

Investment Choice Fact Sheet

Deciding where to invest your money is a big decision, and can sometimes be a bit daunting. Use this Fund Selector tool to help you better understand how your approach to risk translates to the investment options available to you. (Risk refers to the likelihood of an investment losing value.)

Consider each of the following questions and circle the most appropriate answer that applies to you. Add up your points at the end for your total score and to see which investment option best matches your score.

FINANCIAL ADVICE DISCLOSURE: This Fund Selector tool is provided by Mercer (N.Z.) Limited (Mercer), a licensed financial advice provider (FSP42742). This Fund Selector tool provides general advice about NZDF Savings Schemes' investment options only. The purposes of this tool is to help you decide which investment options might be best for you.

Mercer will benefit financially if you invest in one of the NZDF Savings Schemes, as we are the Manager. To manage conflicts, we have a conflict of interest policy and framework in place and we take all reasonable steps to ensure our advice is made based on your goals and circumstances. We regularly monitor and review the advice provided by this tool to ensure the recommendations are appropriate for investors.

Mercer has to meet strict legal duties relating to the way we provide financial advice, www.nzdfsavings.mil.nz website has information about these duties and more information is available by contacting us, or by visiting the Financial Markets Authority website at www.fma.govt.nz.

You can find information about how to make a complaint and an overview of our internal complaints process at www.nzdfsavings.mil.nz. This website also provides information about, and the contact details of, the Insurance and Financial Services Ombudsman Scheme (IFSO), the dispute resolution scheme we belong to, which provides a free and independent service that may help investigate or resolve your complaint, if we haven't been able to resolve your complaint to your satisfaction.

Please note that Mercer does not take any responsibility as to whether or not you complete our Fund Selector before selecting a fund, and takes no responsibility for checking that the fund you select matches the outcome of your Fund Selector or that you have completed it correctly.

Fund Selector

1. Are you planning to use your investment to buy your first home in less than four years' time?



POINTS

2. When do you plan to withdraw most of your savings?

- 0 0-2 years
- 3 2-5 years
- 6 5-10 years
- 9 10-15 years
- 10 More than 15 years

3. Which sentence best reflects your investment attitude?

- 0 I do not want to see my fund lose value at any time
- 4 I'm willing to accept a minor loss for a short period of time
- 10 I'm comfortable with the value of my investments going up and down as I am seeking a better return
- 15 I want to maximise my return. I understand that I need to take on more risk, which may mean greater fluctuations

4. How concerned would you be if your investment value fell by 20% over a 6 month period?

As an example, a 20% fall on an investment of \$20,000 would result in a value of \$16,000, a drop of \$4,000.

- 0 Very concerned - I would not be comfortable with any loss
- 3 Concerned - may look to move funds immediately
- 8 A little concerned - may look to move some funds
- 12 Not concerned - will monitor the situation for a few months
- 15 Consider investing more - may look to invest more as it is a long term investment

TOTAL POINTS



Add up your points here and match your score to an investment option over the page.

Disclaimer: This investment advice is based on the answers you have selected. It is your responsibility to implement the recommendation made. We recommend that you revisit this fund selector regularly or when your circumstances change. Please contact a financial advice provider if you need any further advice.

This document was prepared by Mercer (N.Z.) Limited (Mercer). The asset allocations in this document are strategic target percentages of each asset class within the option. Mercer may adjust the actual allocation according to its views on investment valuations, provided they remain within the range.

To the extent permitted by law Mercer (N.Z.) Limited and its related companies will not be liable to you if your reliance on information obtained as a result of using the tool causes loss, damage or injury to you or any other person or entity.

Your Investment Option(s)

Mercer understands that every member has individual needs. When it comes to selecting an appropriate investment option or combination of options for your investments, many factors require consideration. The Fund Selector tool helps you identify what type of investor you are and how you feel about risk. We recommend you seek advice from an appropriately qualified financial adviser. You can call Become Wealth team on 0508 BECOME (0508 232 663) who can help you decide.

Fund Selector Score

0-5	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.	Defensive 100%
6-13	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.	Defensive / Growth 80% 20%
14-21	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.	Defensive / Growth 60% 40%
22-29	Balanced 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.	Defensive / Growth 40% 60%
30-34	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.	Defensive / Growth 20% 80%
35-38	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.	Defensive / Growth 5% 95%
39-40	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.	Growth 100%

Key

■ Defensive

■ Growth