



TE OPE KĀTUA O AOTEAROA  
**DEFENCE FORCE**



New Zealand Defence Force FlexiSaver Scheme

# 2024

## Report



HEI MANA MŌ AOTEAROA  
A FORCE FOR NEW ZEALAND

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# Scheme snapshot

As at 31 March 2024

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**2,354**  
members

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**\$16,225**  
average member balance

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**\$38 million**  
invested

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**192**  
Prezzy Card winners across  
our savings schemes

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# Message from the Chief People Officer

On behalf of the New Zealand Defence Force Savings Schemes and the entire team, I would like to extend a warm welcome to the 9th Annual Report for the New Zealand Defence Force FlexiSaver Scheme.

It is an honour to have the opportunity to present this report on behalf of the new Chief of Defence Force and share the highlights of the past year with you.

## Market Update

The year showcased a positive shift in the investment landscape. Unlike the previous year, where negative returns were experienced across various investment options, this year witnessed robust gains in markets. The rapid fall in inflation, without the anticipated global recession, played a significant role in driving these gains. The resilience of the US economy, coupled with stronger-than-expected economic growth, resulted in healthy returns for both shares and bonds. Notably, the Magnificent Seven - Apple, Alphabet, Microsoft, Amazon, Meta Platforms, Tesla, and Nvidia - played a pivotal role in driving the strength of share markets.

Acknowledging volatility that financial markets have experienced in recent years, as governments and central banks navigate the post-COVID recovery and geopolitical events, it is pleasing to report strong returns to our members this year, following the disappointing results of the previous year. This serves as a reminder that saving for retirement is a long-term endeavour, and it is important for members to look beyond short-term variability that is natural in the investment cycles.

## Financial Advice and Tools to support our members

In this report, I'd like to emphasise the importance of quality financial advice and the role it plays in helping our members become wealthier. Making informed financial decisions is crucial, and I know the NZDF Savings Schemes strive to provide the necessary tools and information to support our members throughout their journey towards retirement. Additionally, NZDF continues to be committed to assisting our members in their pursuit of homeownership, as we believe in supporting them not only in retirement but also in achieving their first homes dreams. This Scheme is a great example of how NZDF is helping its members achieve their home ownership goals.

## Acknowledgements

Lastly, I would like to express my appreciation to all those involved in managing the NZDF Savings Schemes and our partners for their support. Their collaboration and dedication have been instrumental in the success of the New Zealand Defence Force FlexiSaver Scheme and in our endeavours to contribute to the financial wellbeing of the Defence Community members.

I hope that this report provides valuable insights and serves as a testament to the commitment we have towards our members' financial wellbeing.

If you have any questions or require further information, please do not hesitate to reach out to the team at NZDF Savings Schemes and the Benefits team at NZDF.



**Jacinda Funnell**  
Chief People Officer

## NZDF looking after your financial wellbeing

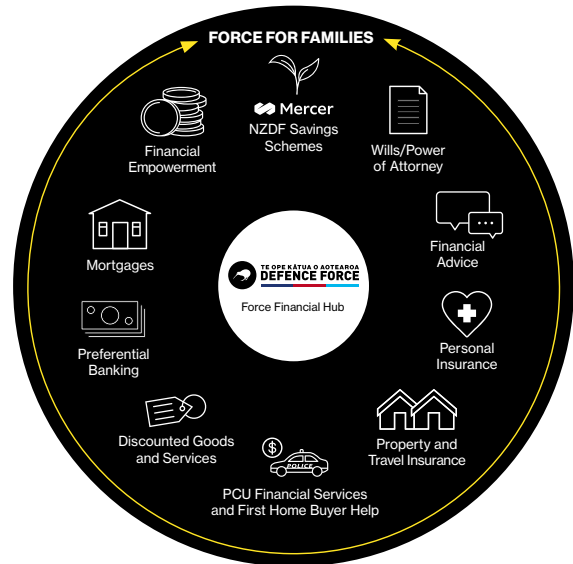
This annual report covers the New Zealand Defence Force FlexiSaver Scheme, one of three savings schemes available to members of the NZDF. As a member of the Defence Community, you can join the New Zealand Defence Force KiwiSaver Scheme and/or the New Zealand Defence Force FlexiSaver Scheme. The Defence Force Superannuation Scheme is closed to new entrants.

