which invests in cash, cash equivalents and short-term New Zealand fixed interest assets.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.10%
<b>Local Bond Fund*</b>	Aims to achieve positive long term returns by investing in the Octagon New Zealand Fixed Interest Fund which invests in New Zealand fixed interest assets.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.10%
<b>NZ Companies Fund*</b>	Aims to achieve positive long term returns by investing in the Octagon New Zealand Equities Fund which invests mostly in New Zealand shares, and can invest in Australian listed shares, where the company has meaningful operations in New Zealand.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.20%
<b>AUS Companies Fund*</b>	Aims to achieve positive long term returns by investing in the Octagon Australian Equities Fund which invests mostly in Australian shares, and can invest in New Zealand listed shares, where the company has meaningful operations in Australia.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.20%
<b>Australasian Property Fund*</b>	Aims to achieve positive long term returns by investing in the Octagon Listed Property Fund which invests in listed financial products issued by entities whose principal business involves the owning or managing of property, property-like assets or real assets.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.20%
<b>Global Quality Fund**</b>	Aims to achieve positive long term returns by investing in an underlying fund which invests in international equities in companies with established track records of historical profitability and strong fundamentals – "high quality" companies.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.35%***
<b>Global Value Fund**</b>	Aims to achieve positive long term returns by investing in an underlying fund which invests in international equities in companies whose shares are identified as trading substantially below the assessed intrinsic value of the company, but which are also assessed as having solid long term prospects.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.60%***
<b>Global Growth Fund**</b>	Aims to achieve positive long term returns by investing in an underlying fund which invests in international equities in companies that demonstrate a competitive advantage, achieve excess returns and reinvest these returns into business growth.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.40%***
<b>Global Sustainability Fund**</b>	Aims to achieve positive long term returns by investing in an underlying fund which invests in international equities in companies which are assessed as contributing to positive environmental and social outcomes.	<div> <div>LOWER RISK</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>HIGHER RISK</div> </div> <div>Potentially lower returns Potentially higher returns</div>	1.35%***

OUR FUNDS		RISK INDICATOR	ANNUAL FUND CHARGES
<b>Climate Change Fund**</b>	Aims to achieve positive long term returns by investing in an underlying fund which invests in international equities primarily in companies taking steps to position themselves to benefit from efforts to mitigate, to address challenges presented by, or to help the world adapt to climate change.	<div> <div>LOWER RISK</div> <div>1 2 3 4 5 6 7</div> <div>Potentially lower returns Potentially higher returns</div> </div>	1.60%***
<b>Tech Fund*</b>	Aims to track the investment performance of a market index comprised of North American companies in the technology sector, and other selected North American companies within the communication services and consumer discretionary sectors, by investing in an international passively managed exchange traded fund.	<div> <div>LOWER RISK</div> <div>1 2 3 4 5 6 7</div> <div>Potentially lower returns Potentially higher returns</div> </div>	1.26%***
<b>Healthcare Fund*</b>	Aims to track the investment performance of a market index comprised of U.S. companies within the health care sector, by investing in an international passively managed exchange traded fund.	<div> <div>LOWER RISK</div> <div>1 2 3 4 5 6 7</div> <div>Potentially lower returns Potentially higher returns</div> </div>	0.95%***
<b>Gold Fund*</b>	Aims to track the investment performance of the price of gold by investing in an international passively managed exchange traded product.	<div> <div>LOWER RISK</div> <div>1 2 3 4 5 6 7</div> <div>Potentially lower returns Potentially higher returns</div> </div>	0.97%***

The funds marked \* were launched in August 2023 and the funds marked \*\* were launched in May 2024. They were, respectively, established before those dates but only for the purposes of testing, and were not being managed to produce financial returns. As such, we've calculated the risk indicators using market index returns data (or in the case of the Gold Fund, a gold price index) for periods prior to launch. Using market index returns data means the risk indicators may provide a less reliable indicator of the potential future volatility of the funds. If a fund mainly invests into another fund with a risk indicator that is different from what we've calculated, we may use that other number.

