



BRITANNIA
Financial Services Ltd

Britannia Retirement Scheme

PRODUCT DISCLOSURE STATEMENT

22 MARCH 2018

This document is a replacement product disclosure statement and replaces the Product Disclosure Statement dated 7 April 2017.

Issuer Britannia Financial Services Limited

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer at companiesoffice.govt.nz/disclose. Britannia has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

Section 1. Key Information Summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Britannia Financial Services Limited (**Britannia, we, our or us**) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Britannia and its investment managers, and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

The Britannia Retirement Scheme (**Scheme**) has five investment options (each a **Fund**). These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in **Section 3** "Description of your investment options".

Who manages the Scheme?

Britannia is the manager of the Scheme. See **Section 7** "Who is involved?" for further information.

What are the returns?

Returns are distributed by way of redemption of units in the Scheme. See **Section 2** "How does this investment work?".

How can you get your money out?

The Scheme is designed to help you save for your retirement. It's also a recognised Qualifying Recognised Overseas Pension Scheme (**QROPS**) (reference number 903390) which means it can accept money transferred from United Kingdom (**UK**) pension funds. Generally you can't withdraw money transferred to the Scheme from a UK pension fund (including accumulations on that money) until you turn 55.

For contributions from other sources, you may make withdrawals from the date you turn:

- 65;
- 60 if you've permanently retired from business or employment; or
- 55 if you're transitioning to retirement.

Lifetime Income Fund members may start receiving retirement income from the later of age 60 or the date they become eligible to make withdrawals (up to age 90).

Early withdrawals are permitted in some limited circumstances. We may defer benefit payments in certain circumstances.

See **Section 2** "Withdrawing your investments" for further information about making withdrawals.

How will your investment be taxed?

The scheme is a portfolio investment entity (**PIE**). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (**PIR**). This can be 0%, 10.5%, 17.5%, or 28%. See **Section 6** (What taxes will you pay?) for further information.

Where can you find more key information?

Britannia is required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at britanniaonline.com or from Britannia on request.

Fund	Investment Objective	Risk Indicator	Estimated fees per member
Cash Enhanced Fund	This Fund seeks to preserve capital while providing a regular source of returns from cash and short-term interest bearing investments.	<div style="display: flex; justify-content: space-between; font-size: small;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> Potentially lower returns Potentially higher returns </div>	Annual Fund Charges: 1.30% of the Fund's Net Asset Value Contribution Fees: Up to 2.5%
Moderate Fund	This Fund seeks to provide growth of your investment through consistent returns utilising a diversified portfolio, with a bias towards defensive or income assets.	<div style="display: flex; justify-content: space-between; font-size: small;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> Potentially lower returns Potentially higher returns </div>	Annual Fund Charges: 1.50% of the Fund's Net Asset Value Contribution Fees: Up to 2.5%
Balanced Fund	This Fund seeks to provide long-term capital growth of your investment utilising a diversified portfolio with a bias towards growth assets.	<div style="display: flex; justify-content: space-between; font-size: small;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> Potentially lower returns Potentially higher returns </div>	Annual Fund Charges: 1.50% of the Fund's Net Asset Value Contribution Fees: Up to 2.5%
Growth Fund	This Fund seeks to provide long-term capital growth utilising a diversified portfolio with a stronger bias towards growth assets.	<div style="display: flex; justify-content: space-between; font-size: small;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> Potentially lower returns Potentially higher returns </div>	Annual Fund Charges: 1.55% of the Fund's Net Asset Value Contribution Fees: Up to 2.5%
Lifetime Income Fund	This Fund turns your investment into an income for life by utilising a diversified portfolio, with a bias towards defensive or income assets and insuring your Retirement Income with Lifetime Income Limited.	<div style="display: flex; justify-content: space-between; font-size: small;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> Potentially lower returns Potentially higher returns </div>	Annual Fund Charges 1.15% of the Fund's Net Asset Value plus 1.20% of your Protected Income Base. Contribution Fees: Up to 2.5%

*** Notes:** The Funds don't have a full 5-year return history. The Cash Enhanced Fund, the Moderate Fund, the Balanced Fund and the Growth Fund started on 1 December 2016; and the Lifetime Income Fund 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 31 December 2017. The risk indicators may therefore provide a less reliable indication of the potential future volatility of each Fund.

