

New Zealand Defence Force FlexiSaver Scheme

# PRODUCT DISCLOSURE STATEMENT

30 September 2022



This is a replacement product disclosure statement. It replaces the product disclosure statement dated 26 October 2021. 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](http://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.

The New Zealand Defence Force FlexiSaver Scheme is not a separate managed investment scheme, but a section within Mercer FlexiSaver (which is itself a managed investment scheme registered under the Financial Markets Conduct Act 2013).

### What will your money be invested in?

Mercer FlexiSaver, and in turn the New Zealand Defence Force FlexiSaver Scheme offers seven funds. These investment options are summarised on the following page. More information about the investment target and strategy for each investment option is provided at Section 3 (Description of your investment option(s)).

### Who manages the New Zealand Defence Force FlexiSaver Scheme?

The manager of the New Zealand Defence Force FlexiSaver 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?

Investments in the New Zealand Defence Force FlexiSaver Scheme are redeemable. You can request a withdrawal either in full or in part at any time by submitting to Mercer a withdrawal notice.

In certain circumstances we may temporarily stop your ability to withdraw from the FlexiSaver Scheme, or defer payment of withdrawals.

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

Your investment in the New Zealand Defence Force FlexiSaver Scheme can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

### How will your investment be taxed?

Mercer FlexiSaver 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 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 for Mercer FlexiSaver are available at [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.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) |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------|----------------------------------------------------------------------------------------|
| <b>Mercer Cash</b>         | 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.                                                                                                                                                                                                                                        |                |      | 0.55%                                                                                  |
| <b>Mercer Conservative</b> | 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.                                                  |                | *    | 0.79%                                                                                  |
| <b>Mercer Moderate</b>     | 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.                                                                                   |                | *    | 0.90%                                                                                  |
| <b>Mercer Balanced</b>     | 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. |                | *    | 1.01%                                                                                  |
| <b>Mercer Growth</b>       | 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.                                               |                | *    | 1.10%                                                                                  |
| <b>Mercer High Growth</b>  | 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.                                                                                        |                | *    | 1.14%                                                                                  |
| <b>Mercer Shares</b>       | 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.                                                                                                                                                                                                                                                          |                |      | 1.17%                                                                                  |

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-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

\*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 30 June 2022, composite market and peer group indices have been used for the Mercer Conservative, Mercer Moderate, Mercer Balanced, Mercer Growth and Mercer High Growth funds, up to 31 August 2020, with actual fund returns used for the balance of the period to 30 June 2022. Additional information about the composite indices used is available on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

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## SECTION 2

# How does this investment work?

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

The New Zealand Defence Force FlexiSaver Scheme is a section of Mercer FlexiSaver and is governed by a trust deed dated 16 September 2015 (as amended from time to time) (together the FlexiSaver Scheme).

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.

Mercer FlexiSaver 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 FlexiSaver 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.

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

There are seven funds. An investor may invest in any one of the seven funds, or in a combination of these funds. The assets of one fund are not available to meet the liabilities of any other 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;
- flexible choice of investments, you can choose one or a combination of funds;
- sector specialist active investment management;
- experienced administration of savings accounts; and
- comprehensive reporting and innovative investor information tools.

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

### Joining the scheme

Only members of the Defence Community and certain entities related to them are eligible to join.

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. 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 FlexiSaver Scheme is set out in Section 10 (How to apply).

## Making investments

You can make regular or lump sum contributions to the FlexiSaver Scheme at any time. More information on how to make contributions can be found at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz).

As a PIE, the funds are subject to meeting certain eligibility requirements such as minimum investor numbers and maximum investor interests as stipulated in the Income Tax Act 2007. Mercer has discretion whether or not to accept your application and to manage investments in such a way to meet the PIE requirements.

## Withdrawing your investments

An investor may withdraw contributions made to the FlexiSaver Scheme at any time either by making regular withdrawals, lump sum withdrawals or a withdrawal of the full amount subject to certain minimums. Please refer to [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz) for more information.

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 at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz).

Mercer may suspend withdrawals in limited circumstances relating to redemption price calculations or fund liquidity.

## How to switch between funds

You are able to switch to one or more funds within the scheme by signing in to your account online at [www.nzdfsavings.mil.nz](http://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. Unit prices can be viewed when you sign into your account online at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz).

