

Fund update

HIGH GROWTH FUND

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME

Quarter ending 30 June 2025

This fund update was first made publicly available on: 28 July 2025.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the High Growth fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Mercer (N.Z.) Limited prepared this update in accordance with the Financial Markets Conduct Act 2013.

This information is not audited and may be updated.

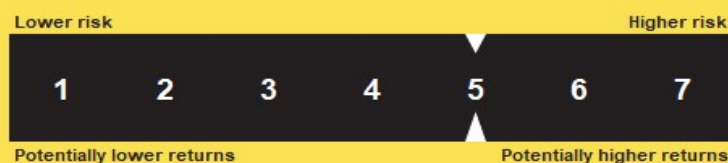
DESCRIPTION OF THIS FUND

Invests almost entirely in growth assets such as shares and real assets, with only a small amount invested in defensive assets such as fixed interest and cash. May be suitable for investors wanting to invest predominantly in growth assets, who want higher long-term returns and are comfortable with high volatility in returns.

Total value of the fund	\$67,068,488
Number of members in the fund	2,209
The date the fund started	9 October 2015

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the High Growth 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-profiler.

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 5 years to 30 June 2025. 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.

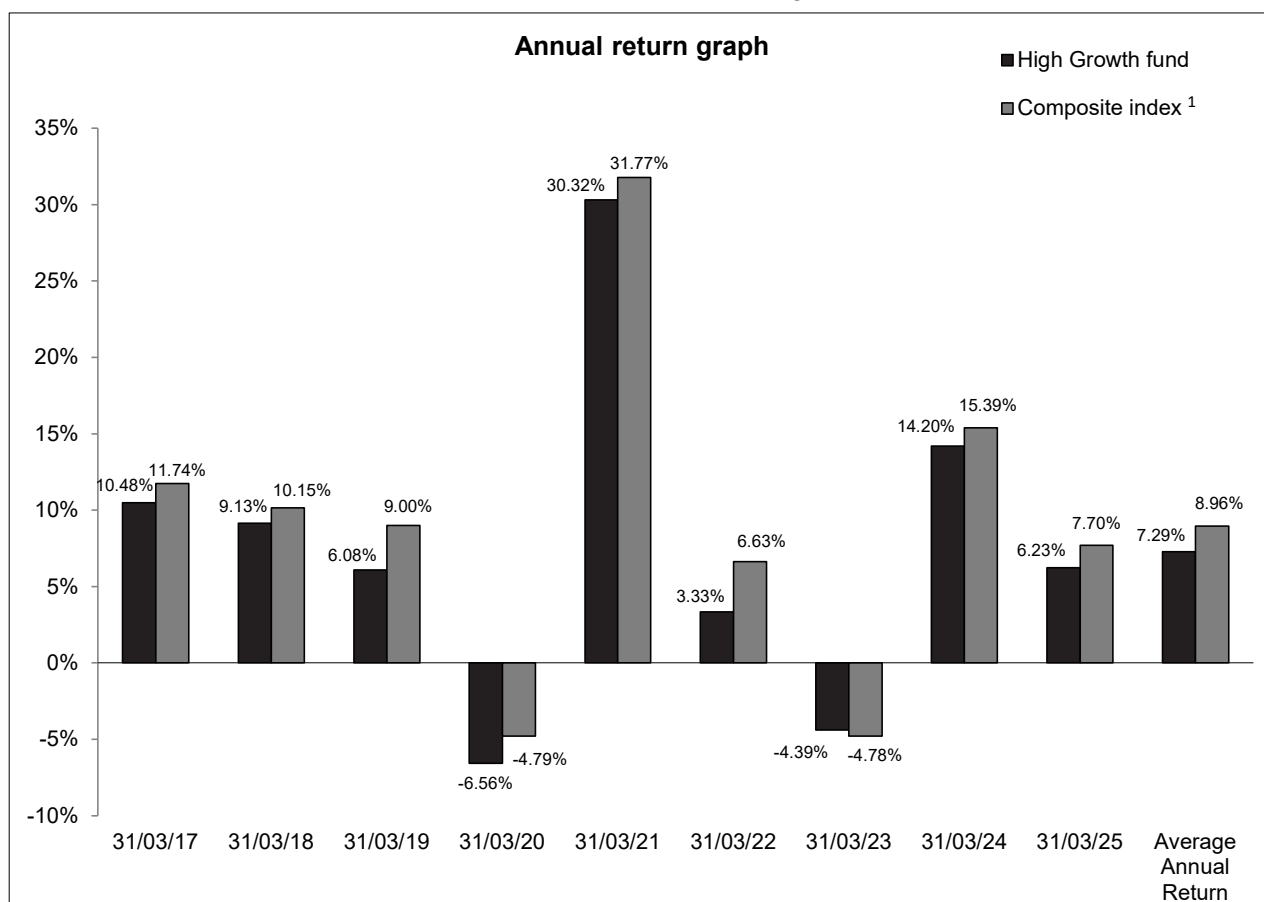
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

