

New Zealand Defence Force KiwiSaver Scheme

PRODUCT DISCLOSURE STATEMENT

30 June 2023

This is a replacement product disclosure statement. It replaces the product disclosure statement dated 30 September 2022.

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 on www.disclose-register.companiesoffice.govt.nz. Mercer (N.Z.) Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

Issuer: Mercer (N.Z.) Limited

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. Mercer (N.Z.) Limited (Mercer) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Mercer 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 New Zealand Defence Force KiwiSaver Scheme (the Scheme) offers seven funds. These investment options are summarised on the following page. More information about the investment targets and strategy for each investment option is provided at Section 3 (Description of your investment option(s)).

Who manages the New Zealand Defence Force KiwiSaver Scheme?

The manager of the New Zealand Defence Force KiwiSaver Scheme is Mercer. Further information regarding the manager is set out in Section 7 (Who is involved?) of this Product Disclosure Statement (PDS).

How can you get your money out?

To get your money out from the New Zealand Defence Force KiwiSaver Scheme you will need to apply for a withdrawal permitted under the KiwiSaver Act 2006. There are a limited number of circumstances when you can make a withdrawal before reaching the age of eligibility for a retirement withdrawal. These circumstances are:

- if you suffer significant financial hardship or life-shortening congenital condition, or serious illness; or
- when you are purchasing a first home; or
- after you permanently emigrate from New Zealand (other than to Australia); or
- should you transfer from this scheme to another KiwiSaver scheme; or
- if a court orders the release of funds from your investment; or
- should you die, in which case your investment will be paid to your estate's personal representatives; or
- to meet your tax liability on a transferred foreign superannuation scheme interest.

Conditions apply.

Otherwise you can usually get your money out when you reach age 65. Further conditions may apply if you first joined KiwiSaver before 1 July 2019.

Further information can be found in Section 2 (How does this investment work?).

How will your investment be taxed?

The New Zealand Defence Force KiwiSaver 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 10.5%, 17.5% or 28%. See Section 6 of the PDS (What taxes will you pay?) on page 11 for more information.

Where can you find more key information?

Mercer 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 www.nzdfsavings.mil.nz. The manager will also give you copies of those documents on request.

Fund	Investment objective	Risk indicator	Note	Estimated annual fund charges per investor (percentage of net asset value of the fund)
Cash	Invests entirely in cash and short term interest bearing investments. Designed for investors who want no exposure to growth assets or where the funds may be required in the short term.			0.48%
Conservative	Invests mostly in defensive assets such as fixed interest and cash, with only limited investment to growth assets such as shares and real assets. May be suitable for investors who want to achieve slightly higher returns than those expected from investing solely in the Cash fund. Investors need to be comfortable with the possibility of some fluctuations in returns.		*	0.70%
Moderate	Invests mainly in defensive assets such as fixed interest and cash, with about 40% invested in growth assets such as shares and real assets. May be suitable for investors who want to invest in a broad mix of assets and who are comfortable with a higher degree of volatility in returns than can be expected from the Conservative fund.		*	0.79%
Balanced (if you don't choose a fund, you will be invested in this fund)	Invests mainly in growth assets such as shares and real assets, with about 40% invested in defensive assets such as fixed interest and cash. May be suitable for investors who want a diversified investment with exposure to shares, real assets, fixed interest and cash, who are comfortable with a higher degree of volatility in returns than can be expected from the Moderate fund and who can invest for the long term.		*	0.87%
Growth	Invests predominantly in growth assets such as shares and real assets with only a limited amount in defensive assets such as fixed interest and cash. May be suitable for investors wanting to invest mostly in growth assets who are comfortable accepting more volatile returns than those expected from the Balanced fund with a view to achieving higher longer-term returns.		*	0.96%
High Growth	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 higher volatility in returns.		*	1.01%
Shares	Invests almost entirely in shares. May be suitable for investors seeking exposure mostly to shares and who are comfortable with a high level of volatility in returns.			1.09%

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 www.sorted.org.nz/tools/investor-profiler.

*A combination of actual fund returns and composite index returns have been used to determine these risk indicators due to a change in investment policy on 31 August 2020. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the funds. For the five-year period ending 31 March 2023, composite market and peer group indices have been used for the Conservative, Moderate, Balanced, Growth and High Growth funds, up to 31 August 2020, with actual fund returns used for the balance of the period to 31 March 2023. Additional information about the composite indices used is available on www.disclose-register.companiesoffice.govt.nz.

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SECTION 2

How does this investment work?

A KiwiSaver scheme is an investment structure where a supervisor, a custodian and a manager work together for the benefit of all investors.

New Zealand Defence Force KiwiSaver Scheme is governed by a trust deed dated 16 September 2015 (as amended from time to time).