## SECTION 3

# Description of your investment option(s)

| Investment option, strategy and objectives                                                                                                                                                                                                                                                                                                                                                                                                                           | Target investment mix | Risk indicator       | Minimum recommended timeframe           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|-----------------------------------------|
| <p><b>Mercer Cash</b></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>                                                                                                                                                                                                                                            |                       | <b>1</b>             | <b>No minimum recommended timeframe</b> |
| <p><b>Mercer Conservative</b></p> <p>Invests mostly in defensive assets such as cash and fixed interest, 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>                                              |                       | <b>3<sup>^</sup></b> | <b>Minimum 3 years</b>                  |
| <p><b>Mercer Moderate</b></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>                                                                                   |                       | <b>3<sup>^</sup></b> | <b>Minimum 5 years</b>                  |
| <p><b>Mercer Balanced</b></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> |                       | <b>4<sup>^</sup></b> | <b>Minimum 8 years</b>                  |
| <p><b>Mercer Growth</b></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>                                                |                       | <b>4<sup>^</sup></b> | <b>Minimum 10 years</b>                 |
| <p><b>Mercer High Growth</b></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 predominately in growth assets, who want higher long-term returns and are comfortable with higher volatility in returns.</p>                                                                                     |                       | <b>5<sup>^</sup></b> | <b>Minimum 13 years</b>                 |
| <p><b>Mercer Shares</b></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>                                                                                                                                                                                                                                                            |                       | <b>5</b>             | <b>Minimum 13 years</b>                 |

Further information about the assets in the funds can be found in the fund updates at [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.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](http://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.

### Key:

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

\*Listed Infrastructure and Unlisted Infrastructure

<sup>^</sup>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 30 June 2022, composite market and peer group indices have been used for the Mercer Conservative, Mercer Moderate, Mercer Balanced, Mercer Growth and Mercer High Growth funds, up to 31 August 2020, with actual fund returns used for the balance of the period to 30 June 2022. Additional information about the composite indices used is available on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## 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 FlexiSaver 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-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 (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 30 June 2022. 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 funds 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.

Mercer believes a sustainable investment approach is more likely to create and preserve long-term capital. However, because Socially Responsible Investment (SRI) funds have additional exclusions, these options may be less diversified in the investment options they can pursue. This means that they may forego some potentially profitable opportunities on ethical grounds, for the benefit of sustainability.

### 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](http://www.disclose-register.companiesoffice.govt.nz) (search under "Offers" for the New Zealand Defence Force FlexiSaver Scheme).

## SECTION 5

# What are the fees?

You will be charged fees for investing in the New Zealand Defence Force FlexiSaver 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     | Other management and administration charges<br>(Estimated % Per Annum) |                                                              | Total annual fund charges<br>(Estimated % Per Annum) |
|----------------------------|-------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------|
|                            | (Estimated % Per Annum) | Other Expenses<br>(Estimated % Per Annum)                              | External Manager Performance Fees<br>(Estimated % Per Annum) |                                                      |
| <b>Mercer Cash</b>         | 0.27%                   | 0.28%                                                                  | n/a                                                          | <b>0.55%</b>                                         |
| <b>Mercer Conservative</b> | 0.49%                   | 0.29%                                                                  | 0.01%                                                        | <b>0.79%</b>                                         |
| <b>Mercer Moderate</b>     | 0.58%                   | 0.29%                                                                  | 0.03%                                                        | <b>0.90%</b>                                         |
| <b>Mercer Balanced</b>     | 0.67%                   | 0.30%                                                                  | 0.04%                                                        | <b>1.01%</b>                                         |
| <b>Mercer Growth</b>       | 0.76%                   | 0.29%                                                                  | 0.05%                                                        | <b>1.10%</b>                                         |
| <b>Mercer High Growth</b>  | 0.81%                   | 0.29%                                                                  | 0.04%                                                        | <b>1.14%</b>                                         |
| <b>Mercer Shares</b>       | 0.89%                   | 0.28%                                                                  | n/a                                                          | <b>1.17%</b>                                         |

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 supervisor and custodian (included in Other Expenses) 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 such as indirect costs charged by external investment trusts or managers of underlying funds.

Mercer, the supervisor, and the New Zealand Defence Force also incur a number of expenses for which they are entitled to be reimbursed out of the scheme assets. In addition, there are fees for financial advisory services provided to scheme members and for Scheme governance provided to NZDF. These expenses are included as an estimate in Other Expenses in the table above.

Expenses of 0.177% 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 Expenses in the table above. More information about the available services can be found at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz).

External manager performance fees of underlying funds have been estimated based on the prior year where applicable.

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.

### Example of how fees apply to an investor

CPL Smith invests \$10,000 in the Balanced fund of the New Zealand Defence Force FlexiSaver 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 \$101 (1.01% 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

|                               |       |
|-------------------------------|-------|
| <b>Individual action fees</b> | Nil   |
| <b>Fund charges</b>           | \$101 |
| <b>Other charges</b>          | 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 FlexiSaver 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.

Mercer must publish a fund update for each fund showing the fees actually charged during the most recent year. Fund updates for Mercer FlexiSaver, including past updates, are available at [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz).

