

Fund Update for the Britannia Retirement Scheme – Growth Fund

For the quarter ended 30 June 2021.

This Fund Update was first made publicly available on 27 July 2021.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Growth 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 Growth Fund is invested with a greater exposure to growth assets, such as Australasian and international equities than its exposure to income assets, such as cash and fixed interest investments. The Growth Fund is designed to seek capital growth through a well-diversified portfolio of investments which, while having the highest expected volatility of the five funds, may produce higher returns over the long term.

The objective of the Growth Fund is to achieve long-term capital growth utilising a diversified portfolio with a bias towards growth assets (recommended minimum investment term – 8+ years).

International equity investments may be hedged against changes in the value of the New Zealand dollar with a permitted hedging range of 0-100%. The long-term average hedging objective is 50% for international equities and 100% for international property, infrastructure and fixed interest investments. The decision as to the level of hedging to apply will be made by Britannia Financial Services Limited on advice from the underlying investment managers, specialist investment advisers and with consideration to the investment outlook and the costs involved in hedging. Currently, hedging is implemented at approximately 50% for international equities and 100% for international property and infrastructure and 100% for fixed interest investments. At quarter-end the Growth Fund's exposure to unhedged foreign currency denominated investments was approximately 25.99%.

| | |
|--------------------------------|--------------|
| Total value of the Fund | \$25,834,661 |
| Number of investors | 167 |
| Date the Fund started | 15 May 2017 |



WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Growth 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 for the five year period ending on 30 June 2021. 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 15 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 June 2021. 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) | 21.97% |
| Annual return (after deductions for charges but before tax) | 22.67% |
| Market index annual return (reflects no deductions for charges and tax) | 19.50% |

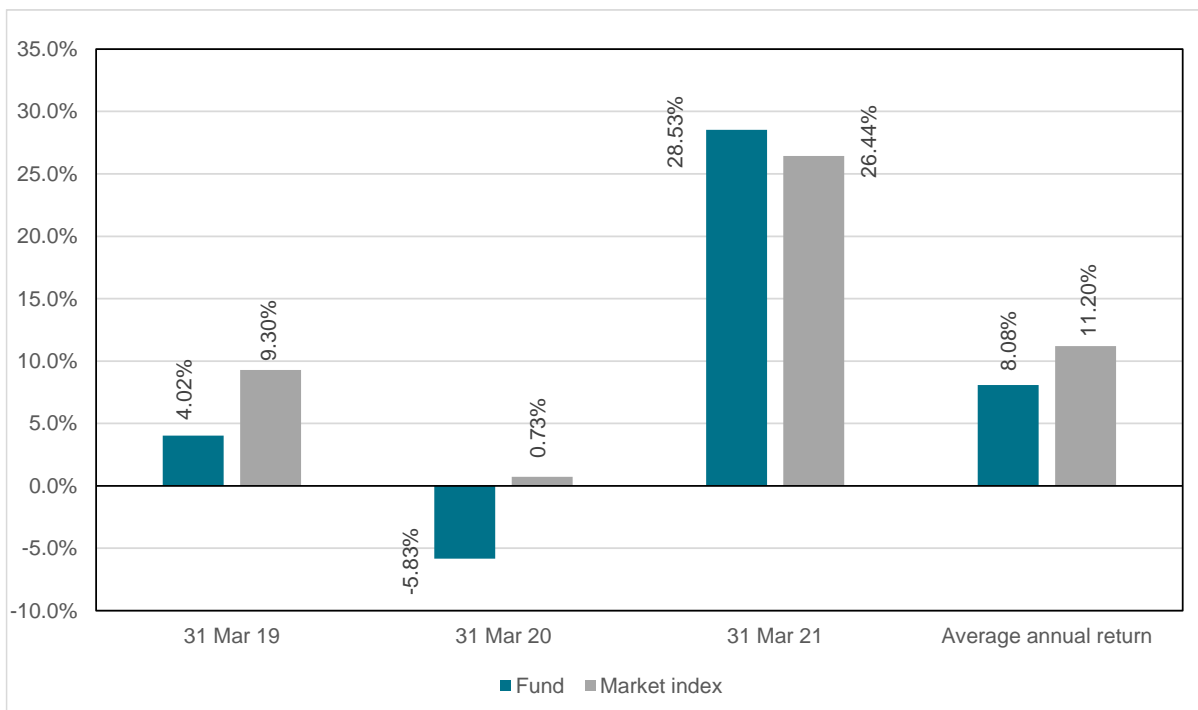


The market index annual return is based on the weighted average return of the market indices used to measure performance of the fund's underlying investments/assets. The Statement of Investment Policies and Objectives for the Britannia Retirement Scheme was revised on 1 June 2021. These revisions altered the fund's target investment mix and the market indices on which the market index returns are based.