The underlying funds or exchange traded products that the Forsyth Barr funds invest into could change from time to time. For the underlying fund or product that each Forsyth Barr fund currently invests in, see the most recent fund updates on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)). Also, at the date of this PDS each fund invests in one underlying fund or product, but it is possible for each fund to invest in more than one underlying fund or product.

Annual fund charges are expressed as a percentage of the value of your investment and include GST. Fund charges marked \*\*\* are estimated because the fund invests in an underlying fund where we are not the manager. When market conditions are more volatile than usual, a buy or sell spread may be applied when you purchase or redeem units or switch between funds. See section 5 'What are the fees' for more information.

## Who manages the Funds?

Forsyth Barr Investment Management Limited (referred to as "we" or "us" in this PDS) is the manager of the Forsyth Barr Funds. You can find further information about us in section 7 'Who is involved?'.

## How can you get your money out?

Your investment in the funds is redeemable. You can request to withdraw your money at any time. For more information, see section 2 'How does this investment work?'. Currently, no minimum amounts apply to withdrawals. We are able to suspend, defer or partially restrict withdrawals in certain circumstances.

Your investment in the funds can be sold, but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

## How will your investment be taxed?

Each of the funds is a type of Portfolio Investment Entity (PIE) known as a multi-rate PIE.

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). This can be 0%, 10.5%, 17.5% or 28%. See section 6 of the PDS 'What taxes will you pay?' for more information.

## Where can you find more key information?

We are required to publish quarterly updates for each fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at [www.tempo.co.nz](http://www.tempo.co.nz) or on the Disclose Register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). We will also give you copies of those documents on request.

## Table of Contents

1. Key information summary	1
2. How does this investment work?	3
3. Description of your investment options	5
4. What are the risks of investing?	8
5. What are the fees?	9
6. What taxes will you pay?	10
7. Who is involved?	11
8. How to complain	12
9. Where you can find more information	12
10. How to apply	12

## 2. How does this investment work?

The Forsyth Barr Funds are a managed investment scheme, which is a type of investment where your money is pooled with other people's money and invested by a manager. The value of your interest in a fund will change depending on the value of the investments of that fund.

### How the funds are set up

Each fund is set up as a trust, with its own investment objectives and permitted investments. A **Master Trust Deed** between the supervisor (**Supervisor**) and us governs the Scheme, and an **Establishment Deed** sets up the individual funds. Each fund has its own assets and liabilities, and assets of one fund can't be used by another fund.

As the manager, we decide which underlying funds the Forsyth Barr Funds invest into. A custodian appointed by the Supervisor, holds the underlying fund for each Forsyth Barr fund. The Supervisor also monitors our management of the Scheme.

As at the date of this PDS the underlying local and Australian funds are managed by Octagon Asset Management Limited, a related company of ours.<sup>1</sup>

No distributions are paid out of the funds – income from a fund's investments is retained in the fund.

### Units and unit values

Each time you invest money, you will receive units in the fund or funds that you have chosen. Each unit in a fund is the same as any other unit in that fund and represents an interest in the net assets of that fund. See '**Making investments**' below for more information.

Units are valued on each business day. The number of units you receive when you invest in a fund will depend on the unit value when you invest.

We calculate the value of each unit in the fund that you're investing in by taking the total value of the fund's assets less liabilities (including any accrued fees or charges) and dividing it by the number of units that have been issued to investors. Unit values will go up and down over time as the value of the investments that make up the fund changes.

When you withdraw your money from a fund, you'll give up your units and you'll get a cash payment back. The amount you receive when you withdraw will depend on the number of units you give up and the unit value at the time of withdrawal. See '**Withdrawing your investments**' below for more information.

<sup>1</sup> For more information about related parties and conflicts of interest see our Other Material Information document on our website ([www.tempoco.co.nz](http://www.tempoco.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)).