The supervisor (or a custodian appointed by the supervisor) holds the investments of the scheme. A separate and independent manager makes the investment management and other administrative and operational decisions for the benefit of all investors. The manager also gives instructions to the supervisor as to how to deal with the investments. The supervisor supervises the manager's performance of its functions and its issuer obligations.

The New Zealand Defence Force KiwiSaver Scheme is registered under the Financial Markets Conduct Act 2013. The scheme is a pooled fund which means that your money is pooled with other investors' money and invested. Pooling money can enable access to a wider variety of assets and provide greater diversity than you may achieve on your own.

As an investor, every time you contribute to the scheme you will receive units corresponding to whichever of the funds within the scheme you invest in.

Mercer makes the investment decisions and looks after the general operations of the scheme and each fund. Mercer's duties are supervised by Trustees Executors Limited, the supervisor of the scheme.

The number of units that an investor holds in a fund represents that investor's proportionate interest in that fund.

Units only give a beneficial interest in a fund. Each unit represents an equal beneficial interest in the net investments of that fund.

A unit does not give rise to an interest in any particular investment of the relevant fund.

An investor can only access the value of their investment by redeeming units. There are no regular distributions from the scheme. Withdrawals from the scheme can be made only in the circumstances specified in this section.

All units in a fund have equal value. The value of units will fluctuate over time, and may rise or fall.

The New Zealand Defence Force KiwiSaver Scheme is a defined contribution scheme.

This means that an investor contributes to the scheme over time and benefits payable depend on the amount of contributions made by the investor or on behalf of the investor, and any investment returns on those contributions.

The principal purpose of the scheme is to help individuals save for their retirement.

There are seven funds. An investor may invest in any one of the seven funds, or in a combination of these funds. The investments of one fund cannot be used to cover the liabilities of another fund.

The key benefits of investing in the scheme are:

- access to financial advice and education services from qualified financial advisers
- access to global investment expertise
- sector specialist active investment management
- experienced retirement savings administration
- membership in this scheme can continue even if you leave the New Zealand Defence Force; and
- comprehensive reporting and innovative investor information tools.

Responsible investment, including environmental, social, and governance considerations, is taken into account in the investment policies and procedures of the scheme as at the date of this Product Disclosure Statement. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at the issuer's internet site at www.nzdfsavings.mil.nz.

Mercer's Sustainable Investment Policy which documents the approach to environmental, social and governance considerations can also be found in the document headed "Mercer NZ - Sustainable Investment Policy" available at www.disclose-register.companiesoffice.govt.nz (search under "Offers" for New Zealand Defence Force KiwiSaver Scheme).

There is no Crown guarantee in respect of any KiwiSaver scheme or investment product of a KiwiSaver scheme.

Joining the scheme

You are eligible to join the New Zealand Defence Force KiwiSaver Scheme (a KiwiSaver scheme) if you are:

- a New Zealand citizen or are entitled to live in New Zealand indefinitely; and
- living or normally living in New Zealand (with some exceptions); and
- a current member of the New Zealand Defence Force (NZDF) or a member of the NZDF Community (but not employed by NZDF).

The Defence Community means past and current members of the New Zealand Defence Force, Veterans, partners, children or close relatives of a current or past NZDF member.

Mercer may reject any application from persons who are not eligible to join the New Zealand Defence Force KiwiSaver Scheme. There is no minimum level of contribution but Mercer reserves the right to impose a minimum in the future.

Further information about applying to join the scheme is set out in Section 10 (How to apply).

Making investments

If you are a member of the New Zealand Defence Force KiwiSaver Scheme and you are...	then you may elect to...	and... ^{#^}
a paid member of the NZDF	contribute either 3%, 4%, 6%, 8% or 10% of your base salary or wages*	NZDF will contribute 4% of your base salary to your New Zealand Defence Force KiwiSaver Scheme account
in paid employment other than with the NZDF	contribute either 3%, 4%, 6%, 8% or 10% of your base salary or wages* if you do not select you will contribute at the default rate of 3%	your employer must contribute at least 3% of your base salary or wages to your New Zealand Defence Force KiwiSaver Scheme account
not in any paid employment	make voluntary contributions to your New Zealand Defence Force KiwiSaver Scheme account	no employer contributions made

*Salary or wages is as defined from time to time in the KiwiSaver Act 2006. It currently includes salary or wages from employment, including other remuneration such as bonuses and overtime, as well as certain other benefits including Military Factor.

#If you are eligible to receive these contributions. Eligibility to receive employer contributions is set out below.

^NZDF or your employer may choose to contribute at a greater level than this contribution level or they may contribute less in circumstances permitted by law.

NZDF or your employer will deduct the contributions at the applicable contribution rate from each payment of your after tax salary or wages and pay them to Inland Revenue. Inland Revenue will then pay the contributions (with any interest) to the scheme.

You can change your contribution rate to either 3%, 4%, 6%, 8% or 10% of your gross salary or wages (as the case may be) at any time by notifying NZDF or your employer accordingly.

