

Fund Update for the Britannia Retirement Scheme – Moderate Fund

For the quarter ended 30 September 2021.

This Fund Update was first made publicly available on 29 October 2021.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Moderate 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 Moderate Fund is invested with a greater exposure to income assets, such as cash and fixed interest investments, with some exposure to growth assets, such as Australasian and international equities. The Moderate Fund is designed to achieve returns from a portfolio with a greater proportion of income assets than growth assets.

The objective of the Moderate Fund is to generate consistent returns utilising a diversified portfolio, with a slight bias towards defensive or income assets (recommended minimum investment term – 3 to 4 years).

Total value of the Fund	\$9,478,805
Number of investors	66
Date the Fund started	23 July 2017



WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Moderate 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 September 2021. 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 23 July 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 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)	8.81%
Annual return (after deductions for charges but before tax)	8.80%
Market index annual return (reflects no deductions for charges and tax)	6.85%

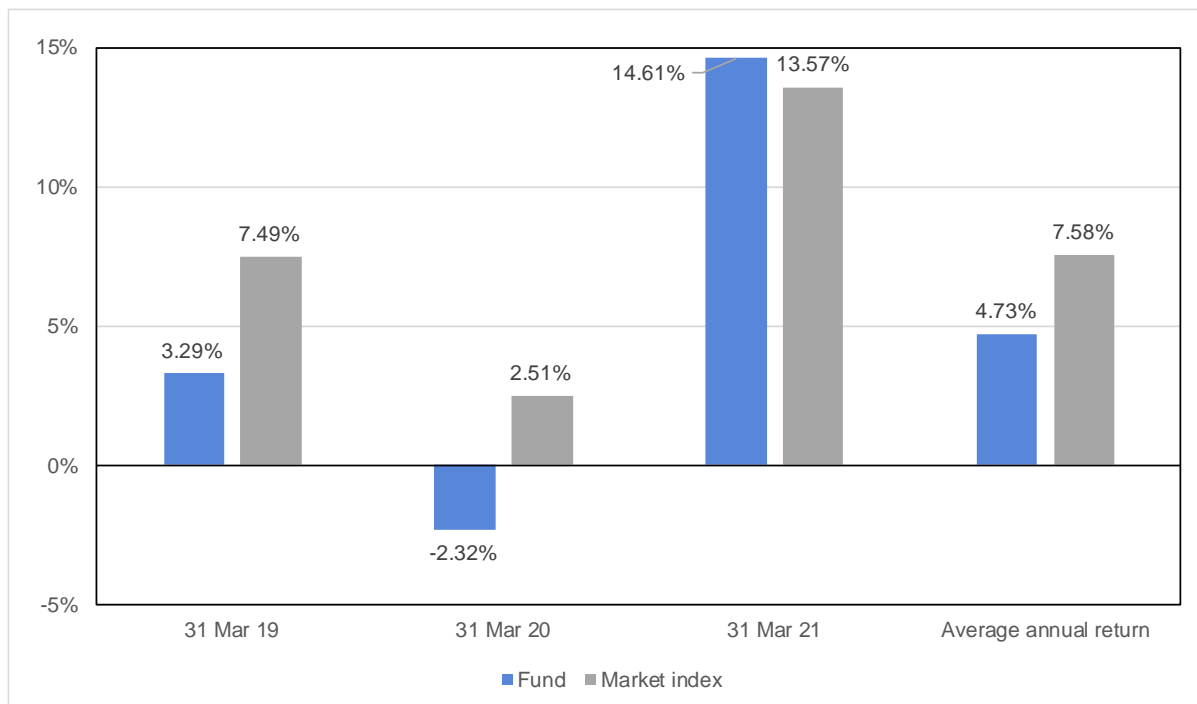


The market index annual return is based on the weighted average return of the market indices used to measure performance of the fund's underlying investments/assets. The Statement of Investment Policies and Objectives for the Britannia Retirement Scheme was revised on 1 June 2021. These revisions altered 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 September 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 Moderate Fund are charged fund charges. In the year to 31 March 2021 these were²:

	% of net asset value
Total fund charges	1.5%
Which are made up of –	
Total management & administration charges:	1.5%
Including –	
Manager's basic fee	0.99%
Other management and administration charges	0.51%