## The key benefits of investing in Forsyth Barr Funds are:

- We've put together a range of funds to provide a broad selection of investment opportunities that can be combined to suit different investor preferences and goals and investor types.
- The Forsyth Barr Funds are exclusively accessed through services provided by Forsyth Barr Group companies to manage or advise you about the mix of funds.
- You can also choose to select your own mix of Forsyth Barr Funds through the Tempo app without any advice from Tempo Limited.
- We monitor performance and review our underlying fund selections.
- We screen the investments made by the underlying funds that the Forsyth Barr Funds invest in against a number of ESG (environmental, social and governance) factors. Our screening and related disclosure gives you a level of assurance on ESG matters. We also include some ESG themed funds. This allows you to more closely align your investments to your ESG preferences. For more information see our ESG Policy in our Statement of Investment Policies and Objectives (SIPO) on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)).
- The Forsyth Barr Funds are multi-rate PIEs so the tax is all sorted for you – no complicated foreign tax rules.

## Making investments

You can only invest in the Forsyth Barr Funds through investment management or financial advice services provided by Forsyth Barr Group companies.

As at the date of this PDS there is no minimum initial investment amount or minimum additional investment.

If you invest in the Forsyth Barr Funds through a Forsyth Barr discretionary investment management service, as provider of that service we will manage all transactions into, between, and out of the funds. When you invest money through that service we make a corresponding investment into the funds for you, and when you withdraw money from that service, we redeem units in the funds.

If you invest in the Forsyth Barr Funds through the Tempo app, you do that by:

- signing up to the Tempo app;
- completing an investor profile questionnaire;
- setting a goal;
- selecting or confirming the mix of Forsyth Barr Funds for your goal; and
- making a payment to your Tempo account.

Each payment you make into your Tempo account is invested into the mix of Forsyth Barr Funds for your goal. Each time we receive a payment into your Tempo account you are deemed to have applied for each of the Forsyth Barr Funds relevant to your goal.

To sign up to the Tempo app you need to be 16 or over, an individual investor, a New Zealand tax resident present in New Zealand when applying, not a tax resident of any other country,

and meet any other eligibility requirements set out in the Tempo Limited Terms and Conditions – available at [www.tempo.co.nz](http://www.tempo.co.nz).

Before we process any application the application money will be held on trust. Any interest earned on money held on trust in the applications account will be retained by us to cover the costs of administering that account.

An investment is made by the purchase of units in the fund(s). Generally, if we receive payment before 12pm on a business day, the application will receive the unit value applicable on that business day. If we don't receive payment until after 12pm on a business day (or we receive it on a day that is not a business day), the application will generally receive the unit value applicable on the next business day. Units will generally be issued 2 business days from the date the application is valued.

We can decide not to accept an application. If that happens we will let you know.

You can find more information about how to make an investment in the funds in **section 10 'How to apply'**.

## Withdrawing your investments

If you've invested in the Forsyth Barr Funds through the Tempo App, you can request to withdraw your money through the app. A withdrawal request is made in respect of a goal in the Tempo app. The amount requested is deemed to be a withdrawal request in relation to each fund that makes up that goal, and is applied pro rata across those funds.

Generally, if we receive a withdrawal request before 12pm on a business day, it will receive the unit value applicable on that business day. If we don't receive a withdrawal request until after 12pm on a business day (or we receive it on a day that is not a business day) it will generally receive the unit value applicable on the next business day. Currently, no minimum amounts apply to withdrawals.

You will generally receive your withdrawal payment within 2 to 4 business days from the date your withdrawal is valued.

## Switching between funds

If you've invested in the Forsyth Barr Funds through the Tempo App, a switch will be initiated if you accept a recommendation through the app to rebalance your investments, or you otherwise change your fund mix for a goal. This will result in switching out of certain funds and into others.

Any switch instruction in the Tempo app is treated as a withdrawal from the funds being reduced or exited, and an application to buy units in the funds being increased or added. As a result, you will be subject to PIE tax when your withdrawal is processed and buy/sell spreads may apply. No minimums apply.

## Deferring and suspending withdrawals

We can defer processing a withdrawal or switch request for up to five business days if we need to sell investments to meet the payment out of the fund you are withdrawing from. The applicable unit values will be those for the day we process your withdrawal or switch.

We may suspend withdrawals from and switches out of a fund in exceptional circumstances in accordance with the Master Trust Deed.