You can also make additional regular or lump sum contributions to the scheme at any time. If you are self-employed, not working or not contributing you can make contributions at any time. More information on how to make contributions can be found at

www.nzdfsavings.mil.nz.

Eligibility criteria for employer contributions include being aged 18 years or older (16 years or older for NZDF personnel), not reaching the age of eligibility (currently 65) (NZDF personnel receive a contribution if still contributing beyond this age) and being an employee contributing via your salary or wages. Employer Superannuation Contribution Tax (ESCT) is deducted from employer contributions before these are provided to the scheme.

Savings suspension: You can apply to stop contributions from your salary/wages, but you generally have to wait 12 months after your initial KiwiSaver contribution is made to Inland Revenue (unless financial hardship applies).

Government contributions: If you normally live in New Zealand, are aged 18 or over but below your KiwiSaver Retirement Age, a government contribution applies. The Government pays 50 cents for every dollar you contribute, up to \$521.43 each year (1 July to 30 June).

Withdrawing your investments

You can only withdraw your investment as specified in the KiwiSaver Act 2006 or otherwise as required by law. Your interest or any future benefits that will or may become payable under the scheme cannot be assigned or charged or passed to any other person whether by way of security, operation of law, or any other means.

Mercer may deduct any amount owed to the supervisor, Mercer or the scheme and any amount needed to compensate the scheme for loss resulting from the investor's fraud, dishonesty or other misconduct from any amount payable to that investor.

An investor may only withdraw contributions made to the New Zealand Defence Force KiwiSaver Scheme in the following circumstances:

Superannuation qualification age: You can usually begin withdrawing your KiwiSaver savings when you turn 65.

At that time you can:

- withdraw the full amount of your investment, in which case your KiwiSaver account will be permanently closed; or
- withdraw part of your investment (subject to conditions); and/or
- make regular withdrawals (subject to conditions).

However, if you first joined KiwiSaver (or complying superannuation fund) before 1 July 2019, a five-year membership requirement also usually applies before you can withdraw. You can opt out of the five-year membership requirement by notifying us. If you do that, from age 65 you'll no longer be eligible to receive any Government contributions and your employer can stop their contributions.

First home: You may be eligible to withdraw your investment (leaving a minimum of \$1,000 in your account) to put towards buying your first home once three years have passed since Inland Revenue received your first KiwiSaver contribution, or the date you first joined a KiwiSaver Scheme. You may be eligible for a second chance withdrawal if Kāinga Ora - Homes and Communities determines that you are in the same financial position as a first home buyer.

Significant financial hardship: If you are suffering significant financial hardship and can provide appropriate evidence of this, you may be able to withdraw some of your KiwiSaver savings. You cannot withdraw accumulated contributions from the Government.

Serious illness: You may be able to withdraw your KiwiSaver investment early if you are experiencing terminal illness, have a life-shortening congenital condition, or permanent disability affecting your ability to work.

The information you provide when applying for this withdrawal will be used by the supervisor to determine whether or not you meet the criteria for a claim based on serious illness.

You may withdraw the full balance of your investment. If you do your KiwiSaver account will be closed.

Death: In the event of your death, Mercer must pay the full balance of your savings to your estate's personal representative(s).

Permanent emigration: You may apply to Mercer to withdraw your full KiwiSaver balance or have it transferred to a foreign superannuation scheme specified in the KiwiSaver Act 2006 after one year has passed since your permanent emigration from New Zealand (less the amount of any accumulated member tax credits). These withdrawals do not apply if you emigrate to Australia.

If you emigrate to Australia you will, instead, be able to transfer the full balance of your savings to an Australian complying superannuation scheme.

Conditions apply to each of these withdrawals.

Liability for tax on foreign superannuation scheme transfers: You may withdraw the full balance of your KiwiSaver account, except for the Government contributions – member tax credits and the \$1,000 kick-start (if applicable when you joined) to meet your tax liability on any amounts transferred to the scheme from your interest in a foreign superannuation scheme (that is not in Australia), or where a student loan repayment obligation has arisen following transfer to the scheme of your interest in that foreign superannuation scheme.

Australian sourced funds: Restrictions also apply to withdrawals for investors who have transferred their Australian superannuation savings to the scheme. In such situations, you:

- will generally be able to start withdrawing the Australian sourced savings once you turn 60 and have retired for the purposes of Australian superannuation legislation (which simply means stopped working);
- will not be able to withdraw any Australian sourced savings for the purpose of purchasing a first home; and
- will not be able to withdraw any Australian sourced savings on permanent emigration if you subsequently permanently emigrate from New Zealand to a country other than Australia.

Suspending withdrawals: Mercer may suspend withdrawals in limited circumstances if there are redemption price calculation or fund liquidity issues.

In order to calculate your withdrawal amount, we will use the unit prices available at the time we process the withdrawal. You will not receive a unit price for a date earlier than the date your withdrawal form is received (note unit prices for each business day are generally available two business days later).