† A combination of actual fund returns and composite index returns have been used to determine the risk indicator due to a change in investment policy at 31 August 2020. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the fund. For the five year period ending 30 June 2025, composite index returns have been used up to 31 August 2020 with actual fund returns used for the balance of the period to 30 June 2025.¹

HOW HAS THE FUND PERFORMED?

	Average over past 5 years	Past year
Annual return <i>(after deductions for charges and tax)</i>	8.02%	11.08%
Annual return <i>(after deductions for charges but before tax)</i>	8.82%	11.70%
Composite of market index annual return <i>(reflects no deduction for charges and tax)</i> and peer group indices annual return <i>(after deduction for charges but before tax)</i> ¹	9.41%	12.37%

The composite index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives. Additional information about the indices used is available on the offer register.



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 June 2025.²

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 High Growth fund are charged fund charges. In the year to 31 March 2025 these were:

	% of net asset value
Total fund charges ³	0.94%
Which are made up of:	
Total management and administration charges	0.94%
Including:	
Manager's basic fee*	0.73%
Other management and administration charges	0.21%
Total performance-based fees	0.00%

* The manager's basic fee takes into account a rebate which applies to the aggregate funds under management in the NZDF Savings Schemes and has been calculated using the rebate for the year ending 31 March 2025.

Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the New Zealand Defence Force KiwiSaver Scheme PDS for more information about Scheme fees.

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

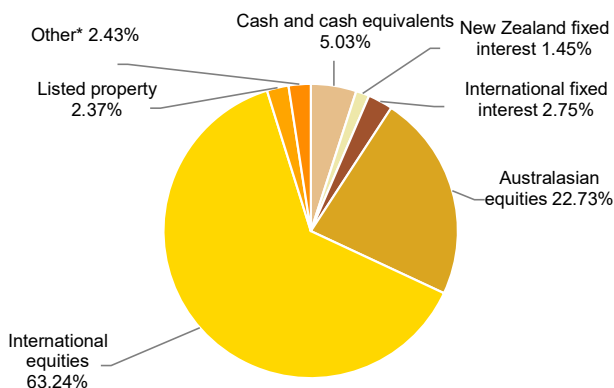
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Ben 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, Ben received a return after fund charges were deducted of \$1,108.00 (that is 11.08% of his initial \$10,000). Ben also paid \$0.00 in other charges. This gives Ben a total return after tax of \$1,108.00 for the year.

WHAT DOES THE FUND INVEST IN?

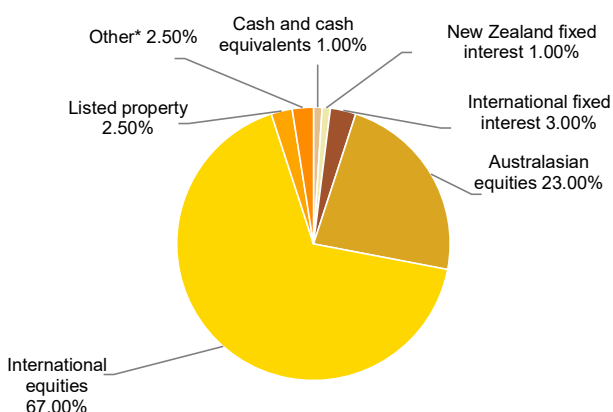
Actual investment mix

This shows the types of assets that the fund invests in.⁴



Target investment mix

This shows the mix of assets that the fund generally intends to invest in.



