How does it work?

When you invest in our Lifetime Income Fund, your savings are invested into a fund which is designed to grow your nest egg and make it last as long as possible.

On top of that, your retirement income is insured so that it lasts as long as you do. You don't need to worry about stock market crashes or low interest rates affecting it.

Investment returns from the Fund are added to your account whilst fees, tax, lifetime income insurance premiums and your fortnightly (or four weekly) retirement income payments are deducted.

Even if your regular retirement income payments deplete your savings in the Fund, it doesn't mean you'll run out of income.

Your income is insured by Lifetime Income Limited to make sure your income keeps getting paid to you for the whole of your life.

With our Lifetime Income Fund, you know that you've got money coming in every fortnight to pay the bills and enjoy yourself, just like when you were working.

If you need to withdraw some, or all, of your remaining savings down the track, you can. It's your money and it's always available to you.

You can withdraw up to 20% of your Protected Income Base in either one or more withdrawals (subject to a minimum withdrawal amount of the smaller of 5% of your Protected Income Base or $10,000) and your insured income will be reduced proportionately. If you choose to withdraw more than 20% of your Protected Income Base, we may treat this as a full withdrawal and your insured income will cease. The Protected Income Base concept is explained on page 12.

If you pass away, any remaining balance will go to your estate.

When can you invest?

You can invest into the Lifetime Income Fund at any time by making one or more lump sum investments. The minimum amount of any lump sum investment is $25,000 and the maximum total investment permitted is $1,000,000.

What will your retirement income be?

Your investment is made into the Lifetime Income Fund which is a 'moderate' risk fund. Around 60% of its assets are invested in income assets (cash and fixed income) and around 40% are invested in growth assets (equities). The initial amount of money you invest is called your Protected Income Base (PIB). Your insured retirement income is a percentage of your PIB.

We review your PIB annually on the anniversary of your initial investment. If at that date, your investment account balance has increased, we will increase your PIB to match it. However, if your investment account balance falls, your PIB will remain the same. This means that, unless you make a partial withdrawal, your insured retirement income can rise but cannot fall, regardless of what happens in the markets.

Your insured retirement income rate is based on your age when you first start receiving income payments. For example, it would be 5.00% pa (after fees and tax) if you start to receive your income at age 65.

You can also choose to have your regular retirement income payments indexed in line with movements in the consumer price index (inflation).

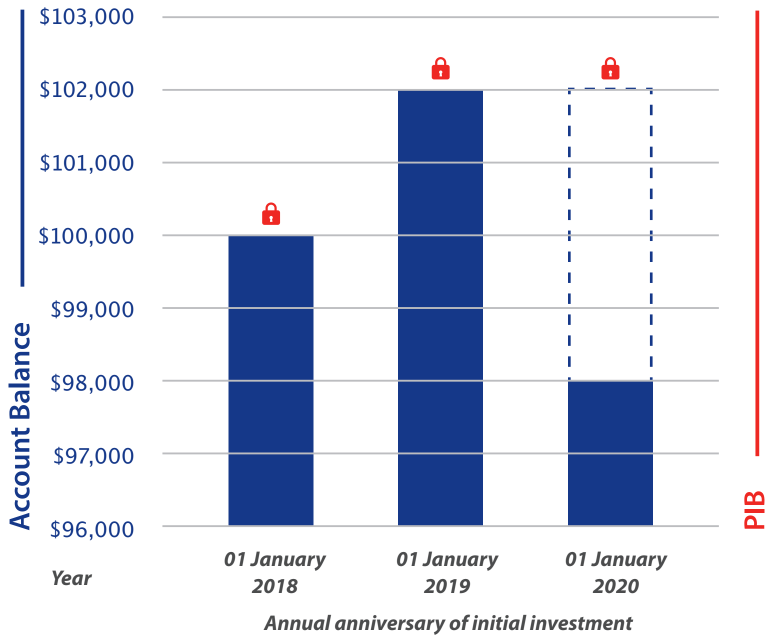
Selecting an inflation option means your initial retirement income payments will commence at a lower level than you would otherwise have been entitled to. However, indexation will be applied to revise your retirement income payment amounts from each annual anniversary date from when you started receiving payments. If you wish to consider this option, which is only available at the time you commence taking your retirement income payments, we will need to calculate an individualised payment rate for you.

EXAMPLE ONE

In the example below, you invest $100,000 on 1 January 2018 and your PIB is set at $100,000 on that date.