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.

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 June 2021¹.

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 Growth Fund are charged fund charges. In the year to 31 March 2021 these were²:

| | % of net asset value |
|---|-----------------------------|
| Total fund charges | 1.55% |
| Which are made up of – | |
| Total management & administration charges: | 1.55% |
| Including – | |
| Manager's basic fee | 1.01% |
| Other management and administration charges | 0.54% |

Investors may also be charged individual action fees for specific actions or decisions (for example, 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

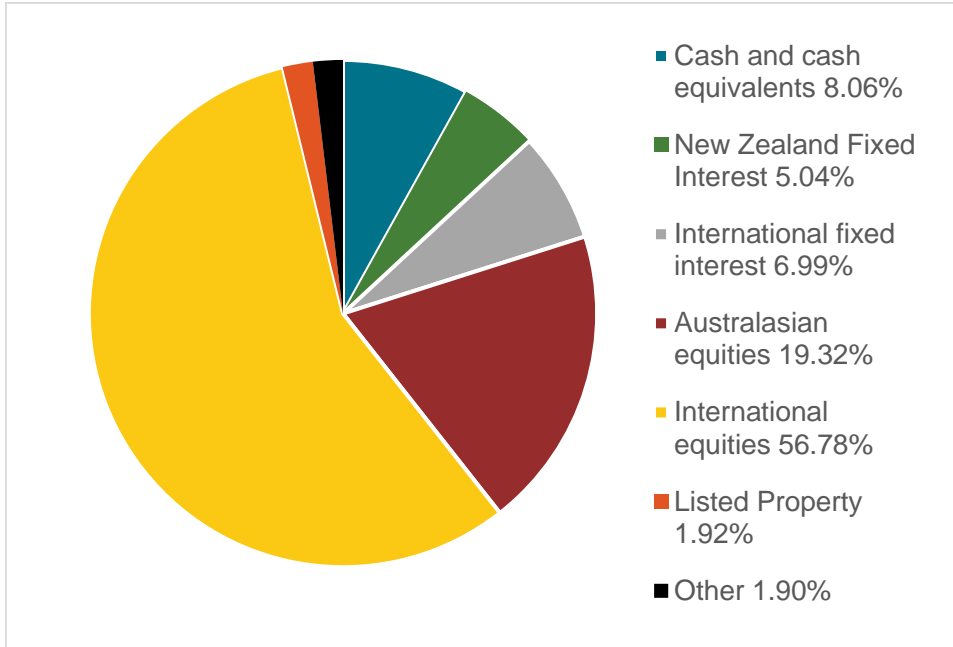
Liz had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Liz received a return after fund charges were deducted of \$2,267 (that is 22.67% of her initial \$10,000). Liz also paid \$0 in other charges. This gives Liz a total return after tax of \$2,197 for the year.



WHAT DOES THE FUND INVEST IN?

