



Fund Update for the Britannia Retirement Scheme – Lifetime Income Fund

For the quarter ended 30 September 2019.

This revised Fund Update was first made publicly available on 26 August 2020. It replaces the Fund Update published on 25 October 2019. The changes made relate to the annual returns, the annual return graph and the investor example.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Lifetime Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Britannia Financial Services Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

DESCRIPTION OF THIS FUND

The Lifetime Income Fund turns members' investments into a Retirement Income for the rest of their life. It invests members' money in a diversified portfolio that has a bias towards defensive or income assets and insures their retirement income with Lifetime Income Limited, an insurance company licensed by the RBNZ.

The currency hedging objective for the Lifetime Income Fund is for the entire Fund to be hedged against changes in the value of the New Zealand dollar. While this Fund has a 100% hedging objective, a hedging range of 90% to 100% will be acceptable and within the limits set by the fund's SIPO.

Total value of the Fund	\$6,564,364
Number of investors	46
Date the Fund started	22 March 2018



WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Lifetime Income Fund*



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

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on returns data from 1 October 2014 to 30 September 2019. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future Fund Updates. See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

** The fund does not have a full 5-year return history as it started on 22 March 2018. To calculate the risk indicator, we used actual returns where available and market index returns for the remainder of the five years to 30 September 2019. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the fund.*

HOW HAS THE FUND PERFORMED?

	Past year
Annual return (after deductions for charges and tax)	2.99%
Annual return (after deductions for charges but before tax)	4.21%
Market index annual return (reflects no deductions for charges and tax)	7.21%



The market indices on which the market index annual return is based are the following:

- S&P/NZX 90 Day Bank Bill Index
- Bloomberg NZ Bond Composite 0+ Yr Index
- Bloomberg Barclays Global Aggregate Bond Index (100% hedged to the NZ dollar)
- S&P/ASX300 Accumulation Index (100% hedged)
- MSCI World ex Australia Accumulation Index
- S&P/NZX50 gross including imputation credits (100% hedged)

Additional information about the market indices used in calculating the market index annual return for the fund is available on the offer register. The benchmark indices are defined in the Statement of Investment Policy and Objectives for the Britannia Retirement Scheme.

WHAT FEES ARE INVESTORS CHARGED?

Investors in the Lifetime Income Fund are charged fund charges. In the year to 31 March 2019 these were¹:

	% of net asset value
Total fund charges	1.15%
Which are made up of –	
Total management & administration charges:	1.15%
Including –	
Manager's basic fee	0.64%
Other management and administration charges	0.51%
Total performance based fees	0.00%
Other charges	
Insurance Premium charges as a percentage of the member's Protected Income Base ²	1.20%

Investors may also be charged individual action fees for specific actions or decisions (for example, contribution, transfer out, early withdrawal, benefit calculation or overseas exchange of information fees). See the PDS and Other Material Information document for more information about those fees. These documents can be found at www.companiesoffice.govt.nz/disclose.

Small differences in fees and charges can have a big impact on your investment over the long term.



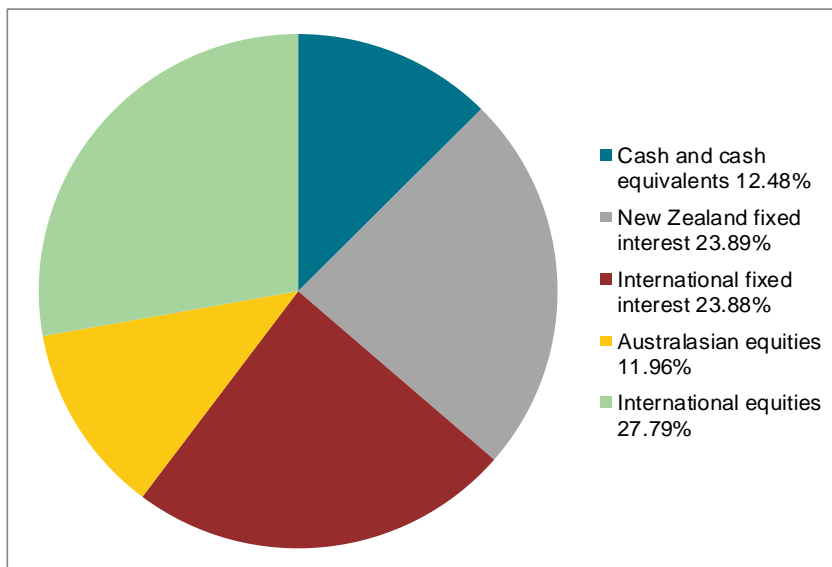
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR?