Payments may take up to five business days to process from when we receive the required withdrawal form. In some circumstances, withdrawals will take longer to process if your withdrawal form is not fully complete or your withdrawal requires additional approval.

At the time of the withdrawal there may be deductions processed to your account balance, such as for tax and fees. Unit prices can be viewed when you sign into your account online.

How to switch between funds

You are able to switch from one fund to one or more funds within the scheme at any time by signing in to your New Zealand Defence Force KiwiSaver Scheme account online at www.nzdfsavings.mil.nz. You may also direct your ongoing contributions to one or more funds within the scheme at any time.

A switch is considered a withdrawal from one fund and an application for units in another fund.

Valid switch instructions received before 4.00pm on a business day (New Zealand time) will be processed using the declared unit prices for that day, once known. Investment switch requests received after 4.00pm on a business day (New Zealand time) will be processed effective the following business day (and will be processed using the following day's declared unit price). Note that unit prices for each business day are generally available two business days later. Unit prices are not calculated for weekends or public holidays.

SECTION 3

Description of your investment option(s)

Investment option, strategy and objectives	Target investment mix	Risk indicator	Minimum recommended timeframe
<p>Cash</p> <p>Invests entirely in cash and short term interest bearing investments. Designed for investors who want no exposure to growth assets or where the funds may be required in the short term.</p>		1	No minimum recommended timeframe
<p>Conservative</p> <p>Invests mostly in defensive assets such as fixed interest and cash, with only limited investment to growth assets such as shares and real assets. May be suitable for investors who want to achieve slightly higher returns than those expected from investing solely in the Cash fund. Investors need to be comfortable with the possibility of some fluctuations in returns.</p>		3[^]	Minimum 3 years
<p>Moderate</p> <p>Invests mainly in defensive assets such as fixed interest and cash, with about 40% invested in growth assets such as shares and real assets. May be suitable for investors who want to invest in a broad mix of assets and who are comfortable with a higher degree of volatility in returns than can be expected from the Conservative fund.</p>		4[^]	Minimum 5 years
<p>Balanced</p> <p>Invests mainly in growth assets such as shares and real assets, with about 40% invested in defensive assets such as fixed interest and cash. May be suitable for investors who want a diversified investment with exposure to shares, real assets, fixed interest and cash, who are comfortable with a higher degree of volatility in returns than can be expected from the Moderate fund and who can invest for the long term.</p>		4[^]	Minimum 8 years
<p>Growth</p> <p>Invests predominantly in growth assets such as shares and real assets, with only a limited amount in defensive assets such as fixed interest and cash. May be suitable for investors wanting to invest mostly in growth assets who are comfortable accepting more volatile returns than those expected from the Balanced fund with a view to achieving higher longer-term returns.</p>		5[^]	Minimum 10 years
<p>High Growth</p> <p>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 higher volatility in returns.</p>		5[^]	Minimum 13 years
<p>Shares</p> <p>Invests almost entirely in shares. May be suitable for investors seeking exposure mostly to shares and who are comfortable with a high level of volatility in returns.</p>		5	Minimum 13 years

Further information about the assets in the funds can be found in the fund updates at www.nzdfsavings.mil.nz.

We regularly review our statement of investment policies and objectives, also known as the SIPO which is available on www.disclose-register.companiesoffice.govt.nz. Mercer, in consultation with the supervisor and the Chief of Defence Force, may change it from time to time as a result of changes in the market or following a review by Mercer of the scheme's investment policies or objectives. The Chief of Defence Force may request Mercer to review the SIPO at any time on 20 business days' written notice provided that not more than one notice may be given in any calendar year. Any changes to the SIPO will be advised in the scheme's annual report, but will not otherwise be separately notified to investors.

*Listed Infrastructure

[^]A combination of actual fund returns and composite index returns have been used to determine these risk indicators due to a change in investment policy on 31 August 2020. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the funds. For the five-year period ending 31 March 2023, composite market and peer group indices have been used for the Conservative, Moderate, Balanced, Growth and High Growth funds, up to 31 August 2020, with actual fund returns used for the balance of the period to 31 March 2023. Additional information about the composite indices used is available on www.disclose-register.companiesoffice.govt.nz.

Key:

■ Defensive	■ Growth
■ Cash & cash equivalents	■ Australasian equities
■ NZ Fixed Interest	■ International equities
■ International Fixed Interest	■ Listed property
	■ Other*

SECTION 4

What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand 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.

Lower risk							Higher risk	
1	2	3	4	5	6	7		
Potentially lower returns							Potentially higher returns	

See the table on page 3 showing the filled-in risk indicator for the New Zealand Defence Force KiwiSaver Scheme funds. 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 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 (described under the heading 'Other specific risks') that are not captured by this rating.

The risk indicator is not a guarantee of a fund's future performance.