See **Section 4** "What are the risks of investing" for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz/tools/investor-kickstarter





Table of Contents

SECTION 1	2
KEY INFORMATION SUMMARY	
SECTION 2	6
HOW DOES THIS INVESTMENT WORK?	
SECTION 3	10
DESCRIPTION OF YOUR INVESTMENT OPTIONS	
SECTION 4	12
WHAT ARE THE RISKS OF INVESTING?	
SECTION 5	14
WHAT ARE THE FEES?	
SECTION 6	18
WHAT TAXES WILL YOU PAY?	
SECTION 7	18
WHO IS INVOLVED?	
SECTION 8	19
HOW TO COMPLAIN	
SECTION 9	20
WHERE YOU CAN FIND MORE INFORMATION	
SECTION 10	21
HOW TO APPLY	

Section 2. How does this Investment Work?

The Scheme is a Superannuation Scheme which is a trust established to provide retirement benefits. It is governed by a Governing Document between the Manager and Supervisor. See **Section 7** "Who is involved" for further information.

Each Fund invests in a different mix of asset classes and has different levels of risk and potential return. You can invest in one or more Funds that suit your risk profile and investment goals. See **Section 3** "Description of your investment options" for further information.

Each Fund invests in underlying investment funds managed by IOOF Investment Management Limited, DFA Australia Limited and/or Harbour Asset Management Limited.

When you invest, your money is pooled with other members' money and invested in underlying funds. The underlying funds' managers use the money they receive to buy investments for those underlying funds. By investing in underlying funds, the Funds can efficiently diversify their investments.

The Supervisor holds all contributions and other assets of the Scheme on trust as Custodian.

The money you invest buys units in your selected Fund(s). These units represent the value of your investment in the relevant Fund(s). They don't give you a direct interest in any particular asset of the relevant Fund(s). The Funds are segregated pools so a Fund's assets are not available to meet the liabilities of another Fund.

Joining the Scheme

Membership is open to any individual by completing an application form.

Making investments

You can make investments at any time and of any amount over \$2,000.

If you choose more than one Fund, the proportion of your total investment in each Fund must be a multiple of 5%.

Despite the criteria above, the Lifetime Income Fund has a minimum investment requirement of \$25,000 and a maximum permitted investment of \$1 million.

Any transfers of money made from a UK pension fund or other QROPS will be treated as contributions of UK sourced pension funds.

Voluntary contributions of non-UK sourced funds may also be made. These contributions have different withdrawal entitlements (explained below).

UK Overseas Transfer Charge

A UK overseas transfer charge of 25% of your UK sourced pension funds may apply if you're not a NZ tax resident when you transfer UK sourced pension funds to the Scheme. This overseas transfer charge may also apply if your tax residency changes while you are a member of the Scheme (but doesn't apply if your change of residence takes place after 5 full UK tax years from the date of your original pension transfer from a UK pension fund to a QROPS). See the "Other Material Information" document on the Offer Register at companiesoffice.govt.nz/disclose for further information.

Withdrawing your investments

Withdrawals of UK sourced pension funds

The table below explains the withdrawals available from your UK sourced pension funds (and any accumulations on them).

Withdrawal type

Retirement

Available if you reach the UK minimum pension age (currently 55).

Ill-health

Available if you retire before age 55 because of ill-health and Britannia is satisfied, after receiving evidence from a registered medical practitioner, that you are and will continue to be, incapable of carrying on your occupation because of physical or mental impairment.

Serious Ill-health

Available if you suffer serious ill-health before age 55 and Britannia is satisfied, after receiving evidence from a registered medical practitioner, that you are expected to die in less than one year.

Death

The full value of your savings will be paid to your estate.

Withdrawal payments from your UK sourced pension funds may be taxable. You should seek appropriate independent tax advice prior to any withdrawal being made.

Withdrawals of non-UK sourced funds

The table below explains the withdrawals available from your non-UK sourced funds.

Withdrawal type

Retirement

Available if you reach the earlier of:

- New Zealand Superannuation qualification age (currently 65); or
- age 60, provided the Supervisor is reasonably satisfied that you have permanently retired.

Transition to retirement

- Available if the Supervisor is satisfied that you:
- have reached age 55; and
- the withdrawals are to be made through periodic payments over an identifiable period of time (usually 10 years).