### 3. Description of your investment options

	RISK INDICATOR	MINIMUM SUGGESTED INVESTMENT TIMEFRAME***
<p><b>Cash Fund*</b></p> <p>Aims to achieve positive long-term returns through underlying investments in cash, cash equivalents and short-term New Zealand fixed interest assets.</p> <p>These kinds of investments typically have lower returns than investing in shares and bonds, and very low levels of movement up and down in value.</p> <p>We aim, through our underlying related fund, to invest in:</p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents 65%</li> <li>• New Zealand Fixed interest 35%</li> </ul>	<p>LOWER RISK</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	Less than 12 months
<p><b>Local Bond Fund*</b></p> <p>Aims to achieve positive long-term returns through underlying investments in New Zealand fixed interest assets.</p> <p>These kinds of investments typically have low to moderate levels of movement up and down in value.</p> <p>We aim, through our underlying related fund, to invest in:</p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents 5%</li> <li>• New Zealand Fixed interest 95%</li> </ul>	<p>LOWER RISK</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	Three years***
<p><b>NZ Companies Fund*</b></p> <p>Aims to achieve positive long-term returns through underlying investments mostly in New Zealand shares, and can invest in Australian listed shares where the company has meaningful operations in New Zealand.</p> <p>These kinds of investments typically have high levels of movement up and down in value.</p> <p>We aim, through our underlying related fund, to invest in:</p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents 5%</li> <li>• Australasian Equities 85%</li> <li>• Listed property 10%</li> </ul>	<p>LOWER RISK</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	Five years***
<p><b>AUS Companies Fund*</b></p> <p>Aims to achieve positive long-term returns through underlying investments mostly in Australian shares, and can invest in New Zealand listed shares where the company has meaningful operations in Australia.</p> <p>These kinds of investments typically have very high levels of movement up and down in value.</p> <p>We aim, through our underlying related fund, to invest in:</p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents 5%</li> <li>• Australasian Equities 85%</li> <li>• Listed property 10%</li> </ul>	<p>LOWER RISK</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	Five years***
<p><b>Australasian Property Fund*</b></p> <p>Aims to achieve positive long-term returns through underlying investments in listed financial products issued by entities whose principal business involves the owning or managing of property, property-like assets or real assets.</p> <p>These kinds of investments typically have high levels of movement up and down in value.</p> <p>We aim, through our underlying related fund, to invest in:</p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents 5%</li> <li>• Australasian Equities 20%</li> <li>• International Equities 5%</li> <li>• Listed property 70%</li> </ul>	<p>LOWER RISK</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>	Five years***

## RISK INDICATOR

## MINIMUM SUGGESTED INVESTMENT TIMEFRAME\*\*\*

### Global Quality Fund\*\*

Aims to achieve positive long-term returns through underlying investments in companies with established track records of historical profitability and strong fundamentals – “high quality” companies.

These kinds of investments typically have high levels of movement up and down in value.

We aim, via an underlying fund, to invest in 100% International equities



Five years\*\*\*

### Global Value Fund\*\*

Aims to achieve positive long-term returns through underlying investments in companies whose shares are identified as trading substantially below the assessed intrinsic value of the company, but which are also assessed as having solid long term prospects

These kinds of investments typically have high levels of movement up and down in value.

We aim, via an underlying fund, to invest in 100% International equities



Five years\*\*\*

### Global Growth Fund\*\*

Aims to achieve positive long-term returns through underlying investments in companies that demonstrate a competitive advantage, achieve excess returns and reinvest these returns into business growth.

These kinds of investments typically have high levels of movement up and down in value.

We aim, via an underlying fund, to invest in 100% International equities



Five years\*\*\*

### Global Sustainability Fund\*\*

Aims to achieve positive long-term returns through underlying investments in companies which are assessed as contributing to positive environmental and social outcomes.

These kinds of investments typically have high levels of movement up and down in value.

