



# Fund Update for the Britannia Retirement Scheme – Cash Enhanced Fund

**For the quarter ended 30 September 2017.**

This Fund Update was first made publicly available on 30 October 2017.

## 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.

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<b>Total value of the Fund</b>	\$577,303
<b>Number of investors</b>	8
<b>Date the Fund started</b>	1 December 2016

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## WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Cash Enhanced Fund\*

Lower risk			Higher risk			
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
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](http://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 the market index return from 1 October 2012 to 30 April 2017 and actual fund return data from 1 May 2017 to 30 September 2017. 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.

*\*As the fund was first invested in May 2017 returns from the underlying fund managers (or market indices where the fund managers' returns were unavailable) for the period to 30 April 2017 have been used for the above risk indicator. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the fund.*

## HOW HAS THE FUND PERFORMED?

	<b>Past year</b>
<b>Annual return</b> (after deductions for charges and tax)	Not applicable
<b>Annual return</b> (after deductions for charges but before tax)	Not applicable
<b>Market index annual return</b> (reflects no deductions for charges and tax)	2.09%

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.



## WHAT FEES ARE INVESTORS CHARGED?

Investors in the fund are charged fund charges. Based on the PDS dated 7 April 2017 these are expected to be: <sup>1</sup>

	<b>% of net asset value</b>
<b>Total fund charges</b> Which are made up of –	1.3% (estimated) <sup>2</sup>
<b>Total management &amp; administration charges:</b> Including –	1.3% (estimated) <sup>2</sup>
Manager’s basic fee	0.82% (estimated) <sup>2</sup>
Other management and administration charges	0.48% (estimated) <sup>2</sup>
<b>Total performance based fees</b>	0.00%
<b>Other charges</b>	
Contribution Fee	Up to 2.5% (by agreement)
Transfer Out Fee	\$750.00
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: <ul style="list-style-type: none"><li>- \$750 if the withdrawals are made within 1 year;</li><li>- \$375 if the withdrawals are made between 1 and 2 years; or</li><li>- \$0 if the withdrawals are made more than 2 years,</li></ul> from the date the transferred UK funds were received into the Scheme.

Investors may also be charged individual action fees for specific actions or decisions (for example, for benefit calculation or overseas exchange of information fees). See the Other Material Information document for more information about those fees. This document can be found at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

Small differences in fees and charges can have a big impact on your investment over the long term.



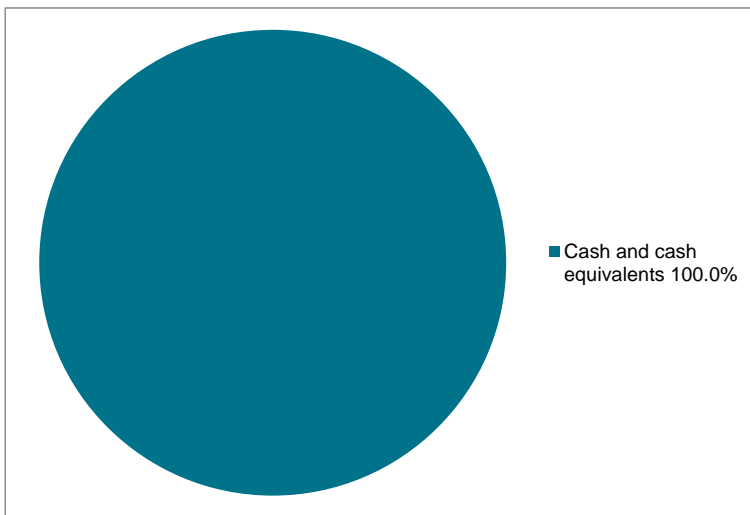
## EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR?

Liz had \$10,000 in the Cash Enhanced Fund at the start of the five months and did not make any further contributions. At the end of five months, Liz received a return after fund charges and taxes were deducted of \$36 (that is 0.36% of her initial \$10,000). Liz also paid \$0 in other charges. This gives Liz a total return after tax of \$36 for the five months.

## WHAT DOES THE FUND INVEST IN?

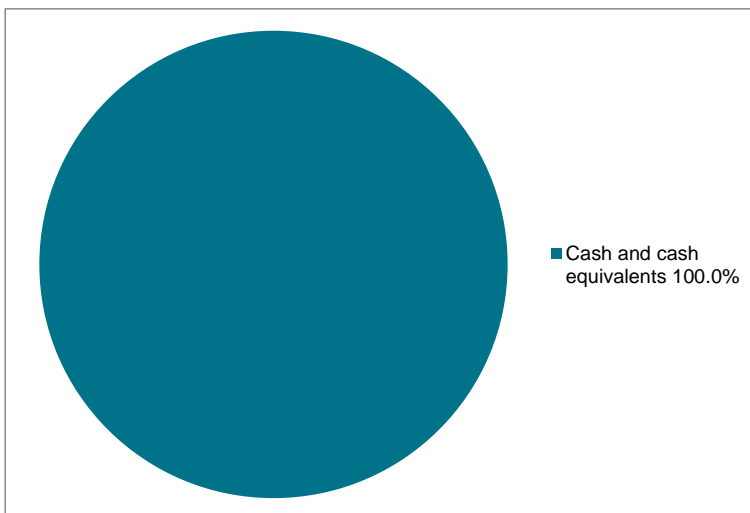
### Actual investment mix

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 Asset Management NZ Short Duration Fund	98.18%	Cash and cash equivalents	NZ
Cash and cash equivalents	1.82%	Cash and cash equivalents	NZ

## 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	7 years 11 months	General Manager Retail Distribution at ING (NZ) Ltd	7 years
Mark Brown	Head of Fixed Income Portfolio Management at Harbour Asset Management	6 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	1 year 7 months	Managing Director at Dell Consulting Ltd	3 years 1 month
Gavin Dixon	Chief Executive Officer and Director at Britannia Financial Services Ltd	1 year 9 months	Chief Executive Officer at Stream Holdings Group	6 months
Alun Rees-Williams	General Manager Distribution and Director at Britannia Financial Services Ltd	16 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](http://www.companiesoffice.govt.nz/disclose).



## NOTES

<sup>1</sup> As the fund commenced on 1 December 2016 fee data described in the PDS was used for the fund charges table.

<sup>2</sup> Total fund charges are an estimated percentage of the value of your unitholding balance in the fund. This estimate is, in part, based on actual annual fees expected to be paid to underlying fund managers and is also based on anticipated investment levels in the fund. Actual charges may vary from the estimates provided.

Estimated total 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 fund. Total fund charges comprise:

- management fees, which are paid to Britannia for the management of the fund's 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), and the estimated accounting expenses of the fund.

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 estimated fee for these professional services is nil.