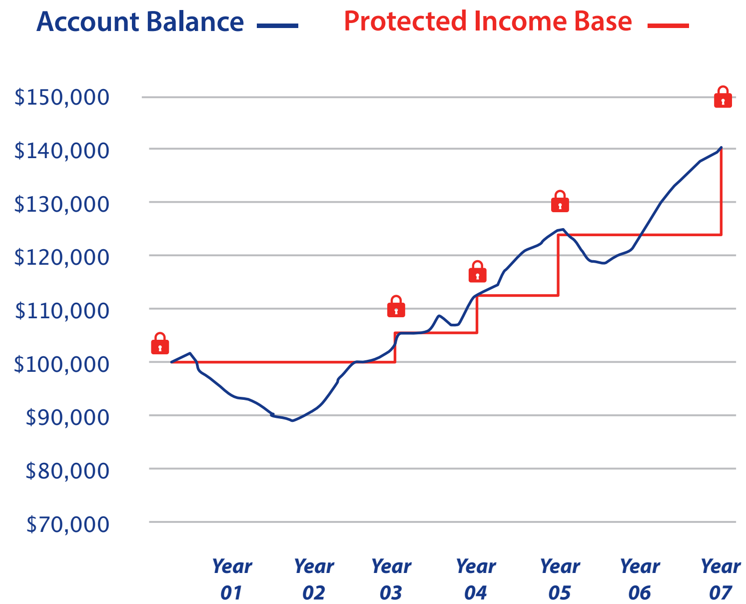
On the first anniversary of your investment (i.e. 1 January 2019) your account balance has grown to $102,000 so your PIB is reset to that higher level. If you are aged 60 or older, you can start taking your retirement income now and your income payments will be based on your PIB of $102,000.

You decide to wait. On the second anniversary of your investment (i.e. 1 January 2020) your account balance has fallen to $98,000. However, your PIB remains at $102,000 because your PIB is insured, meaning that unless you make a withdrawal, it can rise but cannot fall. If you start taking your retirement income now, your income payments will be based on your PIB of $102,000.



EXAMPLE TWO

The graph below shows how, during the period from when you start investing in the Fund until you commence taking retirement income payments, your Protected Income Base (which is the balance on which your insured income is calculated) is locked in each year. You will see that it rises with positive returns but it cannot fall unless you make a withdrawal.



What could your retirement income be?

You can start your retirement income any time after you turn 60. Your retirement income is a percentage of your PIB and your rate is set for life based on your age when you decide to take retirement income payments. The minimum investment is $25,000 and the maximum investment is $1,000,000.

We pay tax on your behalf at your normal PIR tax rate and all fees and tax are deducted from your account. This means that your fortnightly retirement income payments are paid after any fees and tax.

For example, if you were 65 your annual Lifetime Withdrawal Benefit rate would be 5.00%. If your PIB is $100,000 you would receive an income of $5,000 (after fees and tax) each year, paid into your bank account at a rate of $192 every fortnight for life.

If you would like to have your fortnightly (or four weekly) payments adjusted annually in line with the consumer price index, please let us know and we will provide a separate illustration.

Age at first income payment	*Annual Lifetime Withdrawal Benefit rate (after fees and tax)*	*Age at first income payment*	*Annual Lifetime Withdrawal Benefit rate (after fees and tax)*
60	4.50%	76	6.10%
61	4.60%	77	6.20%
62	4.70%	78	6.30%
63	4.80%	79	6.40%
64	4.90%	80	6.50%
65	5.00%	81	6.60%
66	5.10%	82	6.70%
67	5.20%	83	6.80%
68	5.30%	84	6.90%
69	5.40%	85	7.00%
70	5.50%	86	7.10%
71	5.60%	87	7.20%
72	5.70%	88	7.30%
73	5.80%	89	7.40%
74	5.90%	90	7.50%
75	6.00%		

Why invest in our Lifetime Income Fund?

A DEPENDABLE INCOME FOR LIFE

You know you've got money coming in every fortnight (or four weekly) to pay the bills, just like when you were working.

PROTECTS YOUR DOWNSIDE

The Lifetime Income insurance means you don't need to worry about stock market crashes or low interest rates affecting your income.

YOUR MONEY IS ALWAYS YOURS

If you need to withdraw some, or all, of your savings down the track, you can. There are no withdrawal fees. If you pass away, any remaining balance will go to your estate.

LICENSED AND REGULATED OPERATORS

The insurer, Lifetime Income Limited, is licensed and regulated by The Reserve Bank of New Zealand.

The Lifetime Income Fund is a part of the Britannia Retirement Scheme which is regulated by the Financial Markets Authority, managed by Britannia Financial Services Limited and supervised by The New Zealand Guardian Trust Company Limited.

IT'S DESIGNED TO BE EASY

Your retirement income payments are paid into your bank account after fees and tax every fortnight. We take care of any tax filings.

The Lifetime Income Fund is an investment option in the Britannia Retirement Scheme. Britannia Financial Services Limited is the issuer of the Britannia Retirement Scheme. You can get a copy of the product disclosure statement for the Britannia Retirement Scheme from our website www.britanniafinancial.co.nz

BRITANNIA
Financial Services Ltd