## SECTION 6

# What taxes will you pay?

Mercer FlexiSaver 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.

Mercer and its directors 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                                                                                                                                |
|----------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Supervisor</b>                | Trustees Executors Limited                    | Supervisor of the scheme under the Financial Markets Conduct Act 2013, responsible for supervising Mercer as manager of the scheme. |
| <b>New Zealand Defence Force</b> | Chief of Defence Force                        | The Chief of Defence Force has various consultation, approval and other rights in relation to the scheme.                           |
| <b>Custodians</b>                | BNP Paribas Fund Services Australasia Pty Ltd | Holds 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: Inquiries and Privacy Officer  
Telephone: 0800 333 787  
Email: [feedbacknz@mercero.com](mailto:feedbacknz@mercero.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 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](mailto: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](http://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](mailto: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](http://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 Mercer FlexiSaver and units in 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](http://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 Mercer FlexiSaver. This will include the amount of PIE income attributed to you and the amount of PIE tax paid or refunded at your PIR. You will also be asked to confirm your IRD number and PIR.

Fund updates relating to Mercer FlexiSaver and other information is available at

**[www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.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 FlexiSaver 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.

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## SECTION 10

# How to apply

### Apply online

**It will take you 2–5 minutes to complete the online form at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz).**

### What you're going to need

- Your IRD number
- Your driver's licence number (for verification of your identity)
- An email address
- Your full legal name
- Your residential address

### Complete the paper application form

**The application form to join the New Zealand Defence Force FlexiSaver Scheme is included with this PDS. Complete the form and post it back to Mercer. No stamp is required.**

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

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# SINGLE OR JOINT ACCOUNT APPLICATION FORM

If you need help completing this form or are a non-individual investor wanting to invest on behalf of a trust, please call us on **0800 333 787**.

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

All joint investors must be aged 18 years or over unless married. Where the account is for someone aged under 18 years, at least one parent or guardian must also sign but is not considered a joint investor. They will operate the account for and with the minor until the age of 18. All correspondence will be sent to the principal account holder including if under 18.

## STEP 1 - COMPLETE YOUR PERSONAL DETAILS

### Investor 1 (principal account holder)

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

### Phone / Email

Contact phone number

Email

### Tax details (must be the principal account holder's)

**!** If you are a member of the New Zealand Defence Force (NZDF) we can complete your IRD number for you. If you are not a member of the NZDF 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 visit [purl.co.nz/pir\\_nzdf](http://purl.co.nz/pir_nzdf).

### Are you are a Resident or citizen of a country other than N.Z. for tax purposes?

NO

YES - Please provide all relevant Taxpayer Identification Number (TIN) or country equivalent:

TIN US

TFN AUS    -    -

UTR-UK

NINO-UK   -       -

OTHER

### Are you a member of NZDF?

YES - Please provide your NZDF service number

NO - If you do not have a current service number we will need to confirm your identity. We currently utilise FirstAML to complete this verification and they will contact you via email within 5-10 days of receipt of this application.

### Investor 2 (only to be completed if this is for a joint investor account)

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

### Phone / Email

Contact phone number

Email

**Investor 2 (If applicable) - continued**

**Tax details (must be the principal account holder's)**



If you are a member of the New Zealand Defence Force (NZDF) we can complete your IRD number for you. If you are not a member of the NZDF 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 visit [purl.co.nz/pir\\_nzdf](http://purl.co.nz/pir_nzdf).

**Are you a Resident or citizen of a country other than N.Z. for tax purposes?**

NO

YES - Please provide all relevant Taxpayer Identification Number (TIN) or country equivalent:

TIN US

TFN AUS    -    -

UTR-UK

NINO-UK   -       -

OTHER

**Are you a member of NZDF?**

YES - Please provide your NZDF service number

NO - If you do not have a current service number we will need to confirm your identity. We currently utilise FirstAML to complete this verification and they will contact you via email within 5-10 days of receipt of this application.

**STEP 2 - CONTRIBUTIONS**

I intend to:

Initiate a deduction directly from my pay via NZDF Payroll

Contribute via direct debit and attach my completed direct debit form

Contribute via internet banking (one-off payment or regular payment)

We will be in touch with you to discuss your preferred payment option.

**STEP 3 - INFORMATION ABOUT THE NATURE AND PURPOSE OF YOUR INVESTMENT**

**a. Please tell us how you obtained or will obtain the funds you will invest in the New Zealand Defence Force FlexiSaver Scheme (tick all that apply).**

Savings from salary  Inheritance  Return on investments  Sale of a property or other assets  Other (please provide details)

Please provide dates and amounts for any lump sums you received or are expecting to receive, or any further information.