The risk indicator is based on returns for the five years to 31 March 2023. 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 of the funds.

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:

Investment Portfolio and Asset Class Risk

Each fund will be subject to the particular risks applying to the types of assets the fund invests in. Funds with a higher concentration of growth assets have a corresponding higher level of risk.

Market Risk

Returns on a fund's investments will be affected by the performance of the investment markets generally. Market performance is affected by demand and supply, economic, technological, political, tax and regulatory conditions as well as market sentiment.

Currency Risk

Where a fund invests outside of New Zealand, its returns will be affected by movements between the other currencies and the New Zealand dollar.

Interest Rate Risk

The market value of a fund that includes fixed income securities can change due to changes in interest rates generally. Relatively small changes in interest rates can significantly impact the market value of fixed income assets.

Other specific risks

There are circumstances which may arise and significantly increase the risk to returns for investors (and which are not already reflected in the risk indicators). These risks relate to Mercer's particular approach to management of the funds' investments.

Mercer is a "manager of managers" and therefore there is the risk that a manager we select underperforms, resulting in lower returns than the relevant market or objective. To reduce this risk, we have a thorough manager research and monitoring process, and we also diversify across a number of managers.

Exclusions are currently applied to these funds which may mean they are less diversified in the investment options they can pursue. The funds may therefore forego some potentially profitable opportunities on ethical grounds. Exclusions applied by the Scheme manager may change.

More Information

More information about risks, including active management risk (as a specific risk), can be found in the document "Other Material Information - Risks", available at www.disclose-register.companiesoffice.govt.nz (search under "Offers" for New Zealand Defence Force KiwiSaver Scheme).

SECTION 5

What are the fees?

You will be charged fees for investing in the New Zealand Defence Force KiwiSaver Scheme. Fees are deducted from your investment and will reduce your returns. If Mercer 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 (currently none).

Fund	Manager's basic fee (Estimated % Per Annum)	Other management and administration charges (Estimated % Per Annum)	Total annual fund charges (Estimated % Per Annum)
Cash	0.28%	0.20%	0.48%
Conservative	0.49%	0.21%	0.70%
Moderate	0.58%	0.21%	0.79%
Balanced	0.66%	0.21%	0.87%
Growth	0.75%	0.21%	0.96%
High Growth	0.80%	0.21%	1.01%
Shares	0.89%	0.20%	1.09%

GST may be included in some expenses, but is not currently payable on the fees stated. If that changes GST will be added to the fees, where applicable.

The total annual fund charges are set out as a percentage of the net asset value of the fund. They are charged by Mercer and cover fees of Mercer (Manager's Basic Fee) and the estimated fees for the supervisor and custodian (included in Other Management and Administration Charges) in performing their management and supervisory functions (respectively) to the scheme.

The Manager's Basic Fee can vary due to a rebate which applies to the aggregate funds under management in the NZDF Savings Schemes and has been estimated using the prior year rebate, if any.

The annual fund charges include estimates for certain costs incurred and expenses recovered where Mercer invests into other funds, such as indirect costs charged by external investment trusts or managers of underlying funds.

Mercer, the supervisor and NZDF also incur a number of expenses for which they are entitled to be reimbursed out of the scheme assets. These expenses are estimated within the Other Management and Administration Charges set out above and include expenses relating to financial advisory services provided to Scheme members and for Scheme governance, distribution and member education.

Expenses for basic financial advice and education services (that all members are able to access, from Become Wealth Limited) are included in the estimates in Other Management and Administration Charges in the table above. More information about the available services can be found at www.nzdfsavings.mil.nz.

The underlying funds in which these funds invest may incur trading expenses. Trading expenses are the actual costs of buying and selling the investments of a fund, and include brokerage fees, spreads, and associated custody transaction costs. The estimated total annual fund charges shown exclude trading expenses incurred by the underlying funds. These trading expenses are reflected in the unit price of each fund.

There are currently no contribution, establishment, termination or withdrawal fees charged to you and you are not currently charged any other fees on an individual basis for investor-specific decisions or actions. If fees on an individual action basis are introduced further information will be published at www.nzdfsavings.mil.nz.

SECTION 6

What taxes will you pay?

Example of how fees apply to an investor

CPL Smith invests \$10,000 in the Balanced fund of the New Zealand Defence Force KiwiSaver Scheme. She is not charged an establishment fee or a contribution fee, because there are currently none.

This means that the starting value of her investment is \$10,000.

She is charged management and administration fees, which work out to about \$87 (0.87% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year

Individual action fees	NIL
Fund charges	\$87
Other charges	NIL

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 of the New Zealand Defence Force KiwiSaver Scheme. If you are considering investing in other funds in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

The existing fees may be changed or new fees imposed in accordance with the trust deed and applicable law. The fees charged to all investors must be reasonable.

Mercer 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 www.nzdfsavings.mil.nz.