We aim, via an underlying fund, to invest in 100% International equities



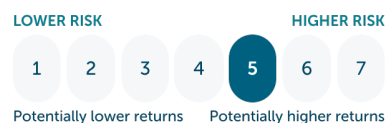
Five years\*\*\*

### Climate Change Fund\*\*

Aims to achieve positive long-term returns through underlying investments primarily in companies taking steps to position themselves to benefit from efforts to mitigate, to address challenges presented by, or to help the world adapt to climate change.

These kinds of investments typically have high levels of movement up and down in value.

We aim, via an underlying fund, to invest in 100% International equities



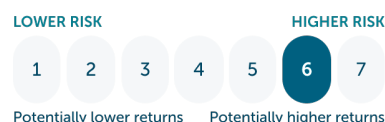
Five years\*\*\*

### Tech Fund\*

Aims to track the investment performance of a market index comprised of the shares of North American companies in the technology sector, plus selected North American companies within the communication services and consumer discretionary sectors.

These kinds of investments typically have very high levels of movement up and down in value.

We aim, via an underlying fund, to invest in 100% International equities



Five years\*\*\*



## RISK INDICATOR

## MINIMUM SUGGESTED INVESTMENT TIMEFRAME\*\*\*

### Healthcare Fund\*

Aims to track the investment performance of a market index comprised of the shares of U.S. companies within the health care sector.

These kinds of investments typically have very high levels of movement up and down in value.

We aim, via an underlying fund, to invest in 100% International equities



Five years\*\*\*

### Gold Fund\*

Aims to track the investment performance of the price of gold.

These kinds of investments typically have high levels of movement up and down in value.

We aim, via an underlying fund or other product, to invest in 100% Commodities (Gold) (or a product 100% secured by Gold)



Five years\*\*\*

Each of our funds and each underlying fund also holds a small portion of cash in order to facilitate liquidity needs.

The funds marked \* were launched in August 2023 and the funds marked \*\* were launched in May 2024. They were, respectively, established before those dates but only for the purposes of testing, and were not being managed to produce financial returns. As such, we've calculated the risk indicators using market index returns data (or in the case of the Gold Fund, a gold price index) for periods prior to launch. Using market index returns means that the risk indicators may provide a less reliable indicator of the potential future volatility of the funds. If a fund mainly invests into another fund with a risk indicator that is different from what we have calculated, we may use that other number.

\*\*\* The minimum recommended timeframes are an estimate of a sufficiently long period over which the investment objectives of a fund are reasonably likely to be met, despite any ups and downs over an investment cycle. But there are no guarantees, all investments involve a balance of risk and reward, and investment objectives may also be met over shorter timeframes. They are also minimums in the context of a non-advised, stand-alone investment, without taking into account your risk appetite. Shorter timeframes may also be appropriate depending on you, your investor risk profile, and whether you have a mix of funds that achieves an appropriate balance of risk and reward for you over a relevant timeframe.

We review the Statement of Investment Policies and Objectives (SIPO) for the funds annually, and also if market conditions mean that we need to. Our review looks at the type of investments that can be made by the funds and any limits on those. We do not need to give you notice of any changes, but we will discuss them with the Supervisor.

You can find the latest SIPO on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)). Material changes to the SIPO made during each year will be described in the Forsyth Barr Funds annual report.

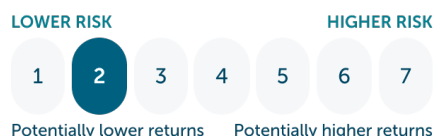
Further information about the assets in each of the funds can be found in the fund updates at [www.tempo.co.nz](http://www.tempo.co.nz) or on the Disclose Register [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).



## 4. What are the risks of investing?

### Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator. Below is an example of a risk indicator:



See **section 3 'Description of your investment options'** for the risk indicators that have been calculated for the funds.

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

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-profiler/](http://www.sorted.org.nz/tools/investor-profiler/).

Note that even the lowest category does not mean a risk-free investment, and there may be other risks (described under the heading "Other specific risks") that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 March 2024. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for the relevant fund.

