

Evergreen Retirement Trust

GBP Income Plus Fund

Fund Update

For the year ended 31 March 2017.

This fund update was first publicly made available on 30 June 2017.

What is the purpose of this update?

This document tells you how the GBP Income Plus Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. The New Zealand Guardian Trust Company Limited has had this update prepared¹ in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

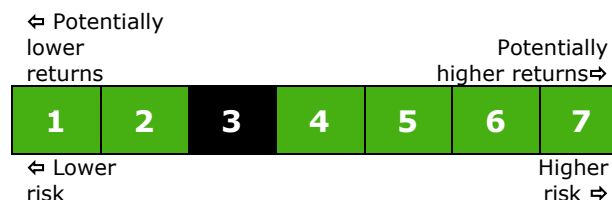
Description of this fund

The Fund invests directly into underlying funds in proportions determined by the Investment Manager² to achieve the investment objective of the Fund. The Fund currency is Pounds Sterling (GBP). The objective of the Fund is to generate positive performance each calendar year with a lower level of volatility than annual return.

Total value of the fund	GBP 7,260,332
Number of members in the fund	374
The date the fund started	June 2012

What are the risks of investing?

Risk indicator for the GBP Income Plus 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 the returns data for a 5 year period to 31 March 2017³. 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.

Specific fund risks for investing in the fund that are not reflected in the Risk Indicators are:

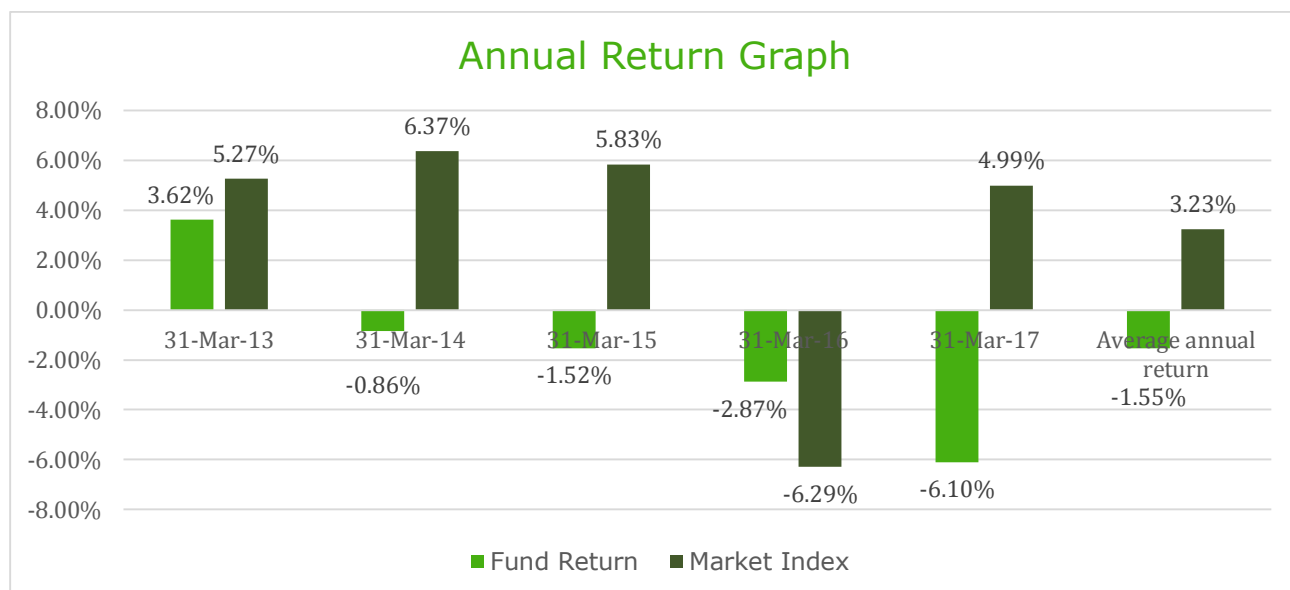
- Fund Expenses - The administration, trustee and other fund expenses either have hurdle rates or are fixed fees. The fund assets under management do not currently meet the hurdle rates, so the resultant fees are high as a proportion of the fund.
- Investment in the fund means you will continue to pay fees at a higher rate. Withdrawal fees and other restrictions on withdrawal may apply.
- Fund fees may increase in the future as a consequence of changes in fund assets under management.
- The fund invests some of their assets into hedge funds, which can use advanced investment techniques and may be more aggressively managed. Hedge funds are generally seen as more risky than other kinds of investments. The investment manager selects two or more underlying funds with different managers that are complementary to manage this risk, however, as with any investment strategy it may not be successful.
- If the manager of the underlying funds into which the fund invests makes poor investment decisions this could cause the underlying funds to perform badly or fail. This would impact the performance of the fund.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	-6.10%
Annual return (after deductions for charges but before tax)	-6.46%
Market index annual return (reflects no deduction for charges and tax)	4.99%

The market index annual return is HFN Fund of Funds Aggregate Index (hedged to the currency of the fund).

