



Fund Update for the Britannia Retirement Scheme – Cash Enhanced Fund

For the quarter ended 30 September 2020.

This Fund Update was first made publicly available on 28 October 2020.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Cash Enhanced 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 Cash Enhanced Fund is invested in cash and cash equivalent investments, and is designed to seek stable returns from conservative investments.

| | |
|--------------------------------|---------------------------|
| Total value of the Fund | \$ 5,699,152 ¹ |
| Number of investors | 29 ² |
| Date the Fund started | 14 May 2017 |



WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Cash Enhanced Fund*

| | | | | | | |
|---------------------------|----------|----------|----------|----------------------------|----------|----------|
| Lower risk | | | | Higher risk | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Potentially lower returns | | | | Potentially higher returns | | |

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 2015 to 30 September 2020. 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 14 May 2017. 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 2020. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the fund.*

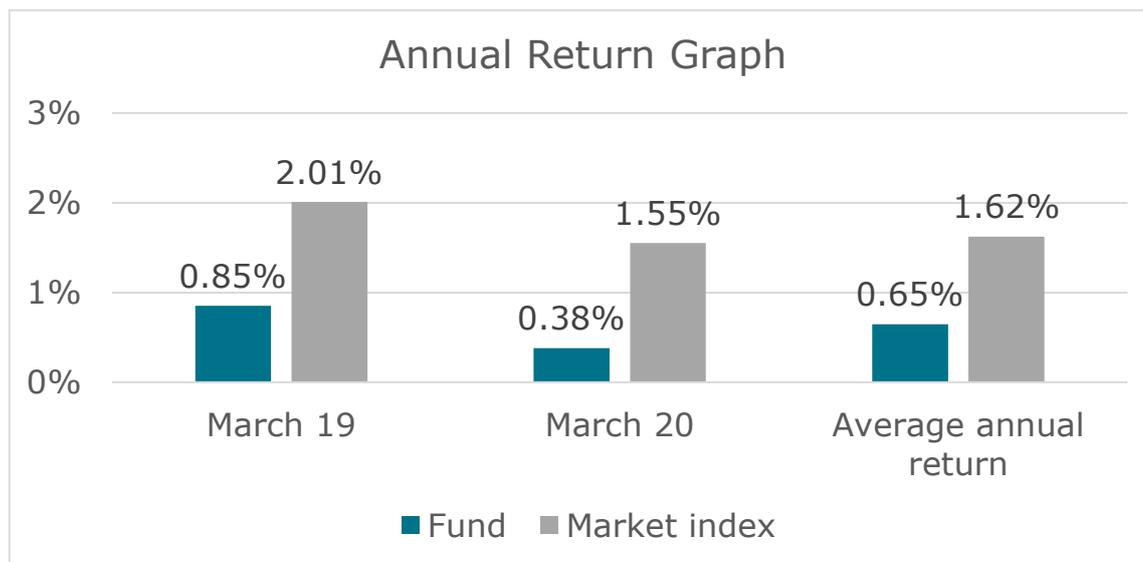


HOW HAS THE FUND PERFORMED?

| | |
|---|---------------------------|
| Annual return (after deductions for charges and tax) | Past year 0.46% |
| Annual return (after deductions for charges but before tax) | 0.65% |
| Market index annual return (reflects no deductions for charges and tax) | 0.87% |

The market index on which the market index annual return is based is the S&P/NZX 90 Day Bank Bill Index. Additional information about the market index used in calculating the market index annual return for the fund is available on the offer register. The benchmark index is defined in the Statement of Investment Policy and Objectives for the Britannia Retirement Scheme.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2020³.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.



WHAT FEES ARE INVESTORS CHARGED?

Investors in the Cash Enhanced Fund are charged fund charges. In the year to 31 March 2020 these were⁴:

| | % of net asset value |
|---|-----------------------------|
| Total fund charges | 1.3% |
| Which are made up of – | |
| Total management & administration charges: | 1.3% |
| Including – | |
| Manager’s basic fee | 0.82% |
| Other management and administration charges | 0.48% |

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?