New Zealand Defence Force KiwiSaver 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 <https://www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates>. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell Mercer your PIR when you invest or if your PIR changes. If you do not tell Mercer, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

SECTION 7

Who is involved?

About Mercer

Mercer has been operating in New Zealand since 1957 providing investment, actuarial, consulting and administration services to employer based superannuation and KiwiSaver schemes as well as investment services to the wholesale sector.

We can be contacted at the following address:

Mercer (N.Z.) Limited
Level 11, 15 Customs Street West
Auckland 1010
Telephone: 0800 333 787

Who else is involved?

	Name	Role
Supervisor	Trustees Executors Limited	Supervisor of the scheme under the Financial Markets Conduct Act 2013, responsible for supervising Mercer as manager of the scheme.
New Zealand Defence Force	Chief of Defence Force	The Chief of Defence Force has various consultation, approval and other rights in relation to the scheme.
Custodians	BNP Paribas Fund Services Australasia Pty Ltd	Holds most of the assets of the scheme separate to the Manager and on behalf of the supervisor.
	Trustees Executors Limited	Holds the bank accounts of the scheme separate to the Manager.

SECTION 8

How to complain

Please direct any complaints about your investment to Mercer at:

Mercer (N.Z.) Limited
Level 11, 15 Customs Street West
PO Box 105591, Auckland 1010

Attn: Complaints and Privacy Officer
Telephone: 0800 333 787
Email: feedbacknz@mercer.com

If Mercer are unable to resolve your complaint, you may choose to contact the supervisor at:

Trustees Executors Limited
Level 11, 51 Shortland Street, Auckland 1010
PO Box 4197, Auckland 1140

Attn: The Manager – Corporate Trustee Services
Telephone: 0800 878 783

Mercer is a member of the Insurance and Financial Services Ombudsman Scheme (IFSO Scheme) and the supervisor is a member of Financial Services Complaints Limited (FSCL), both of which are independent dispute resolution schemes.

If you have made a complaint to Mercer and the complaint cannot be resolved, then you may refer it to the IFSO subject to certain conditions being met.

Office of IFSO Scheme
Level 2, Solnet House
70 The Terrace, Wellington

PO Box 10-845, Wellington 6143

Telephone: 04 499 7612 or 0800 888 202
Email: info@ifso.nz

The IFSO will not charge a fee to any complainant to investigate or resolve a complaint. Further information about referring a complaint to the IFSO can be found at **www.ifso.nz**.

If you have made a complaint to the supervisor, and it has not been resolved, you can refer it to FSCL at:

4th Floor, 101 Lambton Quay, Wellington
PO Box 5967, Wellington 6140

Telephone: 0800 347 257
Email: complaints@fscl.org.nz

The FSCL will not charge a fee to any complainant to investigate or resolve a complaint. Further information about referring a complaint to FSCL can be found at **www.fscl.org.nz**.

Note that different procedures apply when making a complaint to the IFSO and FSCL. Full details can be obtained at their respective websites.

SECTION 9

Where you can find more information

Further information relating to the New Zealand Defence Force KiwiSaver Scheme and membership of the scheme, including financial statements, is available on the offer register and the scheme register which can be found at

www.disclose-register.companiesoffice.govt.nz.

A copy of the information on the offer register and the scheme register is available on request to the Registrar of Financial Service Providers.

There is a PIE Tax Statement that will be provided to you each year you are an investor in the New Zealand Defence Force KiwiSaver Scheme. This will include the amount of PIE income attributed to you and the amount of PIE tax paid or refunded at your PIR.

Fund updates and other information is available at **www.nzdfsavings.mil.nz** or on request to Mercer in writing or by telephone. You can call us on 0800 333 787.

This information can be obtained from Mercer without charge.

Information on the New Zealand Defence Force KiwiSaver Scheme can also be found on the Force Financial Hub, which includes the NZDF savings schemes and a range of other products, benefits and tools aimed at enhancing the financial wellbeing of the Defence Community.

SECTION 10

How to apply

Apply online

It will take you 2–5 minutes to complete the online form at www.nzdfsavings.mil.nz.

What you're going to need

1. Your IRD number
2. NZDF Service number (if applicable)
3. Your driver's licence number (for verification of your identity)
4. An email address
5. Your full legal name
6. Your residential address

Complete the paper application form

The application form to join the New Zealand Defence Force KiwiSaver Scheme is included with this Product Disclosure Statement. Complete the form and post it back to Mercer. No stamp is required.

New Zealand Defence Force KiwiSaver Scheme
Freepost Authority Number 3629
PO Box 1849, Wellington 6140

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NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME APPLICATION FORM

If you need help completing this form please call us on **0800 333 787**.

Please print in black or blue pen, in uppercase, one character per box and all that apply.

