

# Product Disclosure Statement

01 November 2024  
deltafunds.co.nz



## Delta Funds - Growth Fund PDS

### 1. About this Investment

#### Purpose

Delta Funds' Growth Fund ("the Fund") offers an opportunity for investors to pool their money, which is then managed by Delta Funds ("Delta", "we", "us"). As a managed fund, the Growth Fund aims to achieve long-term growth by investing in a diversified portfolio. Our strategy combines fundamental and quantitative analyses, enhanced by our proprietary algorithm, Delta X, to optimize asset selection.

#### Investment Approach

The Fund invests in a mix of traditional (equities & commodities) and non-traditional (derivatives) assets to maximize returns, employing hedging strategies to mitigate risk. However, returns are subject to market conditions and investment performance may vary.

### 2. Who We Are

#### Fund Manager

Delta Funds is a New Zealand-based fund manager, applying a blend of analytical methodologies to deliver robust investment opportunities. While unregistered, Delta Funds adheres to high standards in fund management and investor communications, prioritizing transparency and efficient operations.

### 3. Minimum investment and withdrawal amounts

Minimum Investment Requirements	\$NZ
Initial investment amount	\$200
Additional investment amount	\$100
Minimum withdrawal amount	\$100
Minimum balance	\$200

### 4. How the fund works

#### Open-ended Structure

The Growth Fund operates as an open-ended fund, meaning there are no IPOs or fixed shares. Instead, each investor receives an allocation of "units" that represent their proportion of the Fund. The value of these units is recalculated daily and reported monthly based on the Fund's current market valuation. Each unit is initially valued at NZD 200 as of August 1, 2024.

#### Valuation and Reporting

The Fund's unit value may increase or decrease with market performance. As units are not publicly traded, live pricing isn't available; however, monthly updates, including holdings and current unit valuations, are distributed to investors via digital communication. You may also inquire about your investment's market value at any time.

### 5. Fees and Charges

#### Administration Fee

An administration fee of 2.5% per annum is applied to the Fund's NAV, covering operational and administrative expenses. This will be deducted from the principal amount unless otherwise stated.

#### Performance Fees

- Quarterly Performance Fee:** 7.5% of profits, calculated and charged quarterly on any gains within that period.
- Termination Performance Fee:** 35% of profits upon investor exit, calculated based on the net profit generated by the Fund over the entire investment period.

#### Swing Pricing Adjustment

To offset transaction costs, a swing pricing mechanism may apply to unit prices on purchases and withdrawals, protecting the Fund's overall interests.

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## 6. Risk Level



### Risk Level: 6 (High)

The Fund is considered high-risk, suitable for investors with a high tolerance for potential losses in pursuit of higher returns. Delta employs a portfolio diversification strategy that includes hedging techniques and assets with low or inverse correlation to global equities to manage risk.

## 7. Dividend Policy

The Growth Fund is structured to introduce bi-monthly dividend payouts, contingent on fund performance. The next scheduled payout will occur in January 2025. Further details will be provided as the distribution date approaches.

## 8. Tax Information

### Prescribed Investor Rate (PIR)

Delta Funds, including the Growth Fund, operates as a Portfolio Investment Entity (PIE) under New Zealand tax law. Your tax liability is determined by your prescribed investor rate (PIR). For PIR calculations and guidelines, please refer to the New Zealand Inland Revenue website at <https://www.ird.govt.nz/pir>

## 9. Withdrawal Policy

### Standard Withdrawal Terms

You may request to withdraw all or part of your investment, with a minimum 7-day notice period required. Partial withdrawals must maintain a minimum balance of \$200 in the Fund unless you are fully withdrawing or receive approval for exceptions.

### Suspension of Withdrawals

Delta Funds reserves the right to suspend or defer withdrawal payments under extraordinary

conditions (e.g., political instability, adverse market conditions) if necessary to protect investors' interests under its appropriate fiduciary duties.

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### Important Notice on Risk

*This investment involves a high level of risk, and it is possible to lose some or all of your invested capital. Delta Funds uses mean-variance and allocative efficiency strategies to maximize returns at the selected risk level; however, no strategy eliminates investment risk entirely.*

### Delta Funds

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