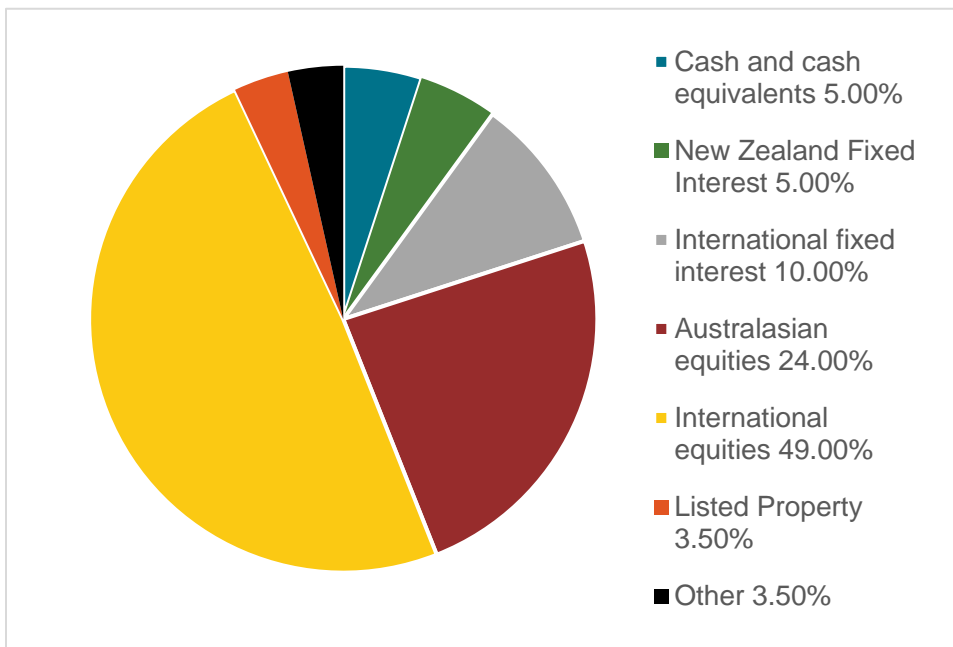
Actual investment mix³

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



Target investment mix³

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 SRI International Core Equities Fund | 25.99% | International equities | AU |
| ANZ Wholesale International Share No. 5 Fund | 15.70% | International equities | NZ |
| ANZ Wholesale Australasian Share Fund | 12.50% | Australasian equities | NZ |
| IOOF Profile International Shares | 11.43% | International equities | AU |
| BNZ Call Account (Credit Rating AA-) | 8.00% | Cash and cash equivalents | NZ |
| Dimensional 5 Year Diversified Fixed Interest Fund - NZD | 5.05% | International fixed interest | AU |
| Harbour NZ Core Fixed Interest Wholesale Fund | 5.04% | New Zealand fixed interest | NZ |
| Harbour NZ Index Shares Fund | 4.79% | Australasian equities | NZ |
| ANZ Wholesale International Share No. 1 Fund | 4.00% | International equities | NZ |
| IOOF Profile Australian Shares | 2.02% | Australasian equities | AU |

The Top 10 investments comprise 94.52% of the net asset value of the fund.⁴

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 Growth Fund as at the relevant date.

| Name | Current position | Time in current position | Previous other/position | Time in previous/ other position |
|--------------------|--|--------------------------|---|----------------------------------|
| Gavin Dixon | Chief Executive Officer and Director at Britannia Financial Services Ltd | 5 years 6 months | Chief Executive Officer at Stream Holdings Group | 0 years 6 months |
| Alun Rees-Williams | General Manager Distribution and Director at Britannia Financial Services Ltd | 20 years 8 months | Administration Manager at David Milner and Associates | 9 years 0 months |
| Gregg Dell | General Manager of Wealth Products and General Counsel at Britannia Financial Services Ltd | 5 years 4 months | Managing Director at Dell Consulting Ltd (Current Position) | 7 years 4 months |
| Michael Pipe | General Manager - Operations at Britannia Financial Services Ltd | 1 year 2 months | Operations Manager at IOOF New Zealand Limited | 9 years 7 months |
| Elaine West | Financial Controller at Britannia Financial Services Ltd | 3 years 11 months | Financial Controller at NZ Venture Investment Fund | 8 years 5 months |

Fund Update

Britannia Retirement Scheme



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 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.

The Statement of Investment Policies and Objectives for the Britannia Retirement Scheme was revised on 1 June 2021. These revisions altered the fund's target investment mix and the market indices on which the market index returns are based. This may affect the comparability of the return information provided.

² 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.

³ Other assets comprise international infrastructure investment fund assets.

⁴ As the cash investments of the fund are primarily effected by investing into the Britannia Retirement Scheme's own Cash Enhanced Fund, the Top 10 investments list shows the fund's cash investment holdings as if the underlying Cash Enhanced Fund holdings were individual assets held by itself.