All three savings schemes are managed by Mercer, who administers these schemes, manages your investments and looks after the schemes' online portal [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz) where you can check your personal information.

All NZDF Savings Schemes are part of the Force Financial Hub which has been set up so you can easily access all of the Defence Force's financial benefits in one place. As a member of the NZDF, you are able to access products, benefits, services and tools through the Force Financial Hub.

### Further information

There are lots of useful sources of further information to help you plan for your future and save for retirement. Here is a list of some places you may want to check out:



**The NZDF is committed to supporting your family to become financially secure.**



### Force Financial Hub

It is a great source of information to help you and your family get sorted financially. Visit [force4families.mil.nz/force-financial-hub](http://force4families.mil.nz/force-financial-hub) or Google "Force Financial Hub".



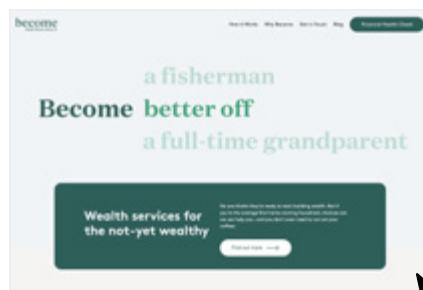
### The Retirement Income Simulator

It is provided to plan for your retirement and keep your plan on track. Sign in to your personal account at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz) to check out this tool.



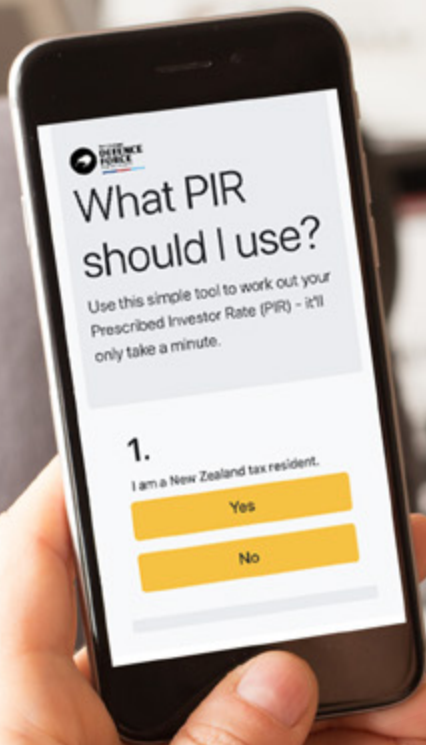
### The scheme's online portal

It contains a lot of information to help you make the most of your scheme membership. This information includes useful articles and reports along with all the scheme documents and forms you may need from time to time. You can also use the portal to sign in to your personal account and view information about your savings. To access the portal, go to [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz).



### Financial Advice from Become Wealth

You can get general advice about the New Zealand Defence Force FlexiSaver Scheme and other NZDF investments. If you wish, personalised advice and recommendations tailored to your individual situation are also available. To access the Become Wealth website, go to [become.nz](http://become.nz).



**Technology  
to help you  
get sorted.**

# 01

## Details of scheme

**Name of the scheme:**

The New Zealand Defence Force FlexiSaver Scheme is not a separate managed investment scheme, but a section within Mercer FlexiSaver (the scheme).

**Type of scheme:** Managed Investment Scheme

**Manager:** Mercer (N.Z.) Limited

**Supervisor:** Trustees Executors Limited

**Product Disclosure Statement:**

The current Product Disclosure Statement for the New Zealand Defence Force FlexiSaver Scheme is dated 27 March 2024 and is open for applications.

**Fund updates:**

Fund updates for each of the available investment funds for the quarter ending 30 June 2024 were made publicly available on 26 July 2024.

**Financial statements and auditors' report:**

The latest full financial statements for Mercer FlexiSaver that comply with, and have been registered under, the Financial Markets Conduct Act 2013 cover the financial year 1 April 2023 to 31 March 2024 and were authorised for issue by the manager, Mercer (N.Z.) Limited, on 16 July 2024.