Significant financial hardship

Available if the Supervisor is satisfied that you have suffered significant financial hardship as defined in the New Zealand Superannuation Scheme Rules.

Withdrawals for serious financial hardship before age 55 are prevented by the QROPS Rules if you have any UK-sourced pension funds invested in the Scheme.

If at any time you have no UK-sourced pension funds invested in the Scheme, up to the full value of your non-UK sourced funds in the Scheme, and all amounts accumulated on them, may be withdrawn (although the Supervisor may direct that amounts withdrawn are limited to what's required to alleviate the particular hardship).

Serious illness

Available if the Supervisor is satisfied that you are suffering from serious illness as defined in the New Zealand Superannuation Scheme Rules.

Death

The full value of your savings will be paid to your estate.



Payments from the Lifetime Income Fund

If you invest in the Lifetime Income Fund, you can start receiving your fortnightly or four weekly payment (your **Retirement Income**) from the later of, age 60, or when you are eligible to commence making Lifetime Income Fund withdrawals (up to age 90).

When you invest in this Fund, a Protected Income Base (**PIB**) is established. Your PIB is used to determine your Retirement Income.

Initially, your PIB is your total investment in the Fund. On each anniversary of your initial investment, where your balance exceeds your PIB your PIB will increase to match your current balance.

This means your PIB may rise due to positive investment returns and additional contributions made. Your PIB won't fall unless you make a withdrawal.

Once eligible, you can make withdrawals. Any partial withdrawal will reduce your PIB and therefore your Retirement Income. The maximum amount of all partial withdrawals cannot exceed 20% of your current PIB. If you request a partial withdrawal exceeding this limit, we'll either decline it or process your request as a full withdrawal at our discretion. If a full withdrawal is processed, the total value of your investment in the Fund will be paid to you (less applicable fees, expenses and taxes) and your right to Retirement Income payments will cease.

There are two phases to your Retirement Income:

Protected Income Phase	Insured Income Phase
Your Protected Income Phase begins on the date of the first payment of your Retirement Income and continues until your balance in the Lifetime Income Fund falls to zero. Payments made during this phase are made from your investment funds held in the Lifetime Income Fund.	Your Insured Income Phase begins on the date your balance in the Lifetime Income Fund falls to zero. Payments made during this phase are administered by the Scheme, but are payable to your Lifetime Income Fund account by the insurer, Lifetime Income Limited.

The age you choose to start receiving your Retirement Income (and whether you have made any withdrawals) determines the amount you will be paid fortnightly or four weekly (your **Payment Rate**).

If you start your Retirement Income at age 60, the Payment Rate is 4.50% p.a. of your PIB (after tax and fees). For each additional year you wait before starting your Retirement Income the Payment Rate increases by 0.10%, up to 7.50% p.a. of your PIB (after tax and fees) at age 90.

You may also choose to have your regular Retirement Income payments indexed in line with movements in the Consumer Price Index. If selected, your initial payments commence at a lower level than you would otherwise have been entitled to but indexation is applied to revise your Retirement Income payment amounts from each anniversary date from when you started receiving Retirement Income payments. This means your Retirement Income payments will generally increase over time to preserve their purchasing power.

If you wish to consider this option, before you commence taking your Lifetime Withdrawal Benefit, Lifetime will need to calculate individualised payment rates for you.

See the "Other Material Information" document at companiesoffice.govt.nz/disclose for more information on all Payment Rates, payment options and an example of how the Lifetime Income Fund works.

If you die before you've started receiving Retirement Income payments or during your Protected Income Phase, the balance of your investment will be paid to your estate. If you die during your Insured Income Phase (the phase where your Retirement Income is being paid from the insurance), no amount will be paid to your estate.

Transferring to other Schemes

You can only transfer all or part of the balance of your UK sourced pension funds to another QROPS or UK pension fund.

A UK overseas transfer charge of 25% of the amount of your UK sourced pension funds may apply to a transfer to another QROPS which takes place within 5 full UK tax years from the date of your original transfer from a UK pension fund, if neither of the following two conditions are met:

- you are tax resident in the country where the QROPS receiving the transfer is established; or
- you are tax resident in the European Economic Area (EEA), and that QROPS is established in a country in the EEA.