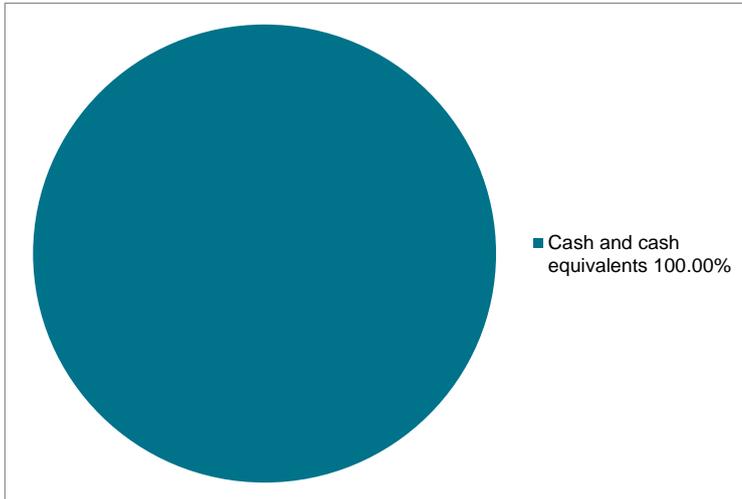
Liz had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Liz received a return after fund charges were deducted of \$65 (that is 0.65% of her initial \$10,000). Liz also paid \$0 in other charges. This gives Liz a total return after tax of \$46 for the year.



WHAT DOES THE FUND INVEST IN?

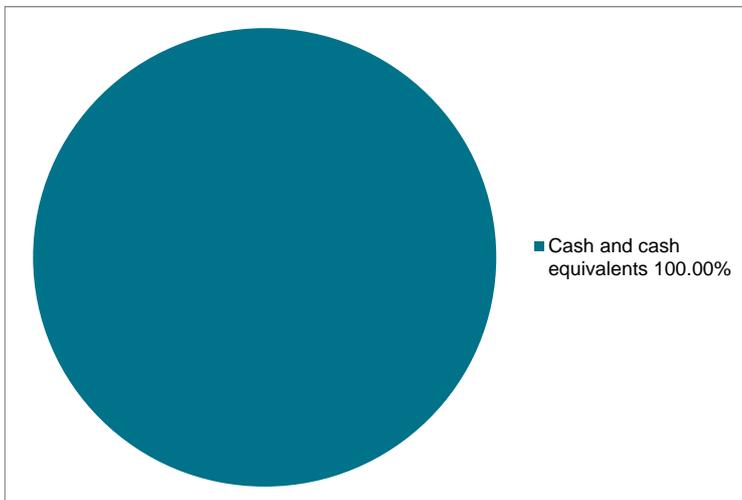
Actual investment mix

This shows the types of assets 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 |
|--|----------------------|---------------------------|---------|
| Harbour Enhanced Cash Fund | 95.10% | Cash and cash equivalents | NZ |
| NZD Cash and Cash Equivalents – BNZ (BNZ – Credit Rating: AA-) | 4.90% | Cash and cash equivalents | NZ |

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 Cash Enhanced Fund as at the relevant date.

| Name | Current position | Time in current position | Previous other/position | Time in previous/ other position |
|--------------------|--|--------------------------|--|----------------------------------|
| Wayne Becker | Managing Director of Britannia Financial Planning Ltd and Director at Britannia Financial Services Ltd | 11years 4 months | General Manager Retail Distribution at ING (NZ) Ltd | 7 years |
| Mark Brown | Head of Fixed Income Portfolio Management at Harbour Asset Management | 9 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 | 4 years 7 months | Managing Director at Dell Consulting Ltd | 6 years 7 months |
| Gavin Dixon | Chief Executive Officer and Director at Britannia Financial Services Ltd | 4 years 9 months | Chief Executive Officer at Stream Holdings Group | 6 months |
| Alun Rees-Williams | General Manager Distribution and Director at Britannia Financial Services Ltd | 19 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 Investments made by other funds within the Britannia Retirement Scheme comprise approximately \$3,225,000 of the total value of the Cash Enhanced Fund.

² Four investors in the Cash Enhanced Fund are comprised of other funds within Britannia Retirement Scheme that invest into the Cash Enhanced Fund.

³ The average annual return of the market index is shown before deductions for fund charges and tax at the highest prescribed investor rate. The average annual return for the fund is shown after deductions for fund charges and tax at the highest prescribed investor rate.

⁴ Fund Charges are exclusive of GST and are made up of the management fee, the underlying fund managers' fees and other administration fees, which are accrued on a daily basis and reflected in the unit price of the Funds. The Manager may 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.