STEP 1 – COMPLETE YOUR PERSONAL DETAILS

Title: Mr Mrs Ms Miss Other

Date of birth / /

First name Middle name(s) Surname

Gender Male Female

Residential address

NUMBER STREET NAME

SUBURB

CITY POSTCODE

Mailing address (if different from residential address)

NUMBER STREET NAME

SUBURB

CITY POSTCODE

Telephone

Mobile

Daytime

Email

STEP 2 – YOUR TAX DETAILS

! If you are a New Zealand Defence Force (NZDF) member we can complete your IRD number for you. If you are not a NZDF member please provide your IRD number below.

Prescribed Investor Rate (PIR)

Tick one only: 10.5% 17.5% 28%

IRD number - -

If you do not elect a PIR, your investment income will be taxed at 28%.

To work out your PIR, please visit purl.co.nz/pir_nzdf.

Please note that you must provide us with your IRD number within 6 weeks of becoming a Member of the scheme.

Otherwise, we are under a legal obligation to close your account.

STEP 3 – TRANSFERS

- Tick here if you are a member of the Defence Force Superannuation Scheme and would like to transfer your savings to this KiwiSaver account.
- Tick here if you are transferring from another KiwiSaver scheme.

If you're employed, contributions will be deducted automatically. If you are not employed (self-employed, unemployed, under 18 and not working, retired etc) you can make lump sum or regular contributions into your KiwiSaver account at any time.

Lump sum contributions can be paid directly into this scheme via online banking. If you would like to set up regular contributions please complete the attached Direct Debit Form.

STEP 4 – YOUR FUND

! You can choose one or more of the investment funds available and enter the percentage of your savings you want invested in each fund. If you do not choose a fund, your savings will be invested in the Balanced fund. **Total must add up to 100%.**

Cash	<input type="text"/>	%
Conservative	<input type="text"/>	%
Moderate	<input type="text"/>	%
Balanced	<input type="text"/>	%
Growth	<input type="text"/>	%
High Growth	<input type="text"/>	%
Shares	<input type="text"/>	%
TOTAL EQUALS 100%		

STEP 5 – CONFIRM YOUR IDENTITY

Are you a NZDF member?

- YES – Please provide your NZDF service number (please go straight to Step 6)
- NO – Please provide the information requested at **A** and **B** on following page.

! Copies of your documents can be certified by: Justice of the Peace, Solicitor or Notary Public. The Confirmation of Identity Guide is available on www.nzdfsavings.mil.nz to help complete this step. When confirming your identity please provide photocopies of the appropriate pages containing name, date of birth, photograph and signature.

To the certifier: The certifier must view the original document(s) (not a fax, photocopy or scan) before writing their Full Name, Occupation, Date and Signature and make a statement to the effect that the document(s) provided are a true copy and represent the identity of the named individual. Certification is valid for 3 months. For account holders under 18 we also require a scanned or certified copy of their passport or full birth certificate as well as proof of the relationship with the authorised signatory/signatories (for example, a birth certificate or guardianship order).

PROVIDE A CERTIFIED PHOTOCOPY OF CURRENT AND VALID DOCUMENTS

A Confirm your identity by providing:

OPTION 1 – A certified photocopy of ONE of:

- A NZ / overseas passport A NZ firearms licence An overseas government national identity card

OR OPTION 2 – A certified photocopy of ONE of:



ONE of:

- A NZ / international driver's licence A NZ / overseas birth certificate
 An 18+ card A NZ / overseas citizenship certificate

OR OPTION 3 – A certified photocopy of:

- A New Zealand driver's licence **+** A SuperGold card or Community Services card

OR OPTION 4 (minors only) – A certified photocopy of ONE of:

- A NZ / overseas birth certificate A NZ / overseas passport

B Confirm your residential address by providing a recent copy of ONE of the following:

- Bank statement Utility bill Inland Revenue statement

STEP 6 – SIGN THE DECLARATION

By signing this form I:

- apply to become a member of the New Zealand Defence Force KiwiSaver Scheme (the 'scheme')
- acknowledge that I have received a copy of the Product Disclosure Statement dated 30 June 2023 which contains information about establishing an account in the scheme
- confirm that I am a member of the Defence Community
- agree to be bound by the provisions of the governing documents of the scheme
- acknowledge that I am present and live (or normally live) in New Zealand, and that I am a New Zealand citizen or entitled to live in New Zealand indefinitely
- authorise the use and disclosure of any personal information relating to me as may be necessary for the purposes of the scheme
- acknowledge that NZDF, the supervisor and the manager may request information from me and that where information requested is not supplied or is incorrect, they have the power to make appropriate adjustments
- understand that the choices I have indicated on this form will remain in force until I advise the Manager otherwise, with the effective date of change being as advised by the Manager
- authorise the Manager of the scheme to contact my previous superannuation plan and/or KiwiSaver provider to arrange for the transfer of funds as specified in this application, and to pay these funds directly into my account in the scheme

- give my express consent to the receipt of both electronic messages and commercial electronic messages (as defined in the Unsolicited Electronic Messages Act 2007), which messages may also include a World Wide Web uniform resource locator, until such time as I advise the Manager, via the functional unsubscribe facility, to cease sending such messages.