You can also transfer all or part of the balance of your non-UK sourced funds to a KiwiSaver, Superannuation, or Workplace Savings Scheme.

You may not be able to transfer your non-UK sourced funds to another Retirement Scheme if you have any remaining UK sourced pension funds in the Scheme.

How to switch between Funds

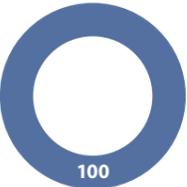
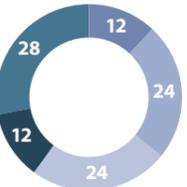
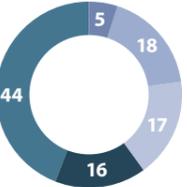
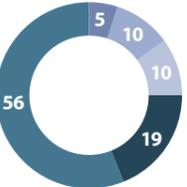
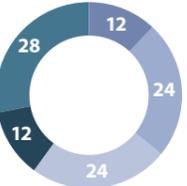
You can switch between the Funds at any time and at no cost by contacting us on 0800 500 811 (NZ), +64 9 414 4215 or at investments@opt-ltd.co.nz

The Scheme's investment restrictions apply to all switches (see **Section 2**).

If you switch out of the Lifetime Income Fund you will receive no benefit from any Retirement Income insurance premiums paid. The amount eligible for switching will also be limited to your account balance not your PIB.



Section 3. Description of your Investment Options

Investment options, suitability and objectives	Timeframe	Target investment mix	Risk Indicator
<p>Cash Enhanced Fund The Cash Enhanced Fund is invested in cash and cash equivalent investments, and is designed to seek stable returns from conservative investments.</p>	0-2 years	 <ul style="list-style-type: none"> 100% Cash and cash equivalents 	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>
<p>Moderate 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.</p>	3-4 years	 <ul style="list-style-type: none"> 12% Cash and cash equivalents 24% NZ Fixed Interest 24% Int Fixed Interest 12% Australasian Equities 28% International Equities 	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>
<p>Balanced Fund The Balanced Fund is invested with a slightly greater exposure to growth assets, such as Australasian and international equities, than to income assets, such as cash and fixed interest investments. The Balanced Fund is designed to derive both income and capital growth through a well-diversified portfolio.</p>	5-7 years	 <ul style="list-style-type: none"> 5% Cash and cash equivalents 18% NZ Fixed Interest 17% Int Fixed Interest 16% Australasian Equities 44% International Equities 	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>
<p>Growth Fund The Growth Fund is invested with a greater exposure to growth assets, such as Australasian and international equities than 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 Funds, may produce higher returns over the long term.</p>	8+ years	 <ul style="list-style-type: none"> 5% Cash and cash equivalents 10% NZ Fixed Interest 10% Int Fixed Interest 19% Australasian Equities 56% International Equities 	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>
<p>Lifetime Income Fund The Lifetime Income Fund turns your investment into a Retirement Income for the rest of your life. It invests your money and insures your Retirement Income with Lifetime Income Limited, an insurance company licensed by the RBNZ. See the "Other Material Information" document at companiesoffice.govt.nz/disclose for further information.</p>	No minimum timeframe	 <ul style="list-style-type: none"> 12% Cash and cash equivalents 24% NZ Fixed Interest 24% Int Fixed Interest 12% Australasian Equities 28% International Equities 	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>

* The Funds don't have a full 5-year return history. The Cash Enhanced Fund, the Moderate Fund, the Balanced Fund and the Growth Fund started on 1 December 2016; and the Lifetime Income Fund 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 31 December 2017. The risk indicators may therefore provide a less reliable indicator of the potential future volatility of each Fund.

Note: We may change the Statement of Investment Policies and Objectives (SIPO) from time to time, without notifying you, provided prior written notice is given to the Supervisor. Material changes to the SIPO will be reported in the Scheme's Annual Report. You can view the current SIPO, free of charge, on the Scheme Register at companiesoffice.govt.nz/disclose. Further information about assets in the Funds can be found in the fund updates at companiesoffice.govt.nz/disclose



Section 4.

What are the risks of investing?

Understanding the risk indicator

Managed funds in NZ must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.



For the risk indicator rating for each Fund, see the table on page 10.