*Listed infrastructure assets

Top 10 Investments⁵

Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1 Fisher & Paykel Healthcare Corporation Limited	3.60%	Australasian equities	New Zealand	NA
2 Nvidia Corporation	2.49%	International equities	United States	NA
3 Microsoft Corporation	2.28%	International equities	United States	NA
4 Auckland International Airport Limited	2.12%	Australasian equities	New Zealand	NA
5 Apple Inc.	2.10%	International equities	United States	NA
6 Infratil Limited	1.95%	Australasian equities	New Zealand	NA
7 Amazon.com Inc	1.59%	International equities	United States	NA
8 EBOS Group Limited	1.52%	Australasian equities	Australia	NA
9 Meta Platforms Inc	1.51%	International equities	United States	NA
10 Contact Energy Limited	1.50%	Australasian equities	New Zealand	NA

The top 10 investments make up 20.66% of the fund.

Currency hedging

Currency hedging can apply to some of the asset classes this fund invests in. The level of currency hedging for global shares is managed between 0% and 100% on a net of tax basis and may change over time depending on Mercer's view of the relative strength (or weakness) of the New Zealand dollar. Other global asset classes (Global Fixed Interest and Real Assets) target a 100% net of tax hedge to the New Zealand dollar. Refer to the Statement of Investment Policy and Objectives for more information which is available from www.disclose-register.companiesoffice.govt.nz.

Hedging coverage, on a net of tax basis, for the Fund's exposure to foreign currency as at 30 June 2025 was 50.78%.

KEY PERSONNEL

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current Position	Time in current position	Previous/Other position	Time in previous/other position
Ross Butler	Chair - Mercer (N.Z.) Ltd	2 years 2 months	Director - Mercer Investments (Australia) Limited	10 years 4 months
Kylie Willment	Chief Investment Officer, Pacific, Mercer Australia (Pty) Ltd	7 years 8 months	Senior Manager, Investment & Client Strategy - TCorp (NSW Treasury Corporation)	17 years 0 months
Padraig Brown	Chief Investment Officer - New Zealand, Mercer (N.Z.) Ltd	3 years 1 month	Head of Real Estate Investment Management, Mercer Australia (Pty) Ltd	11 years 2 months
David Scobie	Principal, Investments New Zealand - Mercer (N.Z.) Ltd	1 year 11 months	Principal Advisor, Capital Markets - New Zealand Treasury	1 year 5 months
James Wilson ⁶	Portfolio Manager - Mercer (N.Z.) Ltd	6 years 5 months	Analyst - New Zealand Treasury	1 year 0 months

FURTHER INFORMATION

You can also obtain this information, the PDS for the New Zealand Defence Force KiwiSaver Scheme and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz

NOTES

1. The benchmark is a composite of market, peer group and absolute return indices. The absolute return indices were used up to 30 September 2018. From 30 September 2018 a composite index has been used as there is no appropriate market index for the fund as a whole and market indices are not applicable for some of the asset classes in this fund. The composite index has been used to calculate the risk indicator (where actual returns are not available for the period specified).

The composite index has been used to calculate the five year returns in the table in the *How has the fund performed?* section. This has also been used to calculate the returns since inception in the bar graph and for the single year returns for the years up to 31 March 2022. The composite index may be a less reliable indicator of performance than a market index. The peer group indices returns reflected in the table and the bar graph are after deductions for charges but before tax.

A market index has been used to calculate the one year returns in the table in the *How has the fund performed?* section. This has also been used to calculate the single year returns after 31 March 2022.

Additional detail regarding the peer group and market indices can be found on the offer register www.disclose-register.companiesoffice.govt.nz.

2. Returns for the year to 31 March 2024 are based on a unit price at 28 March 2024.

3. GST may be included in some expenses. GST will be included in fees where applicable.

4. For the reporting of the types of assets under Actual investment mix, cash retained for liquidity management at a sector level is assigned to the asset class to which it relates to.

5. The Top 10 investments have been calculated excluding cash retained for liquidity purposes.

6. James Wilson has not been named as a key person in the previous fund update.

Got any questions?

Visit www.nzdfsavings.mil.nz or call our Helpline on **0800 333 787** (if calling from within New Zealand).

If you're calling from overseas you can contact us on +61 3 8306 0956. Helpline hours are from 9am to 7pm, Monday to Friday except public holidays.