**b. Please tell us why you have specifically chosen the New Zealand Defence Force FlexiSaver Scheme to invest your funds (tick all that apply).**

To have ready access to my invested funds

To save up for a house or other significant asset

To diversify my existing investments

To access specialist investment management or advice

Other (please provide as much detail as possible):

(examples may include: a diversified investment with exposure to a broad mix of assets; fixed interest; stability in the short term; higher long-term returns where I am comfortable with greater volatility; exposure to offshore markets; (no) exposure to growth assets; or others)

**c. How do you intend to transact on the account?**

Deposits (please select at least one)

Withdrawals (please select at least one)

Regularly  Weekly

Regularly  Monthly

Fortnightly

Fortnightly

Monthly

Quarterly

Three monthly / quarterly

Occasionally (1 - 3 times per year)

Occasionally (1 - 3 times per year)

Lump sum (one-off)

No withdrawals planned

How much do you expect to invest annually? \$

Please note this information is requested for Mercer's Anti-Money Laundering and Countering Financing of Terrorism Act 2009 obligations and is not used to assess the suitability of your fund selection, or to provide financial advice.

## 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 Mercer Balanced fund. **Total must add up to 100%.**

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

## STEP 5 – SIGN THE DECLARATION

By signing this form I/We:

- apply to become a member of the New Zealand Defence Force FlexiSaver Scheme (FlexiSaver Scheme) a section within Mercer FlexiSaver
- acknowledge that I have received a copy of the Product Disclosure Statement dated 30 September 2022 which contains information about establishing an account in the FlexiSaver Scheme
- confirm that either Investor 1 (or Investor 2 where this is an application for a joint account) are a member of the Defence Community
- agree to be bound by the provisions of the governing documents of the FlexiSaver Scheme
- authorise the use and disclosure of any personal information relating to me as may be necessary for the purposes of the FlexiSaver 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 indicated on this form will remain in force until the Manager is advised otherwise, with the effective date of change being as advised by the Manager
- give 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 the

Manager is advised, via the functional unsubscribe facility, to cease sending such messages

- confirm that the information provided is accurate and complete.
- Where this application is for joint investors acknowledge and agree that the investment will be held as joint tenants.

### 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 FlexiSaver 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, 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.

The Manager abides by the Privacy Act 2020, and you have the right to access and request correction of personal information held about you.

By signing this form I consent to the handling, use 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   /   /

Date   /   /

### For accounts in the name of a minor or where a power of attorney exists

If signed under Power of Attorney, the attorney confirms that s/he has not received a revocation of that power.

All signatories confirm they have read and accept the information contained in Step 5 above on behalf of the applicant named in Step 1 of this form.

If signed in respect of a minor, each signatory confirms they are a parent/legal guardian of the minor and acknowledge that, where the minor is still under 18, they will operate the account for and with the minor until they reach the age of 18, but from that point the minor will have sole capacity to operate the account.

**Each signatory must confirm their identity and address. We currently use FirstAML to complete this verification and they will contact you via email within 5-10 days of receipt of this application. 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). For information on how to do this, please use the “Confirmation of Identity Guide” available at <https://www.nzdfsavings.mil.nz/documents.html>.**

|                                        |                                  |                                        |                                  |
|----------------------------------------|----------------------------------|----------------------------------------|----------------------------------|
| IF A PARENT OR GUARDIAN FULL NAME      |                                  | IF A PARENT OR GUARDIAN FULL NAME      |                                  |
| RELATIONSHIP TO APPLICANT              |                                  | RELATIONSHIP TO APPLICANT              |                                  |
| CONTACT DETAILS IF NOT ABOVE TELEPHONE |                                  | CONTACT DETAILS IF NOT ABOVE TELEPHONE |                                  |
| EMAIL                                  |                                  | EMAIL                                  |                                  |
| DATE OF BIRTH / /                      |                                  | DATE OF BIRTH / /                      |                                  |
| SIGNATURE                              | DATE                             | SIGNATURE                              | DATE                             |
| <input type="text" value="X"/>         | <input type="text" value="/ /"/> | <input type="text" value="X"/>         | <input type="text" value="/ /"/> |

### Adviser use only

Company name  Adviser name



Please return your completed form to:  
New Zealand Defence Force FlexiSaver Scheme, PO Box 1849, Wellington 6140, New Zealand

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# NEW ZEALAND DEFENCE FORCE FLEXISAVER SCHEME SECTION WITHIN MERCER FLEXISAVER



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 FlexiSaver 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 8 5

Name of my bank:

My bank account number:

Bank      Branch number      Account      Suffix

| Approved |         |
|----------|---------|
| 3358     | 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 FlexiSaver 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 F L E X I 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, the initiator is not required to give you a second notice of the amount and date of the direct debit.

**For further information**

Visit: [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz)

Telephone: 0800 333 787



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