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 (volatility). 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 sorted.org.nz/tools/investor-kickstarter

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading "Other specific 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 a market index for the five years to 31 December 2017. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for each Fund.

To help you clarify your own attitude to risk, you should review the Scheme investment options at britanniaonline.com or contact us to arrange to speak to an Authorised Financial Adviser.

General investment risks

Some of the things that may cause the Fund's value to move up and down, which affect the risk indicator, are:

- **Market risk** – The value of a Fund can change due to factors that affect a particular financial market. This could include, but is not limited to, factors such as changes in economic conditions, interest rates, exchange rates, monetary policy from central banks, taxation, regulation, local and geo-political events, and investor sentiment.
- **Asset allocation risk** – Funds with a higher proportion invested in growth assets carry more risk than Funds that have a higher proportion invested in income assets. Short-term fluctuations in the value of Funds are common, particularly for Funds with a higher proportion invested in growth assets.
- **Liquidity risk** – This is where a particular investments cannot be traded or accurately valued due to market conditions, which may also affect processing of fund transactions, including withdrawals and transfers. This risk usually arises during periods of increased market volatility or stress.
- **Concentration risk** – This is the risk that the value of a Fund changes due to it having a high exposure to an underlying investment fund or specialist investment manager, specific company sector, country, region, or financial market, that underperforms.

- **Currency risk** – This is where the value of a Fund changes due to fluctuations in the exchange rate between the NZ dollar and other currencies. Currency fluctuations may also affect the value of assets transferred to or from the Scheme.
- **Investment manager risk** – Even though professional investment managers make the investment decisions for the Funds, results can vary depending on the approach they take.
- **Loss of QROPS status**: The Scheme may lose its QROPS status at any time. Britannia does not guarantee that the Scheme will continue to have QROPS status. If QROPS status is lost, your UK tax obligations may change in relation to your UK sourced pension funds. You may also not be permitted to make future transfers of UK sourced pension funds to the Scheme.
- **Insurance risk**: If you've invested in the Lifetime Income Fund, Lifetime Income Limited is solely responsible for funding your Retirement Income payments during your Insured Income Phase. Neither Britannia nor the Supervisor has any responsibility for funding those payments. There's a risk Lifetime Income Limited, the insurer, won't be able to honour its income insurance policy. If this occurs, your Retirement Income will cease and if you still have a balance in the Lifetime Income Fund at that time, it will be transferred to the Moderate Fund. In addition, Lifetime Income Limited can seek to change the terms of the income insurance policy in certain circumstances – for example, where there is a law change that materially and detrimentally affects the tax treatment of premiums. Any such changes could adversely affect the scope of the insurance policy's coverage.

Other specific risks

The following risks are not reflected in the Funds' risk indicators above:

- **QROPS Rule changes**: The QROPS Rules may change, particularly those relating to withdrawals. Changes to the QROPS Rules could prevent future transfers of UK sourced pension funds to the Scheme, or change the withdrawal restrictions imposed on QROPS Schemes.
- **QROPS unauthorised payment risk**: If the Manager permits you to withdraw or transfer funds from the Scheme, and that withdrawal or transfer is unauthorised under the QROPS Rules, there is a risk that HMRC could require you to pay a 40% to 55% unauthorised payment charge on the withdrawal or transfer.

These unauthorised payment charges will apply if you have been a UK tax resident at any time during the current or preceding 10 full UK tax years; or if it has been less than five full UK years from the date of your original transfer from a UK Registered Pension Scheme.

Details of other risks can be found in the "Other Material Information" document on the Offer Register at companiesoffice.govt.nz/disclose



Section 5. What are the fees?

You will be charged fees for investing in the Scheme. Fees are deducted from your investment and will reduce your returns. If Britannia invests in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- **Regular charges** – for example, annual fund charges. Small differences in these fees can have a big impact on your investment over the long term.
- **One-off fees** – for example, contribution fees or fees for transferring to another scheme, or for other specific actions you take.

Annual Fund Charges

Fund	Estimated Annual Fund Charges (% of the value of your unitholding in the relevant Fund)
Cash Enhanced Fund	1.30%
Moderate Fund	1.50%
Balanced Fund	1.50%
Growth Fund	1.55%
Lifetime Income Fund	1.15% of your investment balance; plus 1.20% of your Protected Income Base.