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

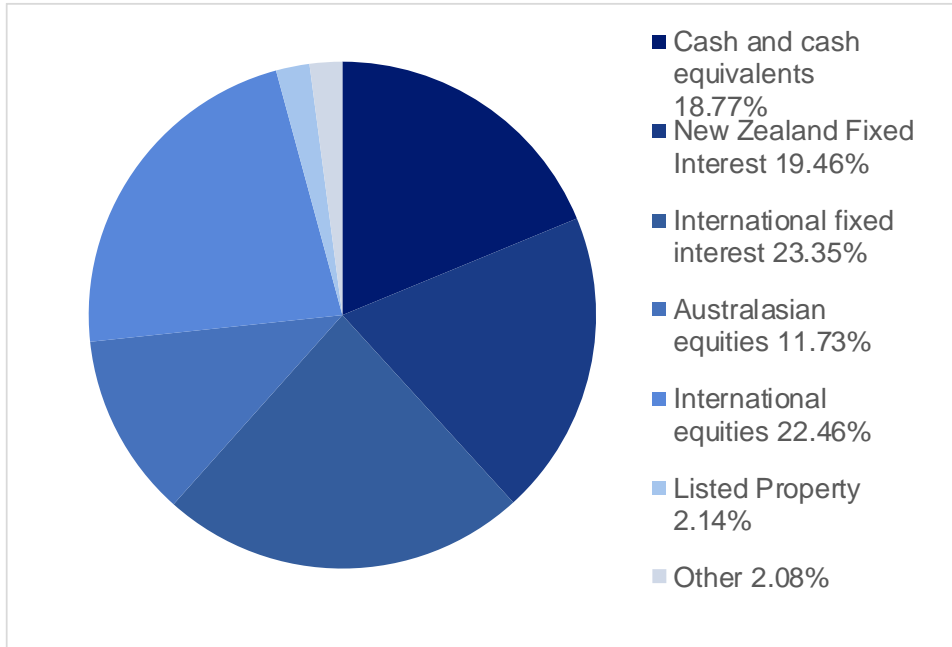
Liz had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Liz received a return after fund charges were deducted of \$880 (that is 8.80% of her initial \$10,000). Liz also paid \$0 in other charges. This gives Liz a total return after tax of \$881 for the year.



WHAT DOES THE FUND INVEST IN?

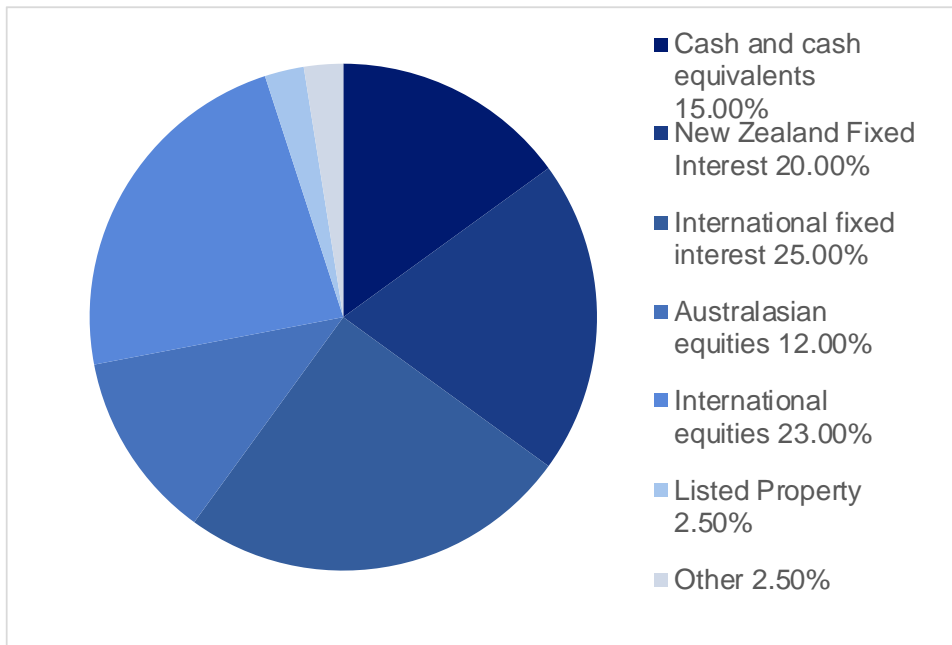
Actual investment mix³

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
Dimensional Global Bond Sustainability Trust-NZD	23.35%	International fixed interest	AU
Harbour NZ Core Fixed Interest Wholesale Fund	19.46%	New Zealand fixed interest	NZ
BNZ Call Account (Credit Rating AA-)	18.69%	Cash and cash equivalents	NZ
ANZ Wholesale Australasian Share Fund	11.73%	Australasian equities	NZ
IOOF Wholesale SRI International Core Equities Fund	10.73%	International equities	AU
ANZ Wholesale International Share No. 5 Fund	9.25%	International equities	NZ
ANZ Wholesale International Share No. 1 Fund	2.84%	International equities	NZ
ANZ Wholesale International Property Securities Fund	2.14%	Listed property	NZ
ANZ Wholesale International Listed Infrastructure Fund	2.08%	Other	NZ
Harbour Enhanced Cash Fund	0.19%	Cash and cash equivalents	NZ

The Top 10 investments comprise 100% of the net asset value of the fund.⁴

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 (without regard to members' personal PIE tax rates). 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 (without regard to members' personal PIE tax rates). At quarter-end the Moderate Fund's exposure to unhedged foreign currency denominated investments was approximately 10.73%.



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 Moderate 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 9 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 11 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 7 months	Managing Director at Dell Consulting Ltd (Current Position)	7 years 7 months
Michael Pipe	General Manager - Operations at Britannia Financial Services Ltd	1 year 5 months	Operations Manager at IOOF New Zealand Limited	9 years 7 months
Elaine West	Financial Controller at Britannia Financial Services Ltd	4 years 2 months	Financial Controller at NZ Venture Investment Fund	8 years 5 months

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.