Liz had \$10,000 in the fund a year ago and did not make any further contributions. At the end of the year, Liz received a return after fund charges were deducted of \$421 (that is 4.21% of her initial \$10,000). Liz also paid an insurance premium of \$120. This gives Liz a total return after tax of \$179 for the year.³

WHAT DOES THE FUND INVEST IN?

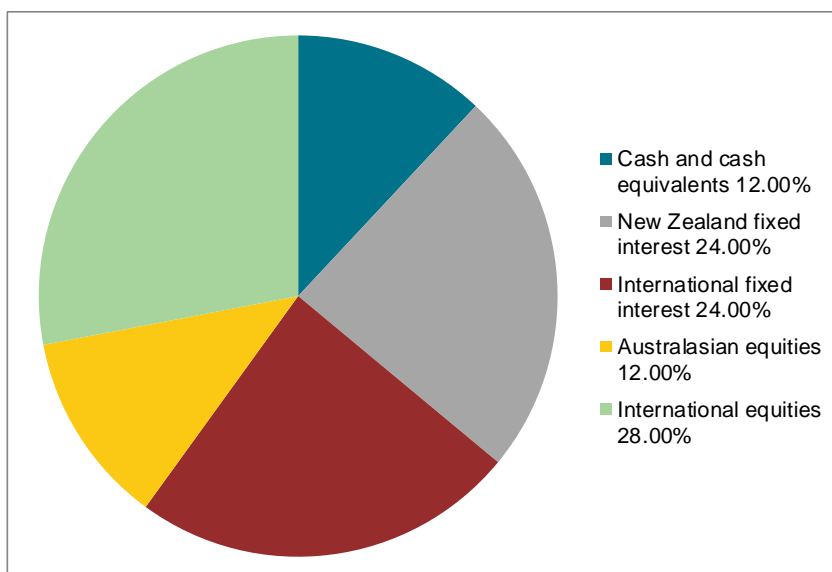
Actual investment mix

This shows the types of assets that the fund invests in.



Target investment mix

This shows the mix of assets that the fund generally intends to invest in.





Top 10 investments

Name	% of fund net assets	Type	Country
IOOF Wholesale International Core Equities (NZD hedged)	27.79%	International equities	AU
Harbour Asset Management NZ Core Fixed Interest Fund	23.89%	New Zealand fixed interest	NZ
Dimensional Five-Year Diversified Fixed Interest Trust	23.88%	International fixed interest	AU
Harbour Enhanced Cash Fund	12.36%	Cash and cash equivalents	NZ
Harbour Asset Management Advanced Beta Fund	9.01%	Australasian equities	NZ
IOOF Wholesale Australian Core Equities (NZD Hedged)	2.94%	Australasian equities	AU
NZD Cash and cash equivalents	0.08%	Cash and cash equivalents	NZ
AUD Cash and cash equivalents	0.04%	Cash and cash equivalents	AU

The Top 10 investments comprise 100% of the net asset value of the fund.

KEY PERSONNEL

This table shows the 5 people who are directors or employees of the manager, of the investment manager, or of a related body corporate of either of them who have the most impact on investment decisions in relation to the Lifetime Income Fund as at the relevant date.

Name	Current position	Time in current position	Previous other/position	Time in previous/other position
Mark Brown	Head of Fixed Income Portfolio Management at Harbour Asset Management	8 years 9 months	Head of Fixed Interest at National Mutual, AXA, Alliance Bernstein	15 years 8 months
Gregg Dell	General Manager of Wealth Products and General Counsel at Britannia Financial Services Ltd	3 years 7 months	Managing Director at Dell Consulting Ltd	5 years 7 months
Gavin Dixon	Chief Executive Officer and Director at Britannia Financial Services Ltd	3 years 9 months	Chief Executive Officer at Stream Holdings Group	6 months
Dan Farmer	Chief Investment Officer – IOOF Australia	2 years 2 months	Portfolio Equities Australian Equities IOOF	7 years 0 months
Alun Rees-Williams	General Manager Distribution and Director at Britannia Financial Services Ltd	18 years 11 months	Administration Manager at David Milner and Associates	9 years



FURTHER INFORMATION

You can also obtain this information, the Product Disclosure Statement for the Britannia Retirement Scheme and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

NOTES

¹ The Manager also charge reasonable auditing and other professional services charges to the fund in the future. Currently the Manager does not charge these fees to the fund, so the fee for these professional services is nil.

² An insurance premium is paid to Lifetime Income Limited for an income insurance policy. The insurance premium is 1.20% of the Protected Income Base. See the PDS for details.

³ If Liz is 60 years of age, she has opted to receive her Lifetime Withdrawal Benefit and her Protected Income Base was \$10,000, she will have also received a retirement income of \$450 (4.50%) for the year after tax and fees.