Annual Fund Charges are an estimated percentage of the value of your unitholding balance in the relevant Fund. This estimate is based on actual annual fees reported by the underlying fund managers for the year ended 31 December 2017, and anticipated investment levels in the underlying funds in accordance with the Scheme's SIPO. Actual charges will depend on the performance of the underlying funds and may vary from the estimates above.

Estimated Annual 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. Annual Fund Charges comprise:

- Management fees, which are paid to Britannia for the management of the Funds' assets;

- Underlying managers' fees and expenses (including any performance fees of their underlying funds), which are estimated and paid to the underlying fund managers for their management services; and
- Other administration fees, which include the Supervisor's fee, the Custodian's fee, the Administration Manager's fees (for registry, valuation and unit pricing services), include the Supervisor's fee, the Custodian's fee, the Administration Manager's fees (for registry, valuation and unit pricing services), insurance premiums (Lifetime Income Fund only) and the estimated accounting expenses of the Funds.

We may also charge reasonable auditing and other professional services charges to the Scheme in the future. Currently we do not charge these fees, so the estimated fee for these professional services is nil.

Individual Action Fees

Fee	Amount payable
Contribution Fee	A Contribution Fee of up to 2.50% may be deducted from any amounts you contribute or transfer to the Scheme and is paid to the Manager. This fee covers the administration costs associated with transferring funds or assets from an overseas pension scheme to the Scheme. Britannia does not charge this fee for transfers to the Scheme from other QROPS in NZ.
Transfer Out Fee	\$750 will be deducted from the transferred amount and paid to the Manager if you transfer from the Scheme to a UK pension fund, QROPS, or Retirement Scheme.
Early Withdrawal Fee	If you withdraw a total amount of more than 50% of your transferred UK funds in one or more withdrawals during the periods specified below, a fee will be payable as follows: - \$750 if the withdrawals are made within 1 year; - \$375 if the withdrawals are made between 1 and 2 years; or - \$0 if the withdrawals are made after more than 2 years, from the date the transferred UK funds were received into the Scheme.

You may be charged Individual Action Fees by us on an individual basis for investor-specific decisions or actions. These are deducted from your account and paid to Britannia as and when they are incurred (or otherwise as agreed by you). All Individual Action Fees are exclusive of GST.

Contribution, Transfer Out and Early Withdrawal fees may be increased or waived in whole or in part, from time to time, by Britannia. The Scheme doesn't charge performance fees, but may decide to charge these or other fees in the future.

We may deduct a Financial Adviser Fee agreed between you and your financial adviser for initial advice (generally relating to the transfer of funds to the Scheme) and ongoing advice relating to your investments in the Scheme.

You may also be charged other fees on an individual time cost basis for investor-specific decisions or

actions (such as benefit calculation or overseas exchange of information fees).

See the "Other Material Information" document at companiesoffice.govt.nz/disclose for further information.

Example of how fees apply to investors

Tim invests \$10,000 in the Balanced Fund. He is not charged an establishment fee. He is charged contribution fees of \$200 (2.0% of \$10,000). This brings the starting value of his investment to \$9,800.

He is also charged management and administration fees, which work out to about \$147 (1.50% of \$9,800) and a financial adviser fee of \$49 (0.50% of \$9,800) is paid from his account to his financial adviser, as previously agreed between them. These fees might be more or less if his account balance has increased or decreased over the year or if Tim had agreed a different fee rate with his financial adviser.



Estimated total fees for the first year

Individual Action Fees	\$200 (Contribution Fee) and \$49 (Financial Adviser Fee agreed with Tim's adviser)
Fund charges	\$147
Other charges	\$0

See the latest fund update for an example of the actual returns and fees investors were charged over the past year. This example applies only to the Balanced Fund. If you are considering investing in other Funds or investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

Britannia may increase or change any fees and impose new fees (for example, entry or exit fees), in relation to any of the Funds at any time in accordance with the Governing Document. The Supervisor's fees may also be changed by agreement with Britannia. The premium for the insurance policy covering the Lifetime Income Fund may be increased or changed in accordance with the insurance policy document available on the Offer Register at companiesoffice.govt.nz/disclose. There is no limit on the amount by which a fee or the premium can be changed. Britannia will give you 30 days' notice of any increase or change to fees or premiums, or the introduction of new fees.