### General investment risks

Some of the things that may cause a fund's value to move up and down, which affect the risk indicator are: investment return risk, currency risk, concentration risk, liquidity risk, and investment manager risk:

#### Investment return risk

Events affecting investments cannot always be foreseen. Underlying assets will rise and fall in value and returns from time to time may be negative. This may mean you get back less from your investment than you hoped for. You might not receive back the full amount you invested in the funds. Each asset class also has its own risks which are described in more detail in the 'Other Material Information' document available on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)).

#### Currency risk

The risk that changes in exchange rates cause the value of an international investment to reduce. We don't undertake foreign currency hedging in relation to the underlying funds that we invest in and which have a foreign currency exposure. For the Local and Australian Funds, which invest into underlying funds managed by Octagon Asset Management Limited, the management of any foreign currency exposures is undertaken within those related underlying funds. Other underlying funds may also manage currency risk in relation to the currency they are issued in.

#### Concentration risk

A fund's investments may be concentrated in particular assets, types of assets, investment vehicles, geographical areas or

industries. In that case, the poor performance of a single investment or group of investments can significantly impact returns and increase volatility. Concentration risk can also arise where a fund's investments are concentrated in other managed funds, which may potentially give rise to an increased liquidity risk.

#### Liquidity risk

This is the risk that an investment made by a fund may not be able to be sold at the required time, due to a lack of a liquid market for that product or security.

#### Investment manager risk

This is the risk that we or an external investment manager we select makes poor investment decisions. It can also arise where the performance of a fund depends on key employees. We try to manage this risk by having a thorough selection process for external funds and investment managers.

### Other specific risks

Other circumstances that can significantly increase the risk to returns for investors and that may not be reflected in the risk indicator include:

#### Market Index risk

Where an underlying fund is passively managed, it's expected that the fund will perform in line with the market index the fund is tracking. The risk is, if there is an investment market downturn, the manager of the fund will not take proactive action to change the fund's investments and the underlying fund will perform in line with the market index.

#### ESG related risks

Taking environmental, governance and social (ESG) factors into account adds additional costs which may reduce returns. Taking into account ESG factors may also limit investment choices which may constrain investment returns. However, not taking ESG factors into account may also impact returns. There are also pros and cons involved with different approaches to incorporating (or not incorporating) ESG factors. The Forsyth Barr Funds screen the underlying funds against certain criteria. That has different costs, different investment outcomes, and different impacts from an approach based on engagement with companies about ESG factors or an approach based on companies' relative ESG ratings. There is a risk that the approach or criteria applied by us or an underlying fund manager may not align with your preferences. In the context of the Forsyth Barr Funds, we may continue to invest in an underlying fund, despite that fund investing in a company that has been flagged by our ESG screening. When that happens we will disclose it on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)). For ESG related funds that are focused on a particular theme, there is also concentration risk around that theme. For more information see our ESG Policy in our Statement of Investment Policies and Objectives (SIPO) on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)).

#### Cyber security risk

Cyber security risk is the risk of disruption or unauthorised access to your account or to our systems. While we have systems, process, and controls to guard against this, threats are ongoing and ever changing. A key control is that withdrawals can only be paid out to a bank account in your name.

For more information about the risks of investing, please see the 'Other Material Information' document, on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)).

## 5. What are the fees?

You will be charged fees for investing in the Forsyth Barr Funds. Fees are deducted from your investment and reduce your returns. When we invest in other funds, those funds will also charge fees. If you're investing in the Forsyth Barr Funds through the Tempo app, the Forsyth Barr Fund fees cover all the features, benefits, and services you get through the Tempo app, including financial advice from Tempo Limited.

The fees you pay will be charged in two ways:

- Regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term
- One-off fees (currently none)

All fees and charges include GST.

Each Forsyth Barr Fund invests into an underlying fund. So the total annual fund charges for each Forsyth Barr Fund are made up of a flat Forsyth Barr Fund fee of 0.85% plus the fund charges charged within the underlying fund (which we estimate to be between 0.10% and 0.75%, depending on the fund). That gives the total fund charges of between 0.95% and 1.60% shown in the table in the next column. The actual amounts charged within the underlying funds may differ from our estimates. Actual charges will be available in our fund updates in due course. There's more information about how we estimate these charges in our 'Other Material Information' document on the Tempo website ([www.tempo.co.nz](http://www.tempo.co.nz)) or on the Disclose Register ([www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)).