The auditor's report on those financial statements was dated 16 July 2024. The auditors' report did not refer to any fundamental uncertainty, nor was it qualified or modified in any respect.

# 02

## Information on contributions and scheme participants

All of the membership and other information in this section is shown for the New Zealand Defence Force FlexiSaver Scheme for the period ended 31 March 2024.

| Membership details      | Total number of members | Members' accumulation |
|-------------------------|-------------------------|-----------------------|
| At 1 April 2023         | 2,337                   | \$38,063,612          |
| Plus                    |                         |                       |
| New members             | 193                     |                       |
| Less                    |                         |                       |
| Exits                   | 176                     |                       |
| <b>At 31 March 2024</b> | <b>2,354</b>            | <b>\$38,192,374</b>   |

### Contributions

Contributions are what helps you grow your savings and it's easy to contribute to your New Zealand Defence Force FlexiSaver Scheme account.

- You can make regular or lump sum contributions at any time.
- If you are a member of the New Zealand Defence Force, you can contribute from your pay. There is a minimum contribution of \$20 per pay, and you will need to complete the MD221 form available from the HR Toolkit.
- Anyone can make regular or lump sum contributions directly into their FlexiSaver Scheme account from their online banking.
- There are no minimum contributions when you use online banking.
- More information on how to make contributions can be found at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz) or the Force Financial Hub at [www.force4families.mil.nz/force-financial-hub](http://www.force4families.mil.nz/force-financial-hub).
- It is important to keep track of your account balance and have a contributions strategy. Become Wealth advisers can help you to set your goals and stay on track.

### Contributions

| Type                 | Number of members | Total amount |
|----------------------|-------------------|--------------|
| Member contributions | 1,151             | \$6,283,690  |



# 03

## Changes relating to the scheme

### Trust Deed

There were no amendments to the Trust Deed during the year.

### Terms of Offer of Interests in the Scheme

There have been no changes to the terms of offer of interests in the Scheme during the year.

### Statement of Investment Policy and Objectives of the Scheme

During the year, the Statement of Investment Policy and Objectives (SIPO) was updated on 27 March 2024 to take into account changes in the strategic allocation targets in the diversified portfolios.

The SIPO was also updated on 27 May 2024 to take into account changes to the strategic asset allocation ranges in the diversified portfolios and include details of our sustainable investment strategy.

### Related Party Transactions

In previous years, the Mercer Super Trust subscribed for units in Mercer FlexiSaver. These subscriptions were settled through an in specie transfer of investments for equivalent amounts.

There were no transactions during the year. Details of the 2024 balances of the investment in Mercer FlexiSaver are disclosed below:

|              | Opening Balance    | Net Change in Fair Value | Closing Balance    |
|--------------|--------------------|--------------------------|--------------------|
| Fund         | 1 April 2023       |                          | 31 March 2024      |
| Cash         | \$2,413,518        | \$133,733                | \$2,547,251        |
| Conservative | \$85,406           | \$4,935                  | \$90,341           |
| Moderate     | \$82,616           | \$6,481                  | \$89,097           |
| Growth       | \$5,516,681        | \$705,468                | \$6,222,149        |
| High Growth  | \$86,781           | \$12,620                 | \$99,401           |
| <b>Total</b> | <b>\$8,185,002</b> | <b>\$863,237</b>         | <b>\$9,048,239</b> |

All related party transactions were conducted on normal commercial terms and conditions during the accounting period and were on arm's-length terms.

# 04

## Other information for particular types of managed funds

### Explaining returns

The investment returns for each investment option provided by the Scheme are shown after all investment fees and taxes have been deducted.

There are three sets of investment returns shown for each option for the year covered in this report. This is because different tax rates apply and the one applicable to your returns depends on the tax rate being applied to you.

Please go online to [purl.co.nz/pir\\_nzdf](http://purl.co.nz/pir_nzdf) and check that you have the correct tax rate selected for your savings.

### How your investment earnings are worked out

Contributions made to the New Zealand Defence Force FlexiSaver Scheme are used to purchase what are known as 'units' in your chosen investment option. The number of units that your money purchases depends on the unit price at the time of purchase. For example, if \$1,000 is contributed and the unit price is \$1.00 at that time, then 1,000 units would be purchased on your behalf.