Privacy Authorisation

By signing this form I agree that:

- NZDF may provide information, including my IRD number, service number, name and address details to the Manager and the Manager may use this information to facilitate my membership of the scheme and to identify me when administering my account.
- NZDF, the Supervisor and the Manager may share, use and obtain information about me and my account, and allow third parties, including financial advisers and any parent/guardian, to have access to my personal information to the extent reasonably necessary to meet their respective legal obligations, administer my account, provide financial advice or promote to me other products or financial services that may be of interest.

I have the right to access and request correction of personal information held about me.

By signing this form I consent to the handling and storage of my personal information. If I do not provide this information, the Manager and NZDF may not be able to open my account and/or provide selected investment choices.

Signature of applicant Date / /

Notes for applicant's parent(s)/guardian(s) and who needs to sign this application form

If the applicant is:

Under 16 and...	is joining KiwiSaver for the first time, then <u>all</u> parents/guardians, or an Oranga Tamariki guardian (appointed under the Oranga Tamariki Act 1989) must sign below
	already a KiwiSaver scheme member, then <u>one</u> parent/guardian or Oranga Tamariki guardian must sign below
16 or 17 and...	is joining KiwiSaver for the first time, then <u>the applicant and one parent/guardian</u> or Oranga Tamariki guardian must sign below
	already a KiwiSaver scheme member (noted in Step 3), then <u>the applicant</u> can sign above

Notes for someone under the age of 18:

Identity and address documents must be provided for both parents/legal guardians / Oranga Tamariki guardian as per step 5.

I confirm that I have read and accepted the information contained in Step 6 above on behalf of the applicant named in Step 1 of this form.

Notes for individuals holding power of attorney:

If signed under Power of Attorney, the attorney confirms they have not received revocation of that power in respect of the applicant. I confirm that I have read and accepted the information contained in Step 6 above on behalf of the applicant named in Step 1 of this form.

FULL NAME		RELATIONSHIP TO APPLICANT	
TELEPHONE	DATE OF BIRTH / /	SIGNATURE <input type="text" value="X"/>	DATE / /
FULL NAME		RELATIONSHIP TO APPLICANT	
TELEPHONE	DATE OF BIRTH / /	SIGNATURE <input type="text" value="X"/>	DATE / /

Please send your completed application to: New Zealand Defence Force KiwiSaver Scheme, PO Box 1849, Wellington 6140.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME



If you need any help in completing this form please phone us on **0800 333 787**

PAYMENT FREQUENCY

Amount (Minimum payment amount is \$10 per fortnight or \$20 per month)

\$

- Fortnightly (Thursday or the closest possible working day)
- Monthly (15th of every month or the closest possible working day)

INVESTOR DETAILS

Member name:

Membership number:

IRD number:

 - - 

Please attach proof of your bank account (a bank encoded deposit slip or a bank statement dated within the last six months).
Once completed, please post your original form to NZDF KiwiSaver Scheme, PO Box 1849, Wellington 6140.

DIRECT DEBIT AUTHORITY

Name of my bank account to be debited:

Initiator's authorisation code:

0 3 3 3 5 9 3

Name of my bank:

My bank account number:

Bank Branch number Account Suffix

Approved

3359

09/2018

From the acceptor to their bank:

I authorise you to debit my account with the amounts of direct debits from *New Zealand Defence Force KiwiSaver Scheme* with the Authorisation Code specified on this authority in accordance with this authority until further notice.

I agree that this authority is subject to:

- The bank's terms and conditions that relate to my account, and
- The specific terms and conditions listed below.

The following information will show on your bank statement:

N Z D F K S

Authorised signature(s):

Date:

 / /

Specific conditions relating to notices and disputes

You may ask your bank to reverse a direct debit up to 120 calendar days after the debit if:

- You don't receive a written notice of the amount and date of each direct debit from the initiator, or
- You receive a written notice but the amount or the date of debiting is different from the amount or the date specified on the notice.

The initiator is required to give a written notice of the amount and date of each direct debit in a series of direct debits no less than 10 calendar days before the date of the first direct debit in the series. The notice is to include:

- The dates of the debits, and
- The amount of each direct debit.

If the initiator proposes to change an amount or date of a direct debit specified in the notice, the initiator is required to give you notice no less than 30 calendar days before the change.

If the bank dishonours a direct debit but the initiator sends the direct debit again once within 5 business days of the dishonour, initiator is not required to give you a second notice of the amount and date of the direct debit.

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For further information

Visit: www.nzdfsavings.mil.nz

Telephone: 0800 333 787



**HEI MANA MŌ AOTEAROA
A FORCE FOR NEW ZEALAND**