However, investing in the funds through the Tempo app or a Forsyth Barr discretionary investment management service means that you'll most likely invest in a combination of funds. In that case your fund charges will be a blend of the fund charges that apply to individual funds. Please refer to the Tempo website, or your Forsyth Barr service documentation for further service-specific information in relation to fees.

## Annual fund charges

The annual fund charges as a percentage of the value of the investments in each fund are –

FUND	ANNUAL FUND CHARGES
Cash Fund	1.10%
Local Bond Fund	1.10%
NZ Companies Fund	1.20%
AUS Companies Fund	1.20%
Australasian Property Fund	1.20%
Global Quality Fund	1.35%*
Global Value Fund	1.60%*
Global Growth Fund	1.40%*
Global Sustainability Fund	1.35%*
Climate Change Fund	1.60%*
Tech Fund	1.26%*
Healthcare Fund	0.95%*
Gold Fund	0.97%*

\* These amounts are estimated because they include an estimate of the underlying fund's fees and costs, where we are not the manager.

The annual fund charges are calculated daily for each fund and are reflected in the value of your investment. They cover management and administration charges paid to us out of the fund for performing our functions as Manager. They also include fees and charges for supervisory, custody, registry, administration, cash, marketing and legal services.

We may rebate all or part of our fee, either generally or for certain unit holders.

If you select your own mix of Forsyth Barr Funds through the Tempo app without any advice from Tempo Limited you will normally be charged the same fees as investors receiving advice – the fees are for the management of the Forsyth Barr Funds and the distribution of the Funds through the Tempo app (which at your option may or may not include advice).

## Example of how fees apply to an investor

Kim invests \$10,000 in the NZ Companies Fund. At the time Kim invests, there is no buy spread applicable.

She is charged management and administration fees, which work out to about \$120 (1.20% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year:

---

Fund charges	\$120
--------------	-------

---

See the latest fund update at [www.tempo.co.nz](http://www.tempo.co.nz) or on the Disclose Register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the NZ Companies Fund. If you're considering investing in other funds in the Scheme, this example may not be representative of the actual fees you may be charged. Investing in the funds through the Tempo app or a Forsyth Barr discretionary investment management service means that you'll most likely invest in a combination of funds. In that case your fund charges will be a blend of the fund charges that apply to individual funds.

## Buy/sell spreads

When market conditions are more volatile than usual, we may, at our discretion, apply buy/sell spreads. A buy spread is added to the unit price when units are purchased, and a sell spread is deducted from the unit price when units are redeemed. Buy/sell spreads are not a fee paid to us or any investment manager, but are a cost retained by the relevant fund to cover higher-than-usual transaction costs due to market conditions that arise from each investor's application, withdrawal or switch. If we judge market conditions to be normal, there will generally not be any buy/sell spreads.

The purpose of buy/sell spreads is to make sure that these transaction costs are borne by the investor making the application, withdrawal or switch, and not other investors in the fund.

The buy/sell spreads applicable at any time will be published on the Tempo website at [www.tempo.co.nz](http://www.tempo.co.nz). We may apply or change the buy/sell spreads at any time without notice to investors.

There are no other individual action fees currently payable to the funds.

## The fees can be changed

The existing fees may change, new fees may be introduced or we may start charging a fee we are not currently charging.

Subject to the Master Trust Deed, we may:

- Rebate or reduce any charge, in respect of any investor or group of investors
- Vary the amount or calculation basis of any of the fees
- Start charging switching, entry or exit fees

We must publish a fund update for each fund showing the fees actually charged during the most recent year.

Fund updates, including past updates, are available at [www.tempo.co.nz](http://www.tempo.co.nz) or on the Disclose Register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## 6. What taxes will you pay?

Each of the Forsyth Barr Funds is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to [www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate](http://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate). If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue.