Britannia must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at companiesoffice.govt.nz/disclose.

Foreign Exchange

Foreign currency may be exchanged by Britannia into NZ dollars for investment into the Funds using daily published bank currency conversion rates. Where Britannia is able to obtain a better foreign exchange rate on any given conversion than the published bank rate, any excess derived from the foreign currency conversion will accrue to Britannia.

Section 6.

What taxes will you pay?

PIE Tax

The Scheme is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to [ird.govt/toii/pir](https://ird.govt.nz/toii/pir). If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue. It is your responsibility to tell Britannia your PIR when you invest or if your PIR changes. If you do not tell Britannia, a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

Foreign Investment Superannuation Withdrawal Tax

Transfers to a NZ Superannuation Scheme from a foreign scheme (other than an Australian complying superannuation scheme) are potentially subject to tax for NZ resident investors. Non-NZ resident investors will not be affected by this tax.

Before making such a transfer into the Scheme, you should consult your tax adviser.

Section 7. Who is involved?

About Britannia

Britannia was founded with the aim of offering professional pension transfer services to migrants and NZ nationals returning from overseas.

For a free, no obligation, pension transfer assessment to find out if your pension can be transferred, contact Britannia at:

Telephone	Address	Email
0800 500 811 (NZ) +64 9 414 4215 (overseas)	Britannia Financial Services Limited. Unit 4, 106 Bush Road Albany, Auckland 0632	team@opt-ltd.co.nz

Who else is involved?

Party	Name	Role
Supervisor and Custodian	The New Zealand Guardian Trust Company Limited	The Supervisor and Custodian of the Scheme, responsible for supervising Britannia as Manager of the Scheme and holding the assets of the Scheme on trust.
Registry and Administration Manager	Appello Services Limited	Maintains the Scheme's Registry and provides administration, transaction and customer correspondence services.
Underlying Fund Managers	IOOF Investment Management Limited Harbour Asset Management Limited DFA Australia Limited	Provide underlying Fund Management Services.
Insurer	Lifetime Income Limited	Provides the insurance for the Lifetime Income Fund

Section 8. How to complain

Britannia

In the first instance, please direct complaints to Britannia at:

Telephone	Address	Email
0800 500 811 (NZ) +64 9 414 4215 (overseas)	Britannia Financial Services Limited. Unit 4, 106 Bush Road Albany, Auckland 0632	investments@opt-ltd.co.nz

The Supervisor

If we're unable to resolve your complaint, you may choose to contact the Supervisor at:

Telephone	Address
(09) 909 5100	The New Zealand Guardian Trust Company Limited Level 6, 191 Queen Street Auckland 1010

The Insurance & Financial Services Ombudsman

Britannia is a member of an independent dispute resolution scheme operated by the Insurance & Financial Services Ombudsman (IFSO).

Under the terms of this scheme, Britannia has three months to resolve your complaint. If you are not satisfied with Britannia's response, you may refer the matter to the IFSO at:

Telephone	Address
(04) 499 7612	Insurance & Financial Services Ombudsman PO Box 10-845 Wellington 6143

The IFSO will not charge a fee to have your complaint investigated and/or resolved.

Section 9. Where you can find more information

Further information about the Scheme and each Fund is available on the Offer Register and the Scheme Register at: **companiesoffice.govt.nz/disclose**

You are entitled to a copy of information contained on the Offer Register and the Scheme Register (for example, financial statements of the Scheme, when available), on request to the Registrar of Financial Service Providers.

Fund updates relating to the Scheme and each of the Funds, and other information, is available without charge at **britanniaonline.com**, on request to Britannia in writing, or by telephone. You can call Britannia on: 0800 500 811 or +64 9 414 4215.

Section 10. How to apply

Please complete an application form and post or email it back to Britannia.

Britannia may require additional information from you to complete a UK pension transfer. Talk to Britannia first for further information about the UK pension transfer process.



BRITANNIA

Unit 4, 106 Bush Road, Albany, Auckland 0632, New Zealand.
PO Box 302 369, North Harbour, Auckland 0751, New Zealand.
Phone: + 64 9 414 4215 Fax: + 64 9 414 4219 Toll Free: 0800 500 811 (within NZ only)
Website: britanniaonline.co.nz Email: Team@opt-ltd.co.nz