More information about the market index is available on <https://www.evestment.com/resources/indices/>



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 March 2017⁴.

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 GBP Income Plus Fund are charged fund charges. In the year to 31 March 2017 these were:

	% of net asset value
Total fund charges	5.37%
Which are made up of—	
Total management and administration charges	5.37%
Including —	
Manager's basic fee	1.50%
Other management and administration charges	3.87%
Total performance based fees	0.00%
Other charges	Dollar amount per investor \$0.00

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds).

The fund has a performance fee of 10% of the increase in the net asset value per unit paid monthly to the Investment Manager. The performance fee is not subject to any hurdle rate of return. However, they are subject to a High Water Mark and equalisation accounting will apply.⁵ There is no maximum limit on the performance fee. The performance fee is calculated and paid monthly. The performance fee may be paid even if the fund does not achieve (after fees but before tax) the return of the market index.

For more information on the risks on fund expenses see the specific fund risks detailed in the section "What are the risks of investing".

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

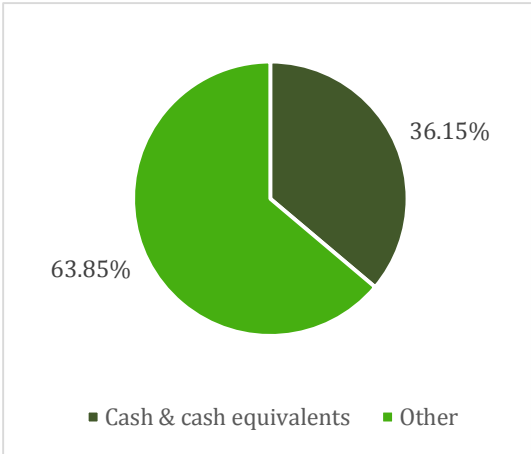
Example of how this applies to an investor

John had GBP10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, John incurred a loss after fund charges were deducted of GBP610 (that is 6.10% of his initial GBP10,000). John paid no other charges. This gives John a total loss after tax of GBP610 for the year.

What does the fund invest in?

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

Actual investment mix (As at 31 March 2017)



Target investment mix

	Target	Range
Total fixed income and cash assets	5%	0%-75%
Cash and cash equivalents	5%	0%-75%
Total equities and growth assets	95%	25%-100%
Other	95%	25%-100%

Other assets are interests in hedge funds.

Top 10 investments

Name	Country	Type	Percentage of fund net assets
CQS Diversified Fund SPC Alpha GBP	Cayman Islands	Other	18.19%
Permal Select Opportunity II Ltd. AQ	British Virgin Islands	Other	3.63%
Penrich Capital G10 Currency Income Fund	Cayman Islands	Other	34.32%
GDI No. 36 Perth CBD Office Trust	Australia	Other	7.71%
Cash	United Kingdom	Cash	36.15%

The top 5 investments make up 100% of the fund

Other assets are interests in hedge funds.

Key personnel

Name	Current Position	Time in current position	Previous ⁶ or other current position	Time in previous or other current position
James Murray	Director – Evergreen Capital Partners Limited	5 years 6 months	Director – NZ Capital Strategies Limited	7 years and 10 months
Simon Swallow	Director - Evergreen Capital Partners Limited	5 years 6 months		
Kenji Steven	Chief Investment Officer – Clearwater Capital LP	5 years 6 months	Chairman – Infiniti Capital	8 years and 11 months
Kelly Tonkin	Investment Committee Member – Clearwater Capital LP	5 years 6 months	Investment Manager - Penrich Capital UK Limited	12 years and 6 months
Daniel Liptak	Investment Committee Member – Clearwater Capital LP	5 years 6 months	Director - Arkaba Advisors	7 years and 0 months

Further information

You can also obtain this information, the Statement of Investment Policy and Objectives for the Evergreen Retirement Trust, and some additional information from the Disclose register at www.companiesoffice.govt.nz/disclose.

Notes

¹ The Scheme Manager, Evergreen Capital Partners Limited, has prepared this update.

² The Investment Manager is Clearwater Capital LP.

³ The Income Plus Fund has not been in existence for complete 5 years therefore the benchmark performance of the HFN Fund of Fund Aggregate Index has been used as the performance of the fund for April and May 2012.

⁴ The market indices reflect no deduction for charges and tax.

⁵ A High Water Mark means the performance fees are calculated on a cumulative basis so that any negative performance must first be recovered before performance fees are paid. Equalisation accounting is a mechanism that creates a level playing field for investors who enter the fund below the High Water Mark as it creates a new high water mark for those investors until the previous High Water Mark is achieved.

⁶ The other position for the Key Personnel are current positions.

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For more information about the Scheme, please visit www.evergreentrust.co.nz, contact us on +64 4 974 5145 or talk to your Adviser today. A Statement of Investment Policy and Objectives is available from our website or on request and free of charge.