Unit prices are calculated on each business day and fluctuate according to the factors including investment performance, fund fees and tax. The value of your investment at any time is simply the number of units you own multiplied by their price at that time.

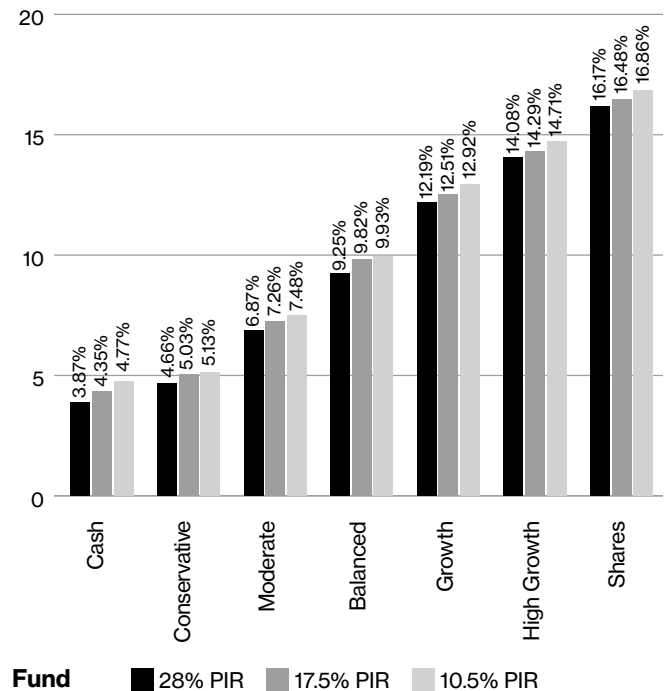
Your latest member annual statement shows how many units you have, their price and your savings balance. You can also view unit prices by signing in to your account [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz) at any time.

### Unit prices

| Type         | 1 April 2023* |           |           | 31 March 2024 |           |           |
|--------------|---------------|-----------|-----------|---------------|-----------|-----------|
|              | 28% PIR       | 17.5% PIR | 10.5% PIR | 28% PIR       | 17.5% PIR | 10.5% PIR |
| Cash         | 1.075         | 1.0888    | 1.0906    | 1.1172        | 1.1369    | 1.1434    |
| Conservative | 1.171         | 1.1977    | 1.2035    | 1.2246        | 1.2569    | 1.2643    |
| Moderate     | 1.2469        | 1.2597    | 1.2748    | 1.3306        | 1.3492    | 1.3682    |
| Balanced     | 1.3507        | 1.3772    | 1.4014    | 1.4726        | 1.5092    | 1.5372    |
| Growth       | 1.4609        | 1.5143    | 1.5243    | 1.6345        | 1.6989    | 1.7163    |
| High Growth  | 1.5699        | 1.5976    | 1.6225    | 1.7846        | 1.8194    | 1.8546    |
| Shares       | 1.6311        | 1.6712    | 1.7055    | 1.8879        | 1.9394    | 1.9858    |

\* Opening price as at 1 April 2023 is the closing price on 31 March 2023.

### One year returns as at 31 March 2024 (after tax and fees)



You can find up to date performance information by visiting [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz).

Note: Returns in the graph above are based on the unit prices at 28 March 2024. For the unit prices applied to your account, log in to [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz). The investment returns are shown after deducting fund fees (but excluding any applicable other charges) and after tax at the Prescribed Investor Rate (PIR) noted. Your individual return can differ from these returns depending on the unit price applicable to each contribution or withdrawal you have made and how long they have been invested, as well as what proportion of each fund you may have selected to invest in. Note fund fees can differ for certain investors which also will vary the return stated. Returns represent past performance only and are not an indication or guarantee of future performance.



## Withdrawals

You may withdraw contributions made to the New Zealand Defence Force FlexiSaver Scheme at any time either by making regular withdrawals, lump sum withdrawals or a withdrawal of the full amount.

If you withdraw the full amount your account may be closed.

### Withdrawals made during the year ended 31 March 2024

| Type               | Number of members | Total amount |
|--------------------|-------------------|--------------|
| Partial withdrawal | 412               | \$6,475,850  |
| Full withdrawal    | 176               | \$3,655,493  |

Are you in the right scheme fund choice?

