

INTEGRA PRIVATE WEALTH  
INVESTMENT SOLUTIONS

## Information Document - Standard Core US Dollar Cautious Portfolios

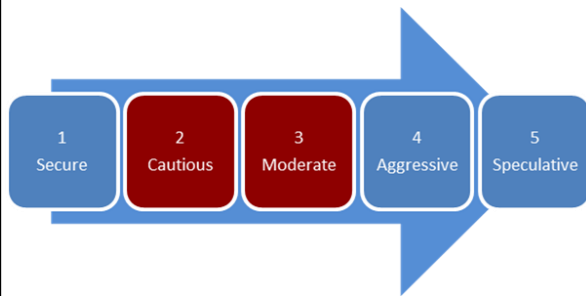
### Objectives and Investment Policy

The main objective of the Standard Core US Dollar Cautious Portfolio service is capital preservation with the potential of capital growth or income. The target annualised rate of return (based on a timeframe of at least 5 years) is in the range of +4% to +6% with volatility levels within the historic standard deviation levels and maximum peak to valley losses not exceeding 8%.

To achieve this objective Standard Core US Dollar Cautious portfolio will be invested in a diversified range of assets with the primary placements within UCIT4 Collective Investment Schemes managed by the most reputable global asset managers. The expertise provided by these managers added to the asset allocation and risk management knowledge provided by Integra Private Wealth ensure dual control in terms of structural and market risk. This portfolio will invest primarily in US Dollar denominated or US Dollar Hedged assets although investments in other currencies can be recommended and placed as a hedge or speculative currency position.

The prevailing asset allocation can be found in both the quarterly Investment Outlook document as well as the monthly Fact Sheet relating to this service.

### Risk Rating



This service attracts a **Cautious** to **Moderate** risk

### Fee Structure

This service typically attracts a nominee fee and a management OR performance fee. Standard charges of the fees associated to the various services offered by Integra Private Wealth can be found in the **Private Client Fee Schedule** which can be provided on request.

The fees charged to the client are defined in the Investment Services Agreement signed individually with each client.

### Fee calculation methodology

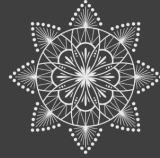
**Upfront fee:** An upfront fee may be charged on any new placements to this service. The fee charged will be specified in the **Investment Services Agreement** provided before placing the investment and the fee will be deducted from the funds invested.

**On-Going Fees:** Clients investing through this service have a choice between two on-going fee structures:

(a) A management fee (in accordance with Investment Service Agreement) based on the daily average value of the total portfolio charged quarterly in arrears. Currently Integra Private Wealth has in place a number of distribution agreements whereby a management fee rebate is paid to Integra Private Wealth by the underlying investment service providers for the inducement of business. If these rebates are equal or more than the management fees charged no direct fees will be due from the client.

OR

(b) A performance fee (in accordance with Investment Service Agreement) on new profits (**realised or unrealised**) registered on the total value of the portfolio calculated and charged at the end of each calendar quarter using a High Water Mark. An example of how the high water mark operates can be found on the second page of this document. Under this option any fee rebates received by Integra Private Wealth for inducement of business to any of the underlying service providers will be credited to the client irrespective of whether a performance fee is due.



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### General Risks

The value of any portfolio serviced by Integra Private Wealth may go down as well as up, positive returns are not guaranteed, and investors may get back an amount which is less than the money invested. Aside from macroeconomic factors that affect all investments to varying degrees, some of the unique factors that could lead to adverse returns include, but are not limited to:

**Business Risk** – uncertainty of dividend flows caused by the nature of the business of the issuers of stocks, bonds and other securities. For example, the stock price of automobile companies may suffer in the event of a downturn in consumer spending.

**Financial Risk** – the uncertainty produced by how issuers finance their investments. For example, the government of an emerging economy that issued bonds denominated in US\$ may find it more costly if US\$ interest rates rise.

**Liquidity Risk** – the ease/difficulty with which an investment can be converted to cash and the uncertainty of the price to be received.

**Currency Risk** – the uncertainty introduced by the buying and selling of securities in a currency different from the investor's own.

**Country Risk** – the uncertainty of returns caused by changes in the political/economic environment in a country.

**Market Risk** - portfolios may take positions in traded instruments including listed securities. All securities present a risk of loss of capital.

**Underlying Collective Investment Schemes** - portfolios may have a substantial part of their investments in collective investment schemes. Accordingly the value of the underlying investments may be affected by the fees charged by these schemes and which are applicable from time to time.

### This service can be offered via:

Nominee Service	YES
Advisory Service	YES

### Example of performance fee calculation (assuming 10% fee):

Initial portfolio placement as at 01/01/2016:	<b>\$100,000</b>
Valuation of the portfolio as at 31/03/2016:	\$105,000
Profit for the quarter over HWM:	\$5,000
Performance fee charged at 10% of profits over HWM:	\$500
<b>High Water Mark for end Q2:</b>	<b>\$105,500</b>
Valuation of the portfolio as at 30/06/2016:	\$80,000
Withdrawal effected during quarter:	\$10,000
Profit for the quarter over HWM:	<b>-\$15,000</b>
Performance fee charged at 10% of profits over HWM:	\$0
<b>High Water Mark for end Q3:</b>	<b>\$95,500</b>
Valuation of the portfolio as at 30/09/2016:	\$120,000
Profit for the quarter over HWM:	\$24,500
Performance fee charged at 10% of profits over HWM:	\$2,450
<b>High Water Mark for end Q4:</b>	<b>\$122,450</b>
Valuation of the portfolio as at 31/12/2016:	\$160,000
New placement effected during quarter:	\$15,000
Profit for the quarter over HWM:	\$22,550
Performance fee charged at 10% of profits:	\$2,255
<b>High Water Mark for end Q1 2017:</b>	<b>\$162,255</b>

### Disclaimers:

- This document is intended for information purposes only. All portfolios are designed following a thorough financial planning exercise to establish the financial objectives and risk attitude.
- Past Performance should not be taken as an indication of future performances. Portfolio values can go up as well as down.
- Performance fees are calculated on realized and unrealized profits and fees may be paid on an unrealized gain which may subsequently never be realized. Moreover although the portfolio will generally reflect the risk rating associated to this service a performance fee may incentivise Integra Private Wealth to recommend and undertake higher risk strategies.