It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

Inland Revenue may also tell us to update your PIR if their records indicate a change is required, in which case we will update your PIR and let you know. After the end of each financial year there may be a small delay in processing transactions while we finalise PIE tax for our investors.

## 7. Who is involved?

### About us

We are part of the Forsyth Barr Group, a New Zealand owned group of companies operating since 1936 that assists personal, institutional and corporate clients.

Our address is:

35 The Octagon

Dunedin 9016

Phone: 0800 367 227

For customer service assistance please contact us at [help@tempo.co.nz](mailto:help@tempo.co.nz).

If you have any issues with the Tempo app please refer to [www.tempo.co.nz](http://www.tempo.co.nz) for more information.

### Who else is involved?

	NAME	ROLE
<b>Supervisor</b>	Trustees Executors Limited	Supervises us as the manager
<b>Custodian</b>	Adminis NZ Limited through its related nominee company Adminis Custodial Nominees Limited	Appointed by the Supervisor to hold the assets of the Forsyth Barr Funds
<b>Investment manager, investment adviser, and administration services</b>	Forsyth Barr Limited	Makes the investment decisions about which underlying funds the Forsyth Barr Funds invest in. Provides monitoring and oversight of all Forsyth Barr Funds, and provides certain fund administration services. Responsible for the day to day operation of the Forsyth Barr Funds.
<b>Administration and Registry Services</b>	Adminis NZ Limited	Provides registry functions and unit pricing, investment accounting, and other fund administration services
<b>Distribution, financial advice, and administration services</b>	Tempo Limited	Distributes the Forsyth Barr Funds through the Tempo app and provides financial advice in respect of the Forsyth Barr Funds distributed through the Tempo app. Also responsible for some fund administration services under the oversight of Forsyth Barr Limited.
<b>Distribution and discretionary investment management services</b>	Forsyth Barr Investment Management Limited	Provides discretionary investment management services in relation to investing into the Forsyth Barr Funds.

## 8. How to complain

If you're not satisfied with the service you have received in relation to Forsyth Barr Funds and want to make a complaint, please contact Tempo Limited at [help@tempo.co.nz](mailto:help@tempo.co.nz), your Forsyth Barr Investment Adviser or write to:

35 The Octagon  
Private Bag 1999  
Dunedin 9054

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

### Head of Compliance and Risk

Forsyth Barr Limited  
Level 23, Shortland & Fort  
88 Shortland Street  
Auckland 1010

Phone: 0800 367 227

Email: [compliance@forsythbarr.co.nz](mailto:compliance@forsythbarr.co.nz)

### Or to the Supervisor:

Trustees Executors Limited  
Level 11, 51 Shortland Street  
PO Box 4197  
Auckland 1140

Phone: 0800 878 783

### Financial Services Complaints Limited (FSCL) - A Financial Ombudsman Service

We are a member of an independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) - A Financial Ombudsman Service. 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

PO Box 5967  
Wellington 6140  
Phone: 0800 347 257  
Email: [info@fscl.org.nz](mailto:info@fscl.org.nz)

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

## 9. Where you can find more information

You can find further information about the Scheme including financial statements (once available) on the scheme and offer registers at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

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

You can get fund updates relating to the funds, and other information, at [www.tempo.co.nz](http://www.tempo.co.nz) or on the Disclose Register.

You can also get this information free, by emailing us at [help@tempo.co.nz](mailto:help@tempo.co.nz) or contacting your Forsyth Barr Investment Adviser.

## 10. How to apply

You can apply to invest in the Forsyth Barr Funds by using the Tempo app.

To sign up to the Tempo app you need to be 16 or over, an individual investor, and a New Zealand tax resident present in New Zealand when applying, and not a tax resident of any other country, and meet any other eligibility requirements set out in the Tempo Limited Terms and Conditions – available at [www.tempo.co.nz](http://www.tempo.co.nz).

If you have any issues with the Tempo app please refer to [www.tempo.co.nz](http://www.tempo.co.nz) for more information.

If you invest in the Forsyth Barr Funds through a Forsyth Barr discretionary investment management service, as provider of that service we will manage all transactions into, between, and out of the funds.