Will your nest egg last as long as you do?

Can your mortgage be repaid years faster?

Are you on track to achieve major life goals?

A financial adviser from Become Wealth can help you answer the questions above, and more. Free-call 0508 232 663 or email [hello@become.nz](mailto:hello@become.nz).

**become**<sup>NZ</sup>  
REDEFINING WEALTH



# Manager's annual statement

**As the manager of the New Zealand Defence Force FlexiSaver Scheme, we confirm that for the period ended 31 March 2024:**

- all the benefits required to be paid from the scheme in accordance with the governing document have been paid;
- the market value of the assets of the scheme at 31 March 2024, equalled or exceeded the total value of the benefits that would have been payable had all members of the scheme ceased to be members at that date and, where necessary, had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at the close of the financial year.

# 05

## Changes to persons involved in the scheme

There were no changes to the manager, the supervisor, administration manager, investment manager, securities registrar, custodian or auditor of the scheme.

There were changes to the directors of the manager during the year:

- Ross Butler was appointed as a Director on 14 April 2023.
- David Bryant resigned as a Director on 16 November 2023.
- Emily O'Brien resigned as a Director on 16 November 2023.
- Catherine Hales was appointed as a Director on 16 November 2023.

There was a change to the directors of the supervisor during the year:

- Richard Klipin resigned as a Director 31 March 2024

# 06

## How to find further information

Information relating to the New Zealand Defence Force FlexiSaver Scheme, the offer register and the scheme register can be found at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

The scheme register includes financial statements, the governing document and SIPO.

The offer register includes information relating to the scheme's membership and funds. It also includes fund updates and other material information.

Information relating to the scheme, such as fund updates, the annual report, the current Product Disclosure Statement and other useful information is available at [www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz) or through the Force Financial Hub.

You can also call the manager on 0800 333 787 to request this information. All the information can be obtained from the manager without charge.



# 07

## Contact details and complaints

### Contact details for the manager:

Mercer (N.Z.) Limited  
PO Box 105591, Auckland 1143  
Telephone: 0800 333 787

### Supervisor's contact details:

Trustees Executors Limited  
PO Box 4197, Auckland 1140

Attn: The Manager - Corporate Trustee Services  
Telephone: 09 308 7100

### Complaints and Privacy Officer's contact details:

Mercer (N.Z.) Limited  
Attn: Privacy Officer  
PO Box 105591, Auckland 1143  
Telephone: 0800 333 787

In the first instance, please direct any complaints about your investment to Mercer at:

Mercer (N.Z.) Limited  
PO Box 105591, Auckland 1143  
Attn: Complaints and Privacy Officer  
Telephone: 0800 333 787  
Email: feedbacknz@mercerc.com

Mercer may consult with the supervisor when considering your complaint.

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

Trustees Executors Limited  
PO Box 4197, Auckland 1140  
Attn: The Manager - Corporate Trustee Services  
Telephone: 09 308 7100

Mercer is a participant of the Insurance & 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 we are not able to resolve your complaint in our internal complaints process, you can refer your complaint to the IFSO Scheme.

You can contact the IFSO Scheme by:

Email: [info@ifso.nz](mailto:info@ifso.nz)  
Website: [www.ifso.nz](http://www.ifso.nz) or use [www.ifso.nz/make-a-complaint](http://www.ifso.nz/make-a-complaint) to make an online complaint.

Telephone: 0800 888 202  
Address: PO Box 10-845, Wellington 6143

The IFSO will not charge a fee to any complainant to investigate or resolve a complaint.

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

Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)  
Telephone: 0800 347 257  
Address: PO Box 5967, Wellington 6140






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).

Different procedures apply for IFSO and FSCL. Full details can be obtained at their respective websites.

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### Connect

To make sure you have all the facts, you can also:

-  Call us on 0800 333 787
-  Visit the Force Financial Hub website
-  Read the Product Disclosure Statement for the New Zealand Defence Force KiwiSaver Scheme
-  Speak to New Zealand Defence Force Benefits team
-  Speak to a financial adviser on 0508